6

Community-managed tourism small enterprises in Namibia

by **ANDEE DAVIDSON** with **REUBEN MUFATI** and **USIEL NDJAVERA**

Introduction

This article explores the development of community-managed tourism small enterprises with two pilot conservancies in the Caprivi Region of Namibia, each of which had been given rights by government to develop campsites in the adjacent National Park.[1] This work took place over a period of two years (2003–2005) and was facilitated by a local NGO, Integrated Rural Development and Nature Conservation (IRDNC), with technical guidance, inputs and direction from a Tourism and Business Advisor from the WWF LIFE (Living in a Finite Environment) Plus Project, Namibia.

IRDNC has worked for more than 15 years in support of community-based natural resource management (CBNRM) and enterprise development, and has a long relationship with both communities and Traditional Authorities. The WWF LIFE Plus Project has provided support and technical advice to local partners in Namibia since 1993.

"… to ensure that the proposed campsites fitted into the overall tourism vision for the respective communities, a highly participatory tourism planning process was undertaken"
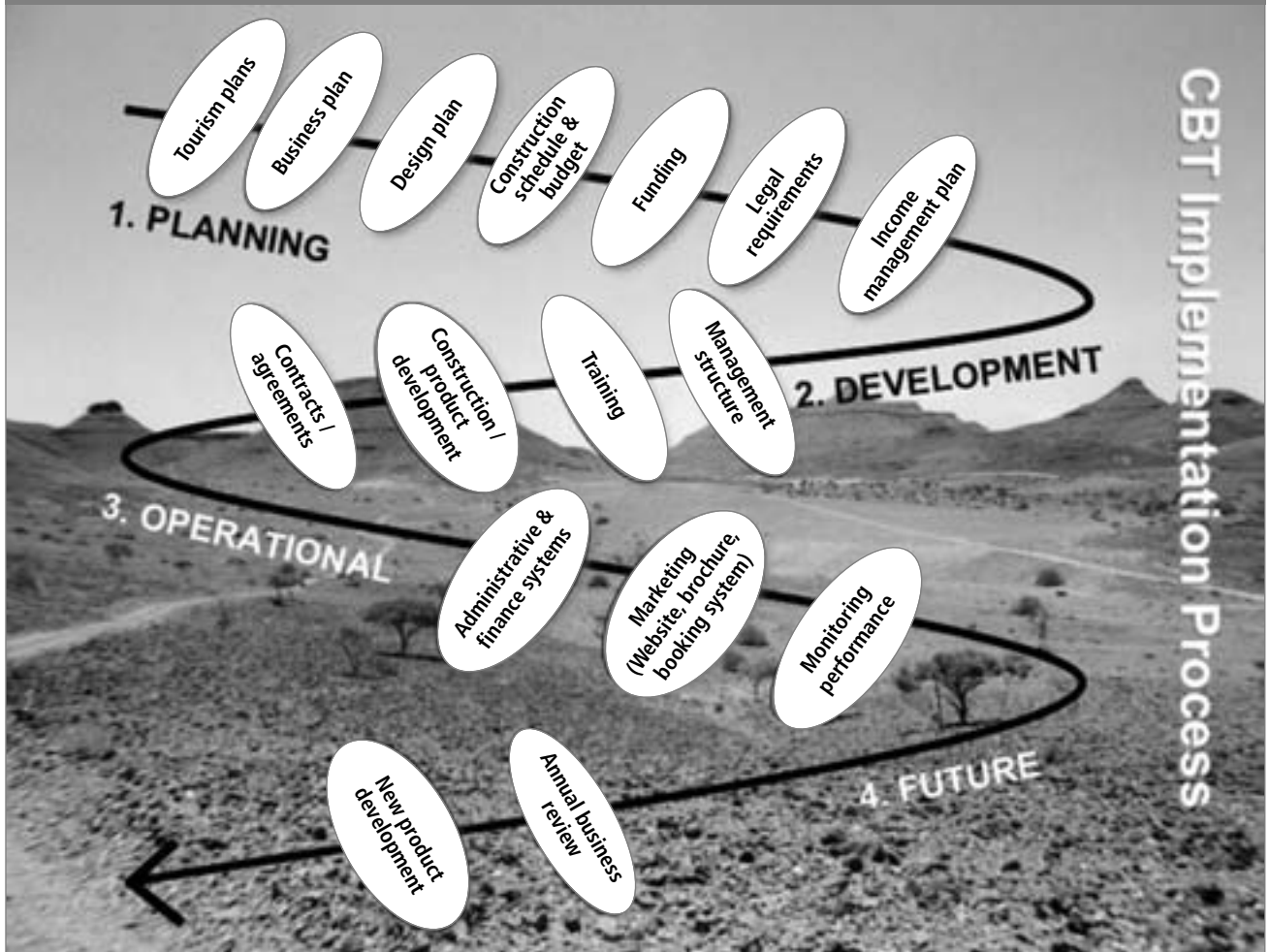
Donor funds from both WWF LIFE and IRDNC were used in the facilitation and to cover enterprise development costs.

Enterprise development in action

Working interactively and iteratively with the conservancies, we used a step-by-step approach to small enterprise development (Figure 1). We divided the process into four key phases – planning, development, operations and the future (growing the business) – which are discussed in more detail below.

Although ownership of the campsite rests with the conservancies (and hence the community members) we worked primarily with core groups of five to ten people, made up of elected Conservancy Enterprise Committees (CECs) and appointed campsite managers and staff. The

[1] Conservancies consist of areas of communal land on which neighbouring landowners or members have pooled resources for the purpose of conserving and using wildlife sustainably. Members practise normal farming activities and operations in combination with wildlife use on a sustainable basis. The main objective is to promote greater sustainable use through co-operation and improved management. Conservancies are operated and managed by members through a Conservancy Committee.

Figure 1: Community-based tourism implementation process

CECs are comprised of three or four representatives from the broader Conservancy Management Committee, all of whom have been elected from the various villages in the conservancy area. The CECs were given the specific mandate to monitor the performance of the campsites and to provide feedback to the Conservancy Committees, who in turn, through the village representative structures, would inform community members of progress.

Planning

Tourism planning and awareness
To ensure that the proposed campsites fitted into the overall tourism vision for the respective communities, a highly partic-

ipatory tourism planning process was undertaken (Figure 2). Planning was grounded in the conservancy but involved all stakeholders (e.g. tour operators, government officials). The process took several months, and was effective in engaging the community, raising their understanding of tourism as an economic sector and creating local buy-in and ownership of tourism development opportunities.

Business planning
Once the campsites had been identified through the tourism planning process, business viability was determined by developing a business plan collaboratively with each core group over a period of four to six weeks. At an introductory workshop, the format of a business plan was explained, and ideas

Figure 2: Tourism consultation and planning process

Tourism Consultation and Planning Process

Inception:
•Regional government support obtained
•Support from Traditional Authorities
•Conservancies agree to participate &
nominate representatives

Data Collection:
•Initial tourism awareness workshops with Conservancy
•Develop overall vision for tourism
•Conservancy to identify all tourism opportunities.
•Tourism expertise used to 'filter' most viable
opportunities.
•Final selection of tourism options identified

Options:
•Tourism options (key sites) outlined to Regional
Government and approved by Traditional
Authorities.
•Conservancy select options and finalise their
vision

Development Plan:
Plan finalised and Regional & National support
obtained.
Conservancy & broader community clearly
understand the plan and take full ownership of it.

sought from the group. The technical facilitator then finalised the more technical components (tourism demand, projected income and expenditure, competition, marketing etc.) before discussing this draft analysis with the core group for modification and finalisation. This highly collaborative process resulted in a business plan which has been used throughout the development and operational process as a tool to guide the growth of the business.

Design plan
In order to meet the high expectations of international tourists, the campsites were carefully designed prior to construction, using the knowledge of tourism experts in collaboration with the core groups.

Enterprise implementation plan (EIP)
We agreed with each core group on the development of a simple matrix identifying the different steps in the process of enterprise development, timelines, and roles and responsibilities. Crucially, the EIPs were developed with the core groups ('with participation comes commitment') and have become their plans with which to drive the development and operation of the enterprise forwards. Initially, the EIP was seen as a tool for the NGOs to ensure comprehensive planning and to facilitate monitoring of progress. However, enterprise staff are increasingly using it to plan and implement activities, while the CECs are using it to monitor staff performance. Use of the EIP required a great deal of facilitation over the first year, but from the second year staff in

Figure 3: Example of an Enterprise implementation plan (EIP)

particular used it at each meeting to assess their progress and make changes where necessary (Figure 3).

Development

Management structures
Although the local community may want to manage the tourism enterprise itself, it is important not to compromise on the minimum standards needed in order to compete in the market. In Namibia most community-owned tourism enterprises are managed and operated by community members, but the quality of management varies enormously, and is often sub-standard. In Caprivi we were able to work with the core groups to think more critically about the most effective management approach. This involved:
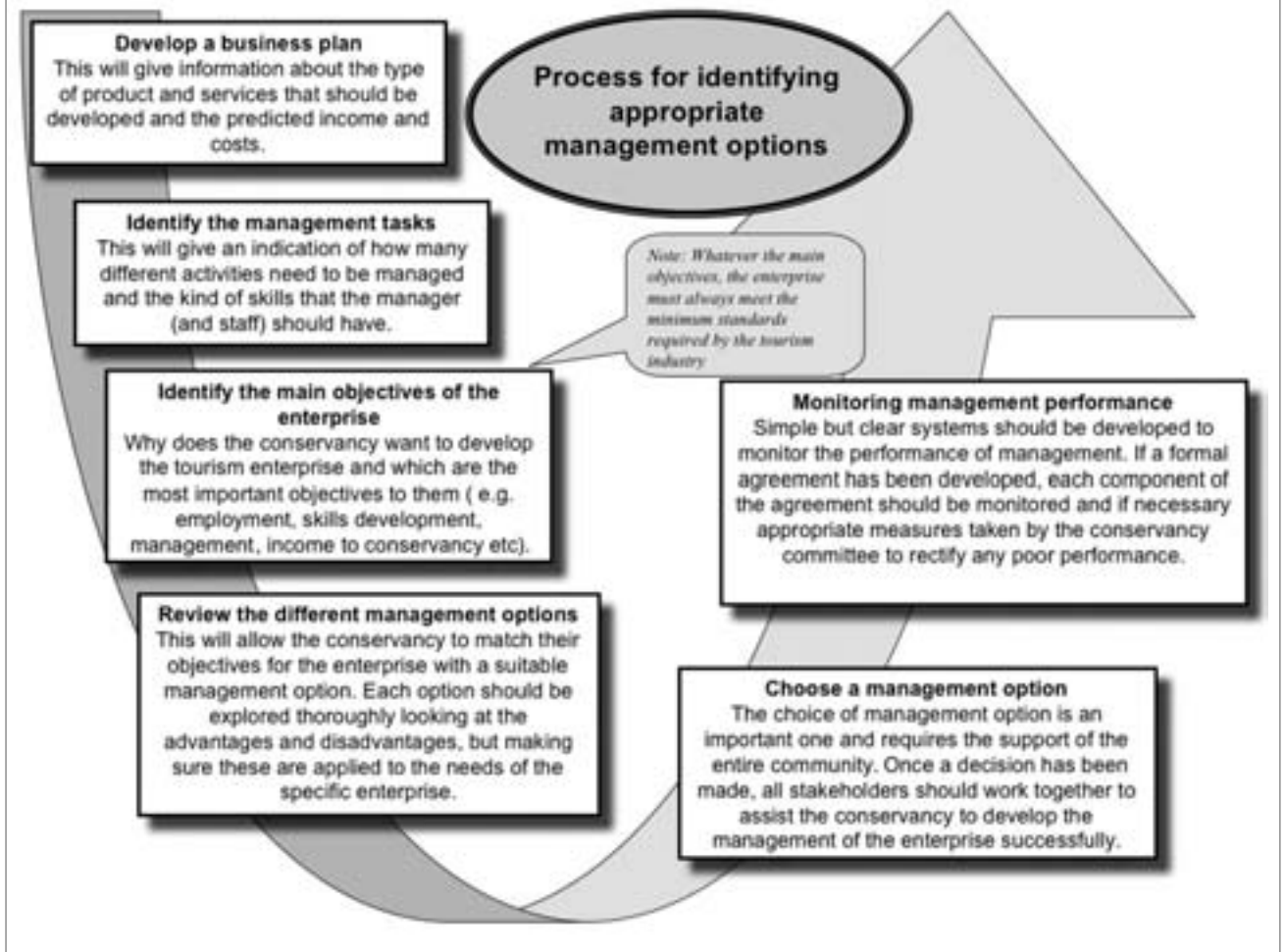• Exploring all the management options available, including outsourcing management and/or services to entrepreneurs and/or existing tourism operators, in a one-day workshop for the core groups (Figure 4). Both conservancies felt that they would be able to recruit suitable staff and, with the support of IRDNC and WWF, develop the appropriate competencies to manage the campsites. However, these

decisions meant a very high level of support was needed from both NGOs.
• Discussion and agreement of the need to separate ownership (which resides with the conservancy or community body) from the management of the business. A number of tools were developed to deal with this issue, including a decision-making matrix to clarify who has the authority to make decisions about the enterprise (the manager or the larger conservancy), staff job descriptions and individual contracts with staff (Figure 5). The staff contracts clarified the roles, responsibilities and rights of the manager and staff.
• Exploring the possibilities of linkages into the tourism private sector right at the beginning of the planning process rather than leaving it as an after-thought.
• In addition, we have subsequently recognised the need to clarify the terms on which NGO support is provided and for how long at the beginning of the planning process (this should be clearly indicated in the EIP).

This process has encouraged conservancies to adopt a more business-oriented approach. Staff have been recruited on the basis of their competency in identified management tasks. Contracts have been developed between staff and the

Figure 4: Reviewing management options

Develop a business plan
This will give information about the type of product and services that should be developed and the predicted income and costs.

Process for identifying appropriate management options

Identify the management tasks
This will give an indication of how many different activities need to be managed and the kind of skills that the manager (and staff) should have.

Note: Whatever the main objectives, the enterprise must always meet the minimum standards required by the tourism industry

Identify the main objectives of the enterprise
Why does the conservancy want to develop the tourism enterprise and which are the most important objectives to them (e.g. employment, skills development, management, income to conservancy etc).

Monitoring management performance
Simple but clear systems should be developed to monitor the performance of management. If a formal agreement has been developed, each component of the agreement should be monitored and if necessary appropriate measures taken by the conservancy committee to rectify any poor performance.

Review the different management options
This will allow the conservancy to match their objectives for the enterprise with a suitable management option. Each option should be explored thoroughly looking at the advantages and disadvantages, but making sure these are applied to the needs of the specific enterprise.

Choose a management option
The choice of management option is an important one and requires the support of the entire community. Once a decision has been made, all stakeholders should work together to assist the conservancy to develop the management of the enterprise successfully.

conservancies. Moreover, with good performance monitoring systems in place, the conservancies have given more autonomy to the campsite managers to operate the businesses on their behalf (Figure 6).

Enterprise operations
We worked with the core groups to design simple management tracking systems that are aligned with the key performance parameters of tourism businesses and the capacity of the staff to apply them (Figure 7).

We started by discussing with the core groups a number of questions:
• why is data and information important to your business?
• what data in particular needs to be captured?
• how should it be captured?

• once captured, how should it be analysed to improve decision making?

Working collaboratively using mind maps, we summarised what the group needed to monitor, which data to collect and when to do so. The outcome of this process was the development and piloting of the campsite performance monitoring system.

This system ensures that key data is collected and summarised systematically, but is also designed to present data in a easy-to-understand visual format. Building on the now accepted practice in Namibia's CBNRM programme of presenting information in the form of graphs (e.g. Event book system – see Chapter 9, this issue), enterprise-monitoring graphs were developed to track the number of visitors, income and expenditure, and profit and loss (Figure 8). In

Figure 5: Example of a decision-making matrix		
Activity	**Decision**	**Who has authority ?**
Day-to-day operation of campsite	• Purchase of supplies, spare parts etc. up to a maximum of N$1000. • Payment of staff wages	• Campsite manager • Campsite manager
Product development	• Any changes – new ideas, activities, different prices etc.	• Campsite manager recommends and KEC* approves
Discounting campsite fees	• To give discount and how much?	• Campsite manager using written guidelines
Management & organisation of staff	• Who does what and when?	• Campsite manager
Identify poor staff or campsite manager performance	• Warning letter (1 or 2) & possible termination of employment agreement	• For staff, the campsite manager makes recommendation and KEC approves and implements • For the campsite manager, the KEC implements
Staff recruitment & dismissal	• Recruit or dismiss staff	• Campsite manager recommends and KEC approves and implements
Payment of staff incentive	• Calculation of incentive amount • Measure if staff performance deserves incentive payment • Payment of staff incentive	• Campsite manager but KEC needs to check and approve • KEC • Campsite manager but only after it is approved by KEC
Normal leave – staff	• When and how much leave can be taken at a time (max. 4 weeks)	• Campsite manager
Normal leave – campsite manager	• When and how much leave can be taken at a time (max. 4 weeks)	• KEC
Extra leave/sick leave – staff & campsite manager	• When and how much extra leave and if paid or not	• KEC * KEC = Kwando Enterprise Committee

Figure 6: Management – the future

addition, we have developed a system of performance check-lists that are used by the CECs to monitor the performance of enterprise staff in carrying out their duties (Figure 9). These checklists are used to look at the performance of staff with regards to maintenance, cleanliness, and administrative and finance systems. Once completed, they are also converted into graphs for ease of understanding and presentation back to the conservancy (Figure 10). A visitor comments book complements the checklists. Figure 11 shows the process for setting performance targets.

At both the Caprivi campsites, performance checklists are linked to incentive payments. Adequate performance against the checklists results in a further percentage of enterprise income being shared amongst the staff. Where this has been in operation, good performance has been rewarded in line with increased enterprise income.
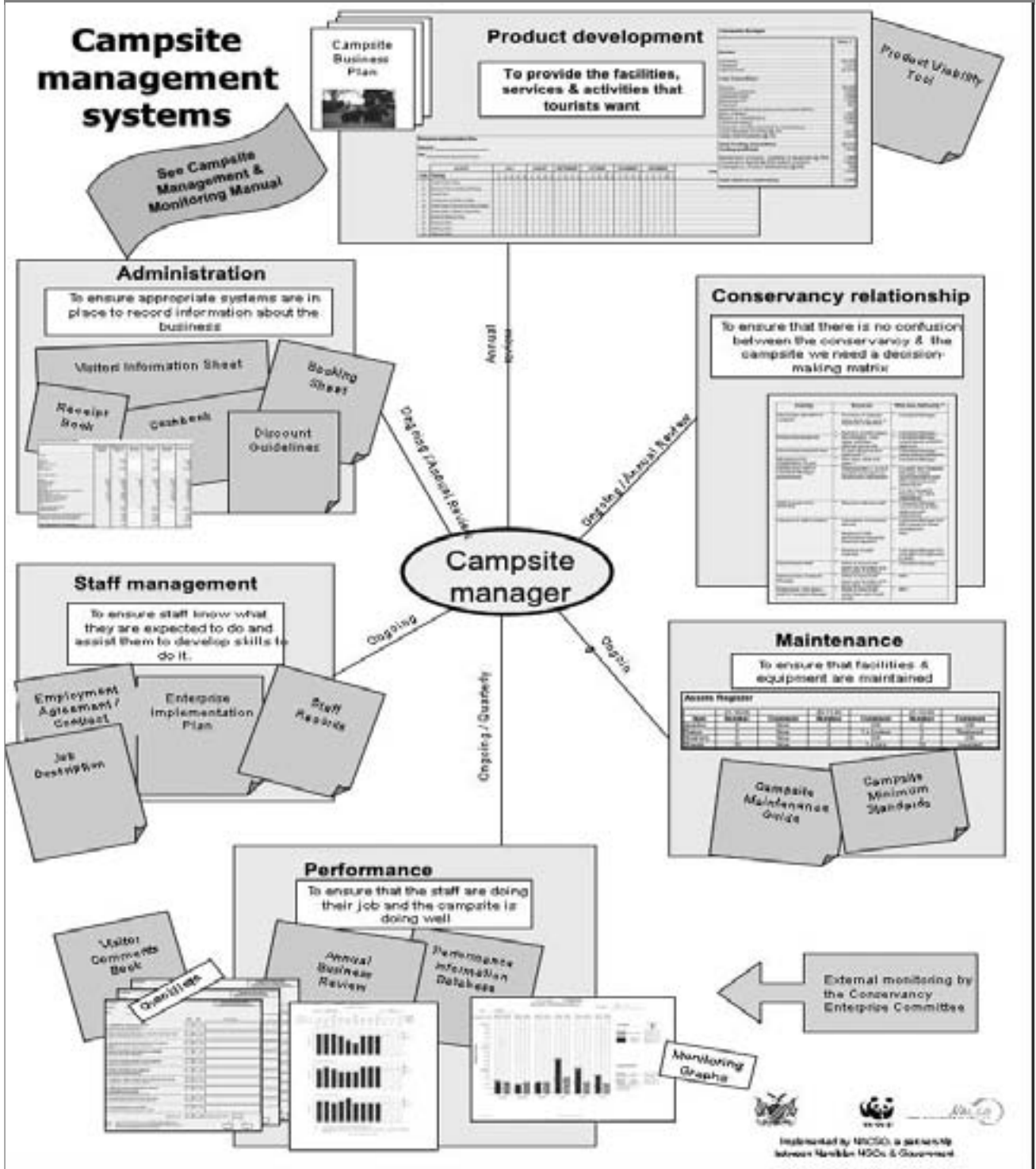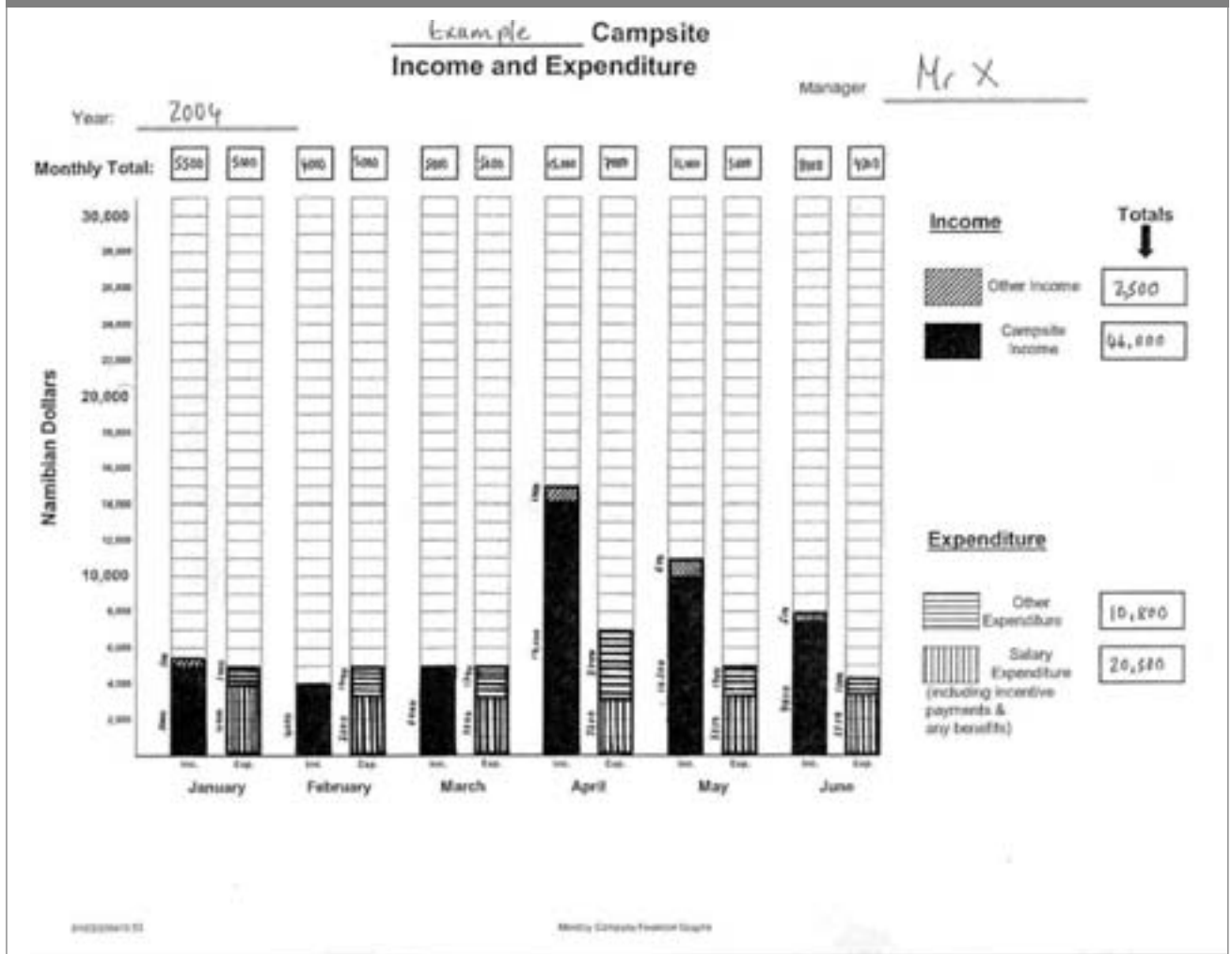
Figure 7: Campsite management systems

Figure 8: Example of a campsite income and expenditure graph

The future: growing the business

In Namibia, there has been a strong tendency amongst community-owned tourism to neglect re-investment in product upgrading or even maintenance. Most enterprises have become a source of ready cash that has been 'milked', and communities then returned to donors for a further injection of funding.

Over the last two years at the two Caprivi campsites, we have introduced and facilitated an annual review to assist community enterprises in planning for the future. This has proven very valuable. The review looks backwards at the performance of the enterprise in the previous year, utilising all the data obtained through the monitoring graphs and administrative and finance systems. It then looks forward to

the coming year to identify key activities such as potential product development, maintenance and staff training. These decisions are then captured in a new EIP, together with a budget and financial projections for both income and expenditure. This EIP becomes the basis of performance reporting in the next year.

Results and impact

The use of a structured and business-oriented approach to the development of the Caprivi campsites has seen their steady growth over the past two years. Collectively they are generating more than US$43,000, employing eight people and returning a dividend of US$18,000 to the conservancies. More importantly we have seen a gradual but noticeable

Figure 9: Example of a performance checklist (finance and administration)

Figure 10: Performance monitoring graphs

improvement in staff capacity and, in particular, in their use of management systems to monitor progress. Although not yet fully sustainable, they are well placed to engage more confidently in the mainstream tourism sector in the near future. For example, in the pilot conservancies, contact has recently been made with a local lodge operator (to assist with guide training) and a local booking agent (to assist with advertising and bookings).

Key lessons and principles for sustainable small tourism enterprise development

Sustainability of NR-based tourism enterprises can be achieved but it will require a fundamental shift of approach and a change in the mindset of some CBNRM practitioners.
• NGO partners need to become more business-like. The original focus of CBNRM was wildlife conservation using collaborative approaches. However, these approaches are often not suited to the identification and development of business opportunities where very different institutional models and support staff are needed.

• Expectations should not be developed unless there is a genuine market demand for the product (e.g. campsite) in question. Contrary to earlier approaches, which were community or supply led, effective enterprise development needs to undertake proper market demand studies to ensure viability.

• The external environment in which small enterprise development takes place means that what works in one country may fail in another. The scale and sophistication of the market affects how well community initiatives can be integrated into it. In countries where the tourism market is weak or the policy environment unfriendly, it is less likely that operators will offer support and services to emerging community-owned tourism enterprises than where the tourism sector is strong and supportive.

• There is currently a strong move within business development circles to adopt a 'Making Markets Work for the Poor' (MMW4P) approach. In particular, this means that NGOs and other support agencies need to develop a better understanding of markets and how they can be strength-

Figure 11: Process for identifying performance targets
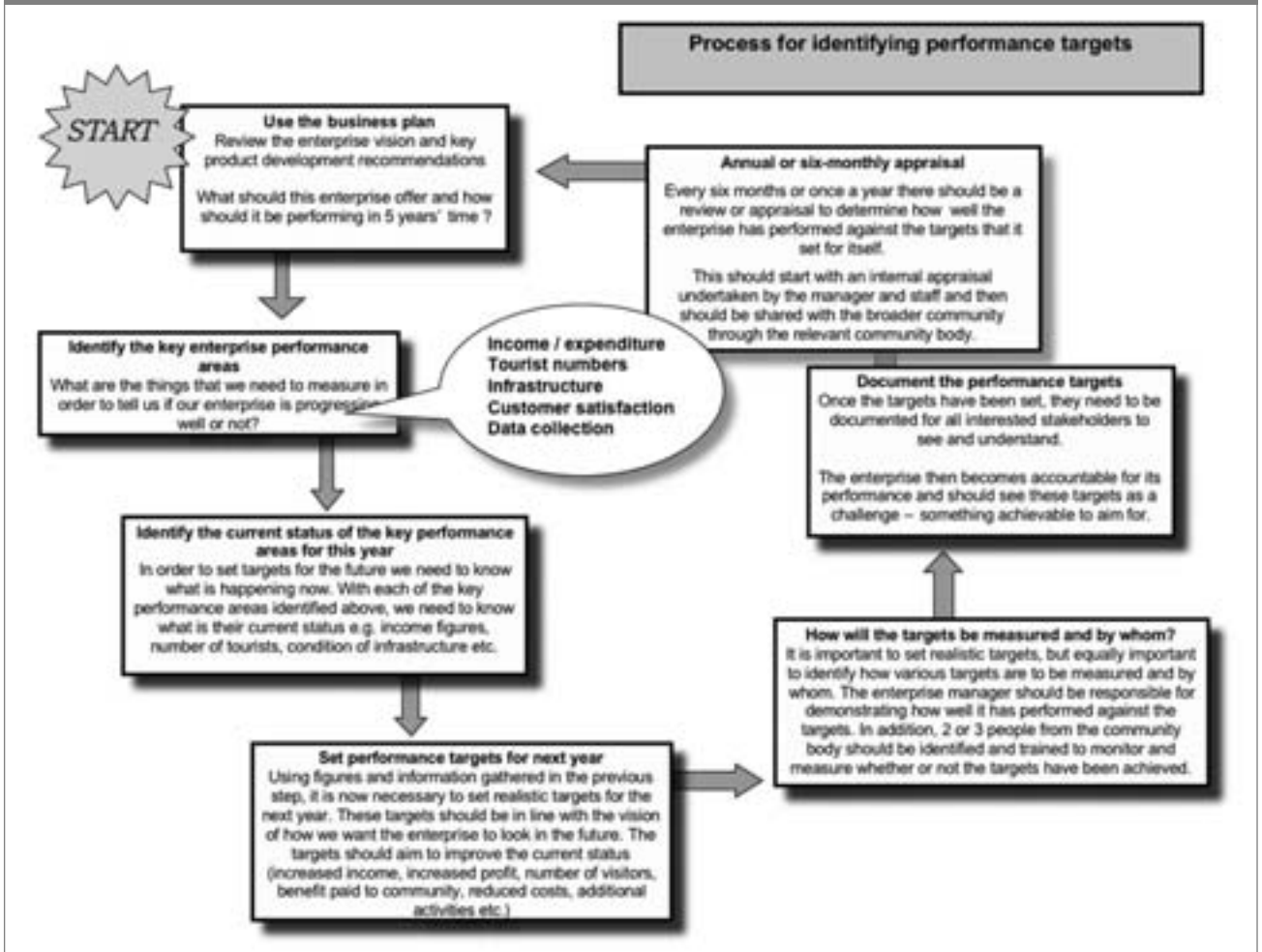
ened in the interests of rural enterprise development.
• Most small enterprises, especially in tourism, would not be developed if left entirely to market forces because high transaction costs and low profit margins discourage potential or existing market players. However, to avoid the common scenario of pumping in grant aid only to see businesses collapse at the end of the project cycle, support organisations must look at the level of their input and accompanying costs and compare with the likely impact or returns achievable by the enterprise. Subsidised support is often necessary to overcome initial development and transaction costs, but it is important to explicitly define the process for withdrawing subsidies and support.
• Ideally, projects should not be initiated by NGOs. NGOs need deliberately to phase out their support by creating

linkages into the market so that community businesses learn to buy business services from market providers rather than NGOs providing them at subsidised rates. Here, where the business services market is weak, there is a new opportunity to nurture its development, even spinning off NGO staff to operate as private service providers. This might use a similar process of subsidising development and transaction costs but ensuring that a process for weaning new businesses off these subsidies and support is in place and clearly stated up front.
• Linkages with the mainstream tourism sector should be encouraged from the beginning. In Namibia, campsites that were struggling to attract sufficient volumes of tourists or maintain minimum standards have been able to attract tour operators wanting to use their facilities on

a regular basis. The tour operator has assisted in upgrading the facilities, provides a regular rental fee (in addition to a per person payment), covers the costs of the manager and undertakes to make regular quality control checks and support management skills development. In addition, the operator has agreed to promote the campsites through their own marketing channels. In these circumstances, it is expected that, as the tour operator develops an effective working relationship with the campsite staff, the facilitating NGO can increasingly withdraw services and support.

The advantage of developing these relationships is that the community-owned enterprise gets more exposure to the reality of the tourism sector and becomes mainstreamed. In addition, they are able progressively to include the full costs of enterprise activities, without ongoing NGO subsidies. This forms the basis of financial sustainability. The enterprise-NGO relationship is then replaced with an enterprise-private-sector relationship based on mutual business interests. However, private sector partners can be overbearing and paternalistic, leaving little room for the community staff to learn by doing or for skills development. In such cases, there may still be a temporary role for local NGOs to monitor and facilitate these relationships.

- Support agencies need to be realistic about the enterprise management capacity in communities, and should carefully and methodically nurture this capacity, being demanding of performance rather than overly soft and forgiving. Support needs to be structured, and to be provided with a 'light touch' and over more years than most project cycles. NGOs should avoid solving the community's problems for them rather than letting them gain experience by working through their own solutions.
- Ownership and management of the enterprise should be separated and management systems should be developed collaboratively with the community core groups.

CONTACT DETAILS
Andee Davidson
Tourism & Business Advisor
WWF LIFE Plus Project
PO Box 9681
Namibia.
Tel: + 264 61 239945
Email: davidson@wwflife.org

Reuben Mufati
Enterprise unit Co-ordinator.
IRDNC
Caprivi.
Email: rmafati@iway.na

Usiel Ndjavera
Business Advisor
WWF LIFE Plus
PO Box 9681
Namibia.
Email: usiel@nacobta.com.na

RESOURCES
The tourism small enterprise development process, tools and systems have been captured in a series of user guides which are available from LIFE Plus Project, Namibia (contact details above), and include a range of management systems, templates, draft contracts etc.
For further information about the LIFE project, visit:
www.met.gov.na or www.dea.met.gov.na – Ministry of Environment & Tourism, Namibia
www.lac.org.na – Legal Assistance Centre, Namibia (land issues)
www.nacobta.com.na – Namibia Community-Based Tourism Association
www.irdnc.org.na – Integrated Rural Development and Nature Conservation
www.nnf.org.na – Namibia Nature Foundation
www.panda.org/about_wwf/where_we_work/africa/where/namibia/index.cfm – WWF LIFE Plus Project, Namibia