COMMUNITY BASED TOURISM IN NAMIBIA

DISCUSSION PAPER

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EXECUTIVE SUMMARY

Tourism, and Community Based Tourism (CBT) in particular, is seen as offering good opportunities for growth and employment in Namibia. Compared to other southern African countries Namibia receives a disproportionately high number of visitors compared to its population size. Many of these visitors seek to experience Namibia’s often outstanding natural resources. Developing, managing and utilising these natural assets are undoubtedly a comparatively attractive option for sustainable employment and growth in some regions. Indeed, in some rural areas it may be the only option.

However, the size of this task is Herculean and the starting point of many communities in terms of their understanding, social and institutional organisation and capacity to manage this effectively appears extremely low. Furthermore, the road to achieving these goals is complex and interdependent upon social, environmental and economic progress. A host of donor-supported organisations and projects currently work in this field in Namibia – referred to as Community Based Natural Resource Management (CBNRM) organisations. Without simultaneous successes in these three areas – social, environmental, economic – CBNRM and CBT will not work and communities will not sustainably benefit from it.

Faced with both considerable potential for development and a daunting developmental task, the efforts of government and development practitioners have, and continue to be, considerable. Despite a weak environment and limited capacity amongst all players, there have been notable successes. The conservation of natural resources is better organised and is seeing significant gains in animal headcount. Communities are being organised and exposed to new options and issues, and many are now benefiting – to different degrees and in variety of ways – from tourism.

Ultimately however, the success of these efforts will depend upon whether Namibia reaches a point – whether it is in two years or ten years – where CBNRM and tourism are sustainable and continue to function without the need for development assistance. This means reaching a point where the necessary benefits, resources and capacity continue to be in place to enable local people, communities, the public and private sectors to maintain the structures which are essential for the success of CBNRM and tourism.

This requires income. The majority of income flowing to CBNRM is either directly or indirectly from tourism, estimated by different stakeholders in Namibia to be between 65% and 80% of total CBNRM revenue. For CBNRM to work therefore – in addition to the necessary social and environmental building blocks – tourism products and businesses must be successful. This means more than just generating income; it means being genuinely viable in operational and financial terms. Achieving this sustainability is what distinguishes “development” from “relief”.

This discussion paper, born out of a review of the Namibian Community Based Tourism Association (NACOBTA), focuses on the status of tourism business development in rural communities. This is largely encapsulated by the term Community Based Tourism, but also includes other business models such as joint ventures or private enterprises operating on community land from which communities ultimately benefit. This paper does not attempt to cover the status of environment and social aspects, but focuses on the status of business development. It attempts to bring a commercial perspective and
reflect the reality that, if tourism businesses (and by extension CBNRM) are to succeed, they need to be understood within the context of successful business practices and the realities of markets and customer demand.

In respect of business development practices, the review of NACOBTA and extensive discussions with all stakeholders has identified a number of significant issues that we feel warrant further discussion. A picture has emerged where — in spite of notable gains — the environment, approaches and practices that prevail in tourism business development in Namibia appear to be significant obstacles to its ultimate success and sustainability. Given the importance of business success to CBNRM as a whole, this has implications for CBNRM, the inclusion of previously disadvantaged groups into the economic mainstream and, ultimately, poverty reduction.

At times we present a picture that appears stark, yet many of these issues have, to some extent, been recognised in Namibia. Indeed some issues are being addressed and agencies have begun to alter their approaches in response to hard-won experience. However, we feel that this learning is far from universal and that these issues continue to require clarification and discussion.

In summary, the issues identified are:

- Expectations about tourism development.
- The feasibility of objectives.
- The environment for tourism development.
- Vision of sustainability.
- Commercial orientation.
- Differentiation between social and business development approaches.
- Consistency with wider development experience.
- Transparency about interventions and impact.
- Capacity for business development.
- A shared vision and coordination of efforts.

This discussion paper goes on to frame an agenda for change, which includes:

- Developing a vision of the industry that all stakeholders work towards.
- Integrating CBT into the tourism mainstream.
- Working towards a clear and credible vision of sustainability.
- Realigning CBNRM and tourism development.
- Revisiting types of approaches and the efficacy of approaches.
- Utilising the private sector.
- Working within the realities of the wider environment.

The purpose of this paper is to provide a starting point for discussions about the future direction of efforts to promote tourism in rural areas. Discussions should ascertain the extent to which stakeholders agree with the paper’s findings and determine what, if
anything, should and can be done. The paper is not a detailed review, nor does it seek
to offer concrete solutions.

On a positive note, the paper recognises that lessons have been learnt and practices
are improving. Moreover we feel that this is an opportune moment to discuss and
address these issues, in view of the following recent developments:

- The government has recently appointed a new Minister for the Ministry of
  Environment and Tourism (MET) and a new tourism policy document is being
drafted.

- The industry is facing the opportunity and challenge to become more inclusive
  through and the need to implement the recently agreed Broad-Based Black
  Economic Empowerment (BBBEE) charter.

- NACOTA, the membership organisation responsible for supporting many of
  these rural tourism enterprises, is re-appraising its role and approach.

We hope this paper provides a useful contribution to these discussions.
1. INTRODUCTION

1.1 PAPER BACKGROUND

This discussion paper focusing on tourism and CBT has emerged out of a review of NACOBTA.

This review was conducted in two main steps: an initial "scoping" visit, conducted in December 2004, and a second visit during January and February 2005. The first visit comprised of short consultations with different stakeholders, in order to understand NACOBTA and the wider context of the tourism sector and define the scope process of the review. The second visit consisted of presentation of initial findings, more detailed assessment of NACOBTA, and intensive discussions of the current situation and potential options for the future with a diverse range of stakeholders. Considerable email and telephone consultation and follow up has been conducted where physical meetings have not proved possible.

The overall review has resulted in two documents: an organisational review document submitted to NACOBTA and NACOBTA’s funders and this discussion paper, prepared at the request of numerous stakeholders to reflect the many issues that emerged during discussions.

1.2 SCOPE & OBJECTIVES OF PAPER

This document is not intended as a detailed evaluation of the tourism sector or the specific organisations operating within it. Rather, the purpose of this document is to:

- Present an outline of the findings on NACOBTA and the challenges it faces in its broader environment.
- Present a series of observations about this wider environment, based on comments and suggestions from a variety of stakeholders.
- Identify the key implications and a possible agenda for addressing some of the issues identified.

Through presenting these issues, the paper may contribute towards:

- Inform the context of a NACOBTA-specific report prepared by the review.
- Serve as a platform for discussion between stakeholders about the constraints to growth of CBT and serve as a foundation for further research and intervention.
- Inform stakeholder objectives and strategies, including the government tourism policy document.
- Identify possible partnerships for The ComMark Trust to allow further engagement in the Namibian tourism sector.
Depending on feedback from stakeholders, a process of consultation to discuss and validate findings and determine how specific issues raised by the review might be initiated by interested stakeholders.

1.3 PAPER STRUCTURE

This report is divided into six sections, including this introductory section.

Section 2 provides an overview of the tourism sector, its relationship with CBNRM and key players engaged in the sector. A brief summary of the review's findings about NACOBTA is given in Section 3. Section 4 builds on these findings to consider their prevalence and implications with respect to the wider CBT field. Section 5 presents an agenda for change for stakeholder discussions on the future direction of tourism development in rural and communal areas. Overall conclusions are presented in Section 6.

In addition to these sections, a list of key stakeholders consulted by the review as an annex.

1.4 FUNDERS OF PAPER

The review process of NACOBTA was jointly funded by SIDA and the ComMark Trust and undertaken jointly by ComMark and a consultant from the Springfield Centre from the UK. Given the specific findings of the NACOBTA review, ComMark decided to expand the scope of this review and produce this discussion paper.

For the ComMark Trust, this builds on a series of engagements we have had in Namibian tourism. Previous work has included a paper researching the constraints to acceptable private sector investment in communal areas, a product audit conducted for the Namibian Tourism Board (NTB) and the part-funding of the FENATA workshop that developed the Broad Based Black Empowerment Charter in Namibia.

Further information on the ComMark Trust can be found at www.commark.org.
2. TOURISM IN NAMIBIA

2.1 OVERVIEW OF THE SECTOR

The tourism sector is regarded as one of Namibia’s stronger economic prospects. The industry has experienced reasonable expansion over a number of years, growing at 4% and 14% per annum between 1997-2000 and 2000-2001 respectively. Whilst the rate of expansion has recently slowed, partly due to the strength of the Namibian dollar, the sector stands in contrast to other important industries like fishing and mining, which have slowed or contracted in recent years.

2.1.1 Conservation and community-based tourism

Namibia has outstanding natural resources which offer valuable tourism potential in certain areas. Conservation of natural resources is a prominent concern in Namibia. A key feature of this conservation agenda is community ownership of natural resources. A critical incentive in engendering and maintaining this community ownership and commitment is the generation of income, utilising natural resources sustainably. Tourism has emerged as vital source of income for community-based natural resource management (CBNRM) and is known as 'community-based tourism'.

The nature of these communities is usually remote and isolated, lacking basic public services and infrastructure and with underdeveloped human and social capital. It is an adverse basis for any form of income generation business development. The effective integration of these communities into a modern, sophisticated export service industry like tourism is an endeavour of Herculean proportions.

2.1.2 Industry status

Adding to this challenge is the fact that the established formal tourism private sector in Namibia is reasonably limited in terms of its overall scale and sophistication. The industry is predominantly operated by white-owned small businesses. Historically the private sector has generally not engaged effectively or equitably with communities, nor acted responsibly with regard to use of natural resources. In some respects this is beginning to change and there are now several good examples of partnerships between communities and the private sector. However, these notable exceptions notwithstanding, the industry continues to exhibit limited capacity or desire to reach down to community-based tourism businesses.

The operating environment for tourism development is also adverse, in terms of the policies and interventions of government and development agencies. Government's capacity is generally limited and its focus directed towards CBNRM. This lack of capacity and attention, combined with a culture of scepticism towards the tourism industry, means that there is only modest government support for tourism development. Again, this is beginning to change, though progress is slow. A similar picture prevails in the development community: a pronounced orientation towards CBNRM and limited understanding of and capacity for tourism or business development.

The pool of human resource and expertise in tourism business development is limited in Namibia. The private sector, government, and support organisations have struggled to
recruit, develop and retain the necessary expertise within their organisations. This reality has undoubtedly contributed to the other factors identified above.

2.2 DIFFERENT PLAYERS AND ROLES IN THE SECTOR

- Government: Government's support for tourism is modest, influenced by generally negative perceptions of the industry. The Ministry of Environment and Tourism (MET) has principal responsibility for policy, regulation and oversight of the industry. Most observers concur that MET has limited capacity, a strong conservation orientation and poor relations with the private sector.

- Namibian Tourism Board (NTB): Formed in April 2001, NTB is responsible for marketing and public relations for the industry as a whole. NTB also advises government on policy and regulation. Despite limited funding and capacity, NTB appears to have made reasonable progress since establishment, and is developing a good understanding and networks with the International Tourism Industry. NTB also has good relations with the private sector.

- Air Namibia: The state-owned national carrier which, despite apparent commitments to the contrary, has yet to initiate direct flights to and from the UK, a key overseas market. Restricted routes and high prices are regarded as a significant barrier to increased visitor flows and competitive pricing vis-à-vis other destinations in the region.

- Private sector: Predominantly small, white-owned businesses, a large proportion of which operate tourism businesses alongside their farming concerns. The industry is represented by the Federation of Namibian Tourism Associations (FENATA), an umbrella organisation for ten associations. FENATA has provided capable strategic leadership for the industry, most notably in terms of developing an industry charter for broad-based black economic empowerment (BBBEE). FENATA as an organisation has good relations with NTB and MET, though in general, the private sector's relationship with the MET and the Namibian government in general, is strained.

- Support organisations: There are a few specialised tourism industry support organisations, such as consultants or training organisations, though these are limited. Most prominent (with regard to CBT at least) is the Namibia Community-Based Tourism Association or NACOBTA. (See below.)

However support—both in terms of resources and politically—CBNRM far outweighs support for tourism. CBNRM therefore has considerable influence over CBT indirectly and through its direct efforts to promote income generation and tourism specifically in rural and communal areas. The Namibian Association of CBNRM Support Organisations (NACSO) is the umbrella organisation for community-based development initiatives. It appears to be more active with regard to conservation-related activities than tourism/business development.

- Conservancies: Conservancies are the preferred organisational arrangement for collective ownership of natural resources and community-based tourism enterprises (especially accommodation facilities). At the time of writing there are 31 officially registered conservancies in Namibia, with another 15 in the pipeline.
2.2.1 Role of NACOBTA

NACOBTA was conceived as a network of existing and aspiring community-based tourism enterprises and founded by community, non-government and government representatives in 1995, with the objective of providing rural communities with a voice in the tourism industry. It has evolved into a membership-led organisation, with a current membership of 54% of which 35 members are commercially active. This represents a significant proportion of all community-based tourism businesses in Namibia.

Membership fees rates are low and levels of fee payment negligible. Consequently NACOBTA is entirely dependent on donor funding.

Domestically, NACOBTA is regarded as a key player in Namibian community-based tourism development and has been influential with government and the development community. NACOBTA has been regarded a ‘trusted pair of hands’ and can point to considerable success in efforts to raise the profile of tourism development with these stakeholders groups.

Internationally, NACOBTA is seen as a role model and has been the blueprint for similar community-based representative organisations, such as UCOTA in Uganda. NACOBTA has hosted numerous study visits to Namibia, been the subject of “best practice” case studies and presented its experience in a variety of international events. This has led to the generally favourable impressions held by many stakeholders and observers.

As a result of this track record and in response to a weak supportive environment, many stakeholders have come to regard NACOSTA as a convenient one-stop-shop for CBT development, leading NACOBTA to undertake an extensive range of functions within the community-based tourism field. (See table below.)

Given the proportion of CBT enterprises who are members of NACOBTA and the prominent role of NACOBTA in the CBT field, NACOBTA (and its members) provide a reasonable — albeit not definitive — lens through which the wider community-based tourism context can be assessed.

<table>
<thead>
<tr>
<th>Functions currently performed by NACOBTA</th>
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<tbody>
<tr>
<td>Business training and advice</td>
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<td>Business mentorship</td>
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<td>Advocacy</td>
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<td>Finance provision</td>
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<td>Infrastructure development</td>
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<td>Joint venture mediation</td>
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<td>Booking agent</td>
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<td>Marketing</td>
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<tr>
<td>Information provision</td>
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<td>“Meet the People” brand</td>
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2.3 CURRENT CHALLENGES AND OPPORTUNITIES IN THE TOURISM SECTOR

Most observers have noted that the environment for tourism has begun to improve over the past two or three years, relative to the preceding decade. However despite these gradual improvements, at this point in time it is clear that the tourism industry in
Namibia — and within that tourism based in rural communities — continues to face a range of challenges, some of which have been alluded to above. It is upon these challenges that this paper will focus in subsequent sections.

Broadly these challenges relate to:

- The general weakness of the tourism industry, in terms of political support, governance, the capability of the private sector and paucity of important supporting functions.
- Development agency orientation, capacity and intervention practices which are not well-suited to business and tourism development.

The current situation is not entirely bleak however. A number of opportunities are emerging, constituting a momentum upon which efforts to address some of the challenges identified in this paper might be built. These include:

- The MET is in the process of producing a tourism strategy for Namibia due for completion in early 2005. Community-based tourism will be a core part of this strategy. The ministry is also reviewing its structure and is in the process of restructuring the department, ostensibly to address historic imbalance in favour of conservation.
- The industry has recently produced and is beginning to implement an empowerment charter for the Namibian tourism sector. The charter — to a large extent driven by the private sector — also identifies the role of the private sector in helping communities to benefit from tourism.
- NACOBTA has begun a process to reappraise its role with respect to community-based tourism and is expected to begin a process of consolidation and reform in the near future.

For the CBT and CBNRM fields, therefore, this is an opportune juncture for reflection and learning, to build on experience and progress achieved to date and to shape the future direction of development efforts. This discussion paper seeks to contribute to such a process of reflection and learning.
3. STATUS OF NACOBTA AND ITS MEMBERS

3.1 NACOBTA’S MEMBERS: STATUS OF CBT ENTERPRISES

3.1.1 The economic imperative

Most of the communities who are involved in CBT have experienced social, environmental and economic benefits. Typically, they have organised themselves institutionally in some way, and have, to some extent, gained in confidence, training, skills and general business education. Overall, their social capital has improved and they are more aware of the need for conservation. The secrecy and quality of natural resource assets in Namibia have also improved considerably, providing a stronger basis for tourism and other income generation. This is the result of many years of continued assistance from an array of dedicated organisations and projects, at considerable expense and effort. This paper does not detract from these significant and hard-won gains in social development and environmental protection.

The focus of this review is on the status of tourism business development. This is crucially important. CBT must achieve – at some point, if not in short-term – a level of economic returns that provides communities with the incentive to sustain both the enterprises and the systems and support structures that are necessary for these enterprises to continue operating. While there is unquestionably a valid role for government to undertake a range of important public functions to support tourism, this support also needs to be considered from an economic perspective: government’s role also has to be sustainable based on its available level of (limited) resources.

3.1.2 The current situation

In terms of economic returns, there have been definite gains. Of NACOBTA’s 54 members, 34 are in some way commercially active in the tourism sector. Of that number, according to NACOBTA staff, about a third appears to be operating above break-even. Conservancy or community income from tourism has also been growing rapidly over the last five years, largely from joint ventures. In 2004, NACOBTA’s data indicates income generated from CBNRM related activities was approximately N$14m. Of this total amount, around N$8.7m (62%) derived from tourism related activities (including joint ventures).

Although this sum appears considerable it does not necessarily equate to sustainable business. Within this aggregate picture, the performance of individual members is variable, with some enterprises performing much better than others. Key determinants of performance appear to be location – in terms of natural assets and proximity to established tourism routes – and interaction with the mainstream tourism industry. However, given current trajectories and trends, many of these enterprises do not look like achieving sustainability in the future. According to NACOBTA staff only between five and ten CBT enterprises would survive without continued development assistance, and, for many enterprises, this is after many years of intensive support.
3.1.2 Challenges facing members

NACOBTA’s members seem characterised by several pronounced challenges:

- Isolation from the mainstream private sector: When questioned most members did not regard themselves as being part of the private sector. They lacked contacts and networks, experience in dealing with the private sector and were generally sceptical of “business”. Equally, the mainstream private sector perceived members as “different”, in terms of products, quality, capacity and practices, more a part of the development community than the tourism industry. Despite the acknowledged benefits of integration with the mainstream, most members expressed little interest in moving beyond the fold of NACOBTA to establish better linkages. They appeared comfortable operating in the separate world provided for them by NACOBTA.

- Separate and unsustainable support structures: A review of the array of functions currently conducted by NACOBTA (see Section 2.2.1) found that they were almost entirely aid-funded. The majority of functions performed by NACOBTA and financed by development agencies are critical to the on-going operations and future viability of members and the CBT segment in general. These functions will cease should NACOBTA funding cease, leaving many CBT enterprises vulnerable. This problem is increasingly recognised by some members.

- Dependency: Whilst direct impact on enterprise incomes has occurred in many cases, enterprises’ expectations of ongoing support from NACOBTA – for advice, communications, capacity development, repairs and maintenance – are high. A dependency on NACOBTA has been created which, given funding and capacity constraints, cannot be fulfilled. Dependency of this nature indicates a vulnerability amongst members that is at odds with objectives for increasing empowerment.

- Frailty and vulnerability of members: The consequence of members’ isolation from the mainstream private sector, lack of access to sustainable supporting functions and culture of dependency upon NACOBTA, is that – according to NACOBTA staff – only a small number of members can be expected to survive as a going, independent businesses in the medium to long-term.

3.2 NACOBTA: STATUS OF THE ORGANISATION

There is no doubt that NACOBTA plays a pivotal role in CBT in Namibia, with almost all observers citing the importance of NACOBTA, be that politically or in terms of its role on the ground. In a difficult operating environment and faced with an enormous task, NACOBTA’s achievements to date are notable. It has succeeded in generating community and enterprise-level impacts and raised the profile of community-based tourism domestically and internationally.

As an organisation, NACOBTA is commendably open and self-critical. As a result, it has begun to reappraise its approaches and practices and assimilate learning, arguably to a greater extent than some of its peers.
These achievements aside, it is clear that NACOBTA is experiencing considerable difficulties:

- A funding crisis: The situation is stark. NACOBTA's funding is running out. Donor funding is coming to an end and membership fee income is insufficient to pay the salary of even one member of staff. Unless further funding can be secured NACOBTA will have to cease the bulk of its operations and activities in the near future. Expectations have been raised and dependencies created which NACOBTA no longer has the ability to fulfil.

- Overstretched scope and operations: The combination of members distributed across a wide geographical area and, more importantly, a three or four-fold expansion in the number of functions as NACOBTA has evolved into a one-stop-shop, has left the organisation overstretched. NACOBTA has expanded beyond its natural role and management capabilities.

- Inappropriate orientation, capacity and relationships: There is consensus that, like many of the field-based NGOs, NACOBTA lacks appropriate orientation, capacity and relationships for tourism and business development, a reflection of its social and environmental roots. In addition to a number of strategic, management and technical weaknesses, relationships with stakeholders give particular cause for concern:
  - Members: NACOBTA's status as a membership-owned organisation is notable, but that said, it does not cover a fraction of its operating expenses through membership contributions. Moreover a membership-based structure has arguably contributed to NACOBTA's over-expansion. As an organisation led by members who are themselves the recipients of significant amounts of free support, few incentives exist to restrict the scope of support or phase out support for more established and capable members. There is a "free-rider" problem. It is certainly recognised that NACOBTA has created a culture of dependency amongst members.
  - Private sector: NACOBTA and its members do not see themselves as part of the private sector despite their involvement in what is essentially a private sector activity. Little effort has been made to bridge this divide and link members into the mainstream private sector.
  - Government: NACOBTA is regularly consulted and asked to provide inputs on a range of issues. However this relationship is unequal and not entirely healthy. Roles that would normally be regarded as the domain of government have been essentially transferred to NACOBTA with little compensation, adding to NACOBTA's capacity and financial constraints.
  - Funding agencies: NACOBTA feels most comfortable living in the donor environment and NACOBTA has undoubtedly been regarded as a convenient one-stop-shop for some funders. Given this interdependency, NACOBTA has understandably become responsive to donors' needs and practices in terms of reporting, fundraising and accounting. Like many NGOs, NACOBTA's own cost structures and practices reflect donor norms.

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1 For example, Plowman (2001) observes that NACOBTA's "main weakness is... lack of business, tourism and financial expertise". Similar views continue to be voiced by staff, members and other stakeholders.
rather than a lean membership organisation that reflects its members as paying customers. However the withdrawal of some donors from Namibia and little appetite from others to continue funding NACOBTA leaves a prominent organisation in a perilous position.

3.3 Issues recognised and Lessons learned by NACOBTA

As noted above, NACOBTA is commendably self-critical and reflective. It has therefore begun to recognise a number of issues and lessons from its experience:

- Expectations about the potential for tourism and the benefits it can deliver have been inflated and need to be tempered with regard to: where development can take place; who is likely to be most capable of participating effectively in tourism; the objectives and feasibility of intervention; and, consequently how community interaction is handled.

- Narrower forms of management of tourism enterprises tend to be more successful than broad communal management, due to more direct and committed interests and incentives; and result in more entrepreneurial behaviour and responsiveness to market demand.

- It is vital to involve the private sector more, and earlier, in planning and implementation of interventions.

- Joint ventures (JVs) between communities and the private sector, when appropriate, done correctly and with the right partner, yield the greatest benefit in terms of sustainable income and employment for a given level of input. Importantly, given the weak environment and lack of business skills, this is being achieved with a reduced need for on-going business support. The level of intervention required to facilitate successful joint venture identification and formation is variable, but it does appear that some form of "honest broker" is valued by all parties.

- It is important to have explicit objectives for "graduating" community-based tourism enterprises into the mainstream private sector if dependency is to be avoided. As noted above, members exhibit considerable dependency upon NACOBTA, even among those whose businesses have progressed sufficiently to warrant their graduation into the mainstream tourism sector. For these more capable members NACOBTA's open-ended support appears to have inhibited their progression into the mainstream.

- To intervene effectively in tourism development NACOBTA needs to be more business-oriented in terms of its culture, its people, the approaches it uses and the relationships it has with communities and the private sector.

- The key determinants of enterprise success appear to be location, proximity to established tourism routes and links to the mainstream private sector.

- It is important to recognise that NACOBTA has had difficulty recruiting and retaining the type of skills necessary for business development. Development approaches adopted need to recognise the reality that very few people within these skills exist.
In recognition of some of these issues and lessons NACOBTA has embarked on a process of appraisal and reorientation, with the intention of adopting more focused and appropriate practice aimed at stimulating more sustainable outcomes in CBT. However, the effectiveness of this reorientation process faces two considerable challenges. The first of these is NACOBTA's current structure and level of capacity.

However, the more significant challenge for any attempt to reform NACOBTA’s focus and practices is the wider context for CBT and CBNRM, where a number of strategic and practical concerns have been identified, discussed in the following section. If these issues go unaddressed, this is likely to hinder both the overall development objectives and also the considerably efforts to reorient NACOBTA.
4. CHALLENGES FACING THE WIDER CBT FIELD

In order to understand the CBT field, it is necessary to understand its relationship with the CBNRM field. The roots of most community based tourism development activity in Namibia lie in a conservation agenda. Tourism-derived income is regarded as an important incentive for communities to manage their natural resources more effectively and sustain the structures needed to do this.

Conservation-focused organisations are therefore key players in this context and support (both in terms of resources and politically) for CBNRM far outweighs support for tourism. CBNRM therefore has considerable influence over CBT indirectly and through its direct efforts to promote income generation and tourism specifically in rural areas.

It is important to note that the challenges identified below have emerged, in part from a more detailed assessment of NACOBE's experiences, but also from interaction with key informant on CBT/CBNRM. (See Annex) These challenges relate to a range of strategic and practical issues, many of which are strikingly similar to those experienced by NACOBE.

4.1 STRATEGIC CHALLENGES

4.1.1 Expectations about tourism development

Communities' expectations from tourism are high in Namibia, apparently for two main reasons:

- **Government policy on conservancy formation.** At present any community which organises itself with appropriate institutional arrangements has the right to officially become a conservancy. Given the close association between donor support and income from tourism, this legal right has acted as a stimulant at community level.

- **Related to the above, donor support for the widespread establishment of community-owned and run conservancies for natural resource management has created pressure to generate revenue in order to sustain their structures and operations.** A prime source of revenue is seen to be from tourism-related activities. Community demand for the establishment of more conservancies appears to be driven in part by aspirations to generate tourism-based income.

Conservation and rural development are pressing concerns for government and development agencies in Namibia. Underdevelopment – characterised by low levels of health, literacy and income, poor access to water, electricity, telecommunications, transport and economic opportunities – is prevalent.

In most countries addressing this kind of underdevelopment would be regarded as a core public function, financed by government budget from general taxation and other specific revenue-raising measures. In many low income countries government typically lacks the capacity to perform or finance such roles. Development assistance is typically aimed at enhancing the capacity of public sector institutions in this regard.
In the Namibian context of limited government capacity to fulfill these core functions, development agencies have stepped in, either to fill the gap directly or by supporting the development of social structures that are expected to be financed – to a large extent – by revenues from tourism.

The extent to which the tourism industry can fulfill these expectations is questionable: in terms of its overall potential for expansion, the distribution of that potential and the pronounced constraints facing the industry. (These issues are further discussed in Sections 4.1.2 and 4.1.3.)

These unrealistic expectations have a cost. They lead to uninformed political attention, inappropriate decisions and resource allocation and skewed community attitudes. The result is an adverse environment for private sector engagement in rural tourism development. Unrealistic expectations thus undermine the potential benefits that tourism can bring.

It is important to be transparent here. Ensuring adequate levels of social welfare and environmental protection are vitally important, but there are no developmental shortcuts to achieving these. If agencies want to bring about meaningful, sustainable change in rural areas they face long term institutional development tasks, working to strengthen government’s, and civil society’s, ability to build systems for education, law and order, property rights and social welfare and environmental protection.

These are the building blocks upon which broad-based private sector development will be based. These are not necessarily linear processes, but certainly in weak, rural areas, the immediate priorities and relative levels of emphasis are clear. Sporadically distributed tourism development (much of which apparently requires continuing aid-funded support) is unlikely to substantively address these requirements.

As the building blocks for private sector development are established, scope exists to enhance and stimulate the emergence of the broad-based private sector, focusing on those with genuine prospects for engagement in the economic mainstream. It is vital to recognize that this private sector development task will often need to draw upon different approaches to those used in social and community development and conservation fields. (See Section 4.2.)

4.1.2 The feasibility of objectives

As has been noted above, expectations about tourism may need to be more realistic. Whilst tourism-related revenue accounts for approximately 62% of all revenues generated in CBTRM, it appears that a considerable proportion of this is derived from a relatively small number of successful enterprises, usually in prime areas, with good proximity to established tourism routes and links to the private sector. However the scope of objectives for community-based tourism development often appears far more broad-based, in spite of some concerns as to the feasibility of these aspirations.

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2 Assessments of market demand and industry potential for further expansion do not appear to have been conducted, nor does there appear to be much disaggregation and understanding of different market segments (eg self-drive) and their relative significance to poor communities.
The reality is that for many areas and communities prospects for tourism appear to be marginal, in the face of a less attractive tourism product and a myriad of deep-seated constraints, such as geographic remoteness from tourism routes, access to water, electricity, telecommunications and transport. The activity that has occurred in these areas is due to high levels of support from development agencies. In terms of net welfare gained for the sustainability of outcomes it is valid to at least question the efficacy of such extensive levels of support.

In attempting to introduce rural communities to tourism value chains, agencies are taking extremely under-developed communities and trying to link them to a modern, sophisticated export-oriented service industry. Agencies are forced to make incredible levels of investment in social and community development in order simply to get to a point where a small proportion of more capable members of the community, in the right locations, can contemplate starting a tourism-related business. In doing so the distinction between social development and business development are often blurred; the supported "business" is perceived as much as a learning ground for the community as a serious attempt to start a commercial venture. The risks of mixing social and business development approaches are considered in Section 4.2.

This kind of "great leap forward"—taking extremely underdeveloped groups and trying to incorporate them into modern, export industries—has rarely been successful in other areas of economic development. In many fields we are starting to see an increased scrutiny of what can be feasibly achieved in such marginal areas.

To some extent these viability concerns are being recognised in the practices of some agencies, who increasingly are focusing support for business and tourism development on more capable individuals in more prospective areas. IRDNC, for instance, spoke of assessing each conservancy and adopting a three-tier system with different degrees of support, depending on their viability. This is not to propose the neglect of weak and marginal groups. Far from it. It is a call to be transparent about what is social and welfare development—a critical public function that needs to be adequately resourced by government—and not seeking to use unviable business development support as an ill-suited substitute.

4.1.3 The environment for tourism development (particularly for the private sector)

As noted above, whilst the wider environment for tourism development has gradually improved over recent years, it remains challenging. For many areas and communities the basic conditions for any form of private sector development are poor. Furthermore a

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4 There do not appear to have been any cost-benefit analysis of interventions or attempts to measure the extent to which tourism development is contributing to poverty reduction.

4 For example, NACOTRA staff estimate that 80% of their effort is directed at getting communities and individuals ready to the "business-ready" state.

4 In some of these so-called "viability validation" conditions are regarded as being so weak that some observers consider development resources might be more beneficially utilised to facilitate movement away from marginal areas, for example through improved education, provision of identity cards, better information on alternative livelihoods choices (such as seasonal migration) and improved systems for transport and remittance of income, rather than trying to promote income generation in situ.
number of more specific constraints to tourism development exist which are not currently being addressed coherently by government or development agencies:

- A political situation which has not yet reached a point where the private sector is embraced as critical to development and growth (albeit guided and regulated where necessary). More specifically, there is a rather contradictory situation where there is pronounced scepticism about the tourism sector and wariness of the private sector within tourism on the one hand, yet on the other, inflated expectations of what the industry can deliver.

- Overall weakness of the industry in terms of governance, business, supporting functions and human resources (both in terms of number and quality/skills). This latter weakness is felt across government, private sector and development organisations.

- An overarching vision for the development of the tourism sector (and within that CBT) amongst the main stakeholders has yet to emerge, and consequently, efforts to promote tourism-related development are sometimes contradictory or uncoordinated.

- More specifically, CBT appears to be regarded as separate from the rest of the tourism industry despite evidence that effective community-based tourism is entirely dependent on links to the private sector. The result has been separate and inappropriate support measures and institutions, isolation, persistent credibility and perception problems and ultimately limited prospects for genuine sustainability.

- The orientation and practices of many development agencies are not well-suited to business development. They often directly impinge on efforts to stimulate businesses in rural areas, by inadequately considering viability and engaging with the mainstream tourism industry, inflating expectations about tourism development and ultimately undermining the emergence of a more business-like culture in communities. This is discussed further in Section 4.2.

4.1.4 Vision of sustainability

The organisations involved in the promotion of community-based tourism do not appear to have considered sustainability sufficiently. There is no coherent view of how the segment is going to work in the future without development aid.

Temporary support to individuals so that they can generate income does not equate to sustainability, even if net profit is achieved. The tourism sector is dynamic, like any other market: businesses will always need to deal with on-going and new problems and opportunities. Consequently, they will always need access to financial services, to comply with standards and market requirements, to build, repair and maintain facilities, to update skills and practices, to get advice and information. Currently almost all of these functions are provided by NGOs and entirely aid-funded – by definition finite and temporary – rather than available within their natural operating environment.

Rather than contribute to the development of an environment for tourism in rural and communal areas which is enabling, where these functions might be provided by a host of different private and public institutions, development assistance is perpetuating
dependency on external support, which cannot be fulfilled when aid ceases. The entire edifice of CBT appears to be built on weak foundations.

These sustainability concerns do not apply solely to tourism businesses; they relate to other income generation efforts, conservancies and also public functions. A plethora of public functions related to tourism and conservation – planning, regulation, mediation, enforcement, basic social services – are not temporary. They also will need to function on a continuing basis, requiring resources, capacity and political support. Yet development agencies continue to play a significant role in conducting and financing such functions, with no apparent exit strategy. To cite some more examples:

- Joint ventures between businesses and conservancies are seen as vital: “one good joint venture can mean the sustainability of a conservancy” to quote one practitioner. These joint ventures involve a complex series of negotiations and agreements, involving substantial financial benefits. Presumably, in the future new agreements will need to be drawn up and existing agreements revised or enforced, currently much of this process is conducted by aid-funded NGOs.

- For some remote tourism businesses lacking access to infrastructure, communications and bookings are handled by aid-funded NGOs.

- Tour operators report the absence of mechanisms for handling and transferring cash in many areas as a problem. Given the volumes of revenue apparently being generated and distributed around conservancies there appears to be a lack of attention to promoting more effective financial services, be they formal or informal.

In summary, many intervention efforts are not doing enough to stimulate the development of a sustainable market system for tourism in these areas. There can be no doubt that this is a long-term, challenging task, with several implications:

- Intervention approaches should seek to transfer supporting functions to local public and private actors, more explicitly stimulate others to assume such supporting roles and develop their capacity to do so.

- Reappraise CBT business models to incorporate the real costs of doing business, to include the costs of accessing supporting functions that hitherto have been neglected (or absorbed by development agencies).

These are difficult steps, but they are unavoidable if stakeholders genuinely wish to overcome debilitating dependency. However existing intervention approaches are equally challenging and also require lengthy time scales. But they appear to have limited prospects of sustainability and in the face of increasingly widespread donor reluctance to fund such open-ended support, dealing with sustainability more transparently and realistically should be a pressing concern for all.

### 4.2 Practical Challenges

The strategic issues identified above are important, not least because they shape intervention practice. How an agency intervenes is very much determined by a view of why it is intervening in the first place and what you want to achieve through intervention.
Hence practical challenges cannot be readily separated from the strategic issues identified above. However, there are a number of concerns about prevailing practices in Namibia.

4.2.1 Commercial orientation (albeit with social objectives)

Many stakeholders acknowledge that there is a real need for more astute commercial scrutiny of opportunities and initiatives, consideration of market demand and engagement with the private sector in CBT development. This is not surprising. Tourism is a commercial activity and – whether tourism development is a means to an end or an objective in its own right – promotional approaches can’t ignore the basic laws of viability. To do so actually undermines the achievement of desired benefits from tourism development.

For example, some observers have noted that there is a (tacit) culture of not permitting businesses in communal areas to fall, as this would have adverse consequences for the sustainability of conservancies. This could prove an illusory distinction. If the sustainability of conservancies is dependent on revenue generated by business activities, those businesses need to work, not be maintained on “life support”. Ignoring this undermines appropriate incentives, the development of an enterprising culture and leads to poor business practice and customer service. Ultimately this impinges on the credibility and sustainability of conservancies and the achievement of social objectives.

It is important to have a clear understanding about how social objectives can be achieved through business development. Without this clarity it is common for social objectives and practices to be extended to business development efforts, with detrimental results.

4.2.2 Differentiate between social development business development approaches

As noted above, income generation (largely tourism-related) is seen as vital to conservation (and the social and community development upon which conservation efforts are founded), providing material benefits and incentives and acting as a source of finance for social and conservation structures and activities. Equally tourism in Namibia is reliant on the natural environment.

For the CNVRM field, tourism is a means to an end. This however does not diminish the importance of approaching tourism development in the right way. Currently the manner in which social and conservation objectives are pursued often appears to conflict with accepted norms of business development practice. This is not to say that either objective is invalid: simply that they cannot be addressed using the same types of approach.

This is a typical problem seen in many NGOs working in business development globally. In attempting to achieve a multitude of aspirations within one organisation and approach, social/welfare-oriented approaches are extended to business development. This undermines business-like attitudes and relationships and the support of unviable products or poor business structures on social grounds.
In simple terms, effective business is based on business-oriented cultures, incentives and relationships. Consequently promotional measures also need to be business-like. These measures typically are "harder" than the "soft" support measures more common in the social development and conservation fields.Mixing the two has rarely been effective. The long-term, multi-dimensional and intensive support measures – akin to "hand-holding" – typical in social development have been shown to actually undermine the development of appropriate culture, incentives and relationships necessary to stimulate vibrant and sustainable business development.

For example:

- **Non market-based selection of enterprises.** It is common that enterprises are identified, established and driven by NGOs or donors rather than through someone who has a business involvement in the sector. The introduction of tourism option plans have attempted to address this issue. However, according to observers, the establishment of many enterprises still do not feature demand assessments that closely involve the private sector. The majority of those that have in the past were enterprises that were to be operated by the private sector. There appears considerable political and funder pressure to support particular enterprises or particular regions, even where enterprises have a poor market or are badly placed in terms of tourism routes. In this respect, considerable effort has been expended on supporting ventures on the outer margins of viability.

- **The degree of social support required.** Very high levels of social support have been extended to enterprises and the conservancies within which they operate. The level of support required to get communities to a level where they can start a tourism business is significant. However the long term and intensive presence of development agencies contributes to a dependency culture that undermines entrepreneurship and business development.

- **The way in which social support is given.** Stakeholders frequently commented that a plethora of NGOs and government bodies provide support to communities, many often overlapping and working in the same area. According to our discussions with NACOBTA on CBT enterprises there are at least fifteen such organisations, and that in several instances as many as eight were working in the same place. There is therefore a sea of support around some communities, provided by organisations with different approaches and visions, often in conflict with effective enterprise promotion. The nature and scale of social development efforts, relative to tourism development means that the influence of these non-business practices is hugely influential and further contributes to an environment that is not conducive for business development.

4.2.3 Consistency with wider private sector development experience

Following largely negative experiences internationally over the past ten years the private sector development field has begun to learn lessons and adopt approaches. Development efforts have begun to move away from direct support to individuals and enterprises and focus more on improving the market system around target groups.

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6 According to NACOBTA staff Nyae Nyae campsites have been supported by: NNDFN, Rossing, Ministry of Agriculture, Ministry of Environment & Tourism, AIG, WWF, Woman’s Affairs and NACOBTA.
through strengthening supporting institutions. This has resulted in wider impacts than firm level interventions and crucially it has led to greater sustainability — developing the supportive market system rather than dependent on the continuance of donor support. This is a dramatically different type of approach from that which prevails in CBT.

Similar to the CBT field internationally, there appears to be a lack of familiarity with this wider experience in Namibia. This is despite the fact that the problems encountered with conventional enterprise development interventions appear strikingly similar to the challenges encountered in tourism development in Namibia.

For example, the wider enterprise development field has moved away from promoting collective business management structures because they have rarely produced appropriate incentives or attitudes for effective, sustainable commercial operation. In rural communities — just like any other communities — the proportion of individuals with the interest and ability to be entrepreneurs is small. Divergent aspirations and orientation within groups has frequently resulted in dysfunctional group dynamics and breakdown.

Collective structures for ownership and control of natural assets and as a basis for distribution of rental income, user/access fees or even dividends are a central tenet of CBNRM. However this tenet has often been extended beyond natural assets to collective ownership, management or operation of businesses operating upon those natural assets. Relatedly, in practice, agencies have found that the most effective businesses have had narrower ownership structures, a finding consistent with long-established enterprise development convention.

Recently, based on their experiences, there are signs that some agencies are beginning to arrive at similar conclusions, but this has undoubtedly been an expensive exercise in learning in isolation. This learning is also far from universal.

4.2.4 Transparency about Interventions and Impact

Given the levels and time frames of development resources directed at CBT and CBNRM, greater availability of rigorous impact assessment and cost-benefit analysis would normally be expected. Data is available, for example, in relation to changes in animal head-counts (and the corresponding economic value of these animals) and aggregate income generation levels for CBNRM are also reported prominently. However there appears to be limited assessment of direct intervention impact and comparison of the costs of intervention with the benefits generated. Some observers have noted that these omissions are an obstacle to learning, objective decision-making and improved practice.

4.2.5 Business development capacity

It is widely acknowledged that most key stakeholders have limited orientation, experience and capacity to engage in business and tourism development. In contrast,

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Comment: Passive voice.

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7 For example, to what extent are increases in reported animal head-counts attributable to interventions that have promoted better conservation practices as opposed to say improved feeding conditions due to higher-than-average rainfall or reduced incidences of disease-related mortality?
conservation is far more dominant in terms of resources, support and capacity. Moreover, considerable scepticism about the private sector's role and levels of engagement between the various stakeholders and the private sector are limited.

In combination with the relative weakness of the private sector, this imbalance in resources, support and capacity results in an overall framework which is far from conducive for tourism development.

4.2.6 A shared vision and coordination of development efforts

There appears to be widespread stakeholder agreement that a coherent and, shared vision for the tourism industry (and how CBT fits into this vision) is currently lacking and that this is an obstacle to ensuring consistency of direction and practice. Rather inexcusably, despite this recognition, proposals to develop such a vision have not been met with universal support. There appear to be two major concerns in this regard:

- **CBT in isolation?** CBT is currently being treated as a sector in its own right, rather than as part of the mainstream tourism sector. Whilst there may be certain benefits to capturing and promoting the ethos of community involvement and conservation, this should essentially only be a marketing device (eg "Meet the people"). The reality is that tourism is a series of complex and interdependent supply chains, spanning distant consumers and local service providers and requiring a range of intermediary institutions for the transmission of information and resources, management of risk and organisation of complicated and expensive logistics.

The risk of artificially separating CBT from the mainstream tourism sector is that it perpetuates the isolation and disconnection of community-based tourism enterprises. A pervasive sense of "differences" already clearly exists, resulting in distrust of the private sector and misperceptions of rural businesses and communities. Moreover, publicly-funded interventions have led to the creation of artificial, unsustainable support structures for CBT, rather than focus on how the tourism system as a whole can be made to work better for rural business and communities, as tourism entrepreneurs, employees, ancillary service providers and recipients of transfer payments.

- **Push up, reach down or both?** The focus of most tourism-related intervention in Namibia has historically been to "push up" aspiring and actual tourism entrepreneurs in communities and rural areas. This is undoubtedly an important foundation to expanding tourism into these areas. However a fundamental question is "push up into what?"

Many of the functions that tourism businesses in communities and rural areas will require in the future — representation and advocacy, support services, infrastructure, standards, not to mention access to markets — lie in the tourism mainstream. If CBT is to work, ultimately, it has to be as part of the wider tourism system, not as an adjunct to it. However many functions and players in this system are weak in general: their ability to understand, integrate and serve

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8 For example, NACSO's working group on business development is essentially moribund, while its other working groups more closely related to conservation appear more supported and active.
CBT enterprises is limited at present. Considerable effort may be required, beyond CBT itself to strengthen the roles of different market players, to enable them to reach down to smaller, rural enterprises and be more inclusive. This agenda to "reach down" appears to have been neglected by both government and development agencies.
5. AN AGENDA FOR CHANGE

The preparation of this discussion paper coincides with a period of change in the tourism sector: a new tourism policy is in preparation, the industry has introduced a charter on BEE and NACOSTA is contemplating its reorientation. At this juncture it is appropriate to reflect on experience to date and use that hard-earned learning to shape future direction. This document seeks to contribute to this process. The document recognises the considerable effort that has been and continues to be spent in trying to promote business in rural areas and that achievements have been commendable given the adverse circumstances. Equally, however the document has made clear that the overall environment for tourism development remains far from conducive and is sometimes exacerbated rather than mitigated by the orientation and practices of key stakeholders. Thus an already daunting task is made all the more difficult. Particular challenges include:

- Government’s stance is dominated by a CBNRM perspective. There is discernible scepticism about markets and the private sector in general, and the tourism industry in particular. The observations that emerge from this paper indicate that a reasessment of government policy and interventions for promoting tourism with CBNRM is required.

- The tourism sector as a whole is relatively weak in terms of the number of firms, size of firms and diversity of product offers. Importantly, some of the private sector recognise that they face considerable challenges in adopting BDBE in a way that is both good for business whilst also delivering real empowerment that is inclusive of previously disadvantaged groups. This paper indicates that the mainstream private sector may need to be supported to explore ways in which it can integrate emerging rural and historically disadvantaged entrepreneurs more effectively.

- The role that international development assistance has played in promoting tourism, like government, reflects a strong CBNRM orientation. The approaches employed for the promotion of tourism enterprises in Namibia do not reflect wider experience. It would therefore appear there is considerable scope to learn lessons on effective enterprise and business development practices. This paper suggests that a reassessment is needed of the role that development agencies can play in making tourism work more equitably and sustainably for poor people in Namibia.

The document does not presume to dictate or make definitive recommendations. In the spirit of constructive engagement it has identified an agenda for change that might involve all of the stakeholder groups who are directly or indirectly involved in tourism development. The intention of this agenda is to stimulate discussion and reflection, which in can help inform a process for moving forward on specific issues, if the need for change is indeed recognised.

In all cases an urgent concern must be the development of a coherent, shared vision for the tourism sector that incorporates and offers opportunities to rural and historically disadvantaged individuals. Integrating the disadvantaged and excluded into the tourism mainstream, and making that mainstream work more effectively for them is the route to
sustainability, genuine empowerment and ownership and a vibrant sector that offers broad-based benefits.

We suggest the following seven areas as worthy of consideration:

5.1 Develop a Vision of the Industry that All Stakeholders Work Towards

The industry's most pressing need is for key stakeholders – government, communities and CSNRM organisations and the private sector – to engage constructively and realistically about the where tourism development in Namibia should be going and how that vision can be achieved. Funding agencies could play a role in helping to stimulate a process for vision formulation.

Key considerations in building this vision (which like all strategies will need to be revisited periodically) include:

- How can the tourism industry can better incorporate historically disadvantaged individuals and businesses in rural and communal areas (see point below)?
- Based on genuine demand assessments and understanding of markets, what is the industry's potential for further development:
  - Where do currently unfulfilled opportunities lie?
  - What are the opportunities between the different market segments and what are the relative costs, benefits and trade-offs between these (e.g. self-drive, hunting etc)
  - Which market segments are most suited to BEE and rural and communal area enterprise and product types?
- Based on supply-side assessments, what are critical constraints to further tourism industry development, and particularly sustainable integration of excluded groups, in terms of:
  - Development of appropriate, viable products?
  - Critical framework conditions such as infrastructure and utilities?
  - Mechanisms for monitoring and enforcing managing resources and visitor flows?
  - Support mechanisms and finance?
- What capacity is available to develop this vision? How do approaches need to change to take recognition of available skills and resources?
- What are the roles of local actors – government, the private sector, civil society – in fulfilling this vision?
- What kinds of external assistance from development organisations are required to achieve this vision?
5.2 Integrate CBT into the Tourism Mainstream

As noted above, it is vital that efforts to promote tourism in rural and communal areas is integrated into the tourism mainstream, or at least seen as having the potential to do so. Continued separation from the mainstream perpetuates dependency and does not increase empowerment.

Overcoming this divide requires explicit and concerted actions to foster greater integration: the promotion of sustainable links between enterprises and the transfer of a range of support functions – currently provided by aid-funded organisations – to local actors. In this regard, it is important to recognise that in addition to the historical approaches pursued by agencies in CBT which seek to “push up” communities to that they can engage in tourism, there also needs to be a “reach down” agenda which stimulates the mainstream tourism industry’s engagement with excluded groups. Given the relative weakness of other key tourism industry players this will require development agencies supporting players other than community-based enterprises, for example:

- Working with the mainstream private sector on demand and feasibility assessment, route development, product development, enterprise linkages and joint ventures and to explore options for sources of support (eg embedded services).
- Working with established business membership organisations, perhaps via FENATA to explore ways in which community-based enterprises can be incorporated into their membership, offered appropriate membership services and also explore ways in which enterprises can be linked to appropriate sources of support.
- Working with NTB on issues such as route planning, product development, overall industry branding and standards which are appropriate for CBT enterprises.

Integration is not to suggest that the distinctive identity of community-based tourism (eg “meet the people”) is lost. Nor that these enterprises do not have distinctive characteristics (eg rural location) that might translate into distinctive requirements. But it is to recognise that this distinctiveness needs to be accommodated (and even built upon) within the mainstream rather treated separately, risking continued isolation and dependency. This is a challenging task – not least as it must also recognise that CBT is but one segment of the tourism industry that needs to be assessed against other segments as competition. Considerable scope exists however, for CBT to operate successfully within this environment, especially given the need to deliver empowerment.

5.3 Work towards a Clear and Credible Vision of Sustainability

In pursuing a vision for the industry, a key challenge is to achieve greater clarity and consensus about the role of development agencies in Namibian tourism development. Fundamentally this means being transparent about what is in the “local” market system and what is “external”, what is permanent or integral to the system and what is temporary or catalytic.
Sustainability is a defining concept in development: it is what distinguishes development assistance from short term emergency relief. It is about ensuring that the capacity to deliver benefits continues without external support, permitting adaptation and growth in the face of an ever-changing environment.

This means that sustainability is not concerned solely with achieving financial viability at the enterprise level, but with the effectiveness and resilience of the wider system around enterprises which provides information, finance, support services, coordination, representation, protection and regulation and so forth. Agencies need to understand this wider system, and how it needs to be strengthened to enable the tourism sector in Namibia to work effectively, equitably and sustainably in the future. This system will comprise a range of potential functions and players:

- Functions: inter alia, product development and delivery, marketing, maintenance, skills development, finance, standards, coordination, regulation and enforcement.

- Players: who performs specific functions and who finances them. (Currently, much of the latter is provided by development agencies.)

The difficult, but inescapable task to move forward is to find ways to transfer these functions to local players, stimulating others to assume roles that historically have been performed and financed by development agencies. This doesn’t so much require an exit strategy, but an entry strategy, premised from the outset on engaging with a wide range of different actors to stimulate and strengthening them to perform a variety of roles. This may well require different and more innovative intervention approaches, with different partners and delivered in different ways.

Defining and achieving this vision of sustainability will not be easy. It has to be based on realistic assessments of the prevailing capacity and incentives of local actors and may force agencies to adjust their objectives accordingly. However, without such a vision of local capacity and ownership – be that within one year or ten years – excluded groups will remain vulnerable and dependent on external assistance.

5.4 REALIGN CBNRM AND TOURISM DEVELOPMENT

It is clear that significant interdependence exists between CBNRM and tourism in Namibia. It is also apparent that CBNRM considerations are the more dominant, in terms of focus, prevailing practices and resource allocation. This imbalance is significant because it appears to have undermined tourism business development efforts and ultimately hampers the sustainability of CBNRM.

There is a need to consider this imbalance and realign CBNRM and tourism development efforts. Tourism contributes 60% to 70% of CBNRM total revenues. It is a critical contributor to the success and sustainability of CBNRM. Getting tourism development right therefore is not simply one of three outcomes (social, environment and economic); while all three are crucial, the entire edifice of CBNRM depends on whether tourism delivers results. Perpetually supporting unviable business activities on conservation grounds ultimately undermines the sustainability of CBNRM activities and structures. Though this is well known in Namibia, far more could be done to take recognition of this, including:
• Establishing and applying business development principles to tourism development within CBNRM. As is beginning to happen to a limited degree, the private sector need to be far more involved in determining the feasibility of opportunities and the types of business models best suited to success.

• Recognising the need for new capacity and approaches. More effort needs to be directed at understanding wider experience and developing capacity to improve the practices, skills, culture and relationships necessary for successful business development.

• Choices or enterprise structure and business models need to take a practical rather than idealistic view on what has greatest chance of success. There are undoubtedly trade-offs here. Discussion of options needs to include an appraisal of what type and level of support will be required for each of these options and whether these supporting skills are indeed available.

• Appraising current resource distribution. Given the apparent importance of tourism revenues to CBNRM, the current level of resource allocation to tourism development appears disproportionately small.

5.5 REVISIT APPROPRIATENESS AND EFFICACY OF APPROACHES

After many years of efforts to promote tourism within the framework of CBNRM considerable experience exists that needs to be consolidated and built upon. In order to do so it is important to consider objectively what has worked and what hasn’t, based on a realistic appraisal of the nature and size of task at hand and available capacity. (For example, appraising the relative efficacy of joint ventures versus more standalone community-based enterprises or different ownership and management structures; identifying critical success factors, such as the nature of locations, proximity to established tourism routes and links to the private sector).

This calls for a commitment to measurement of approaches and transparency about relative successes and failures. It also calls for greater appreciation of international experience in private sector development (is beyond tourism development), as a source of comparison and learning.

5.6 UTILISE THE PRIVATE SECTOR

Tourism is predominantly a private sector activity. The private sector can bring customer understanding, information about trends, and expertise. Utilising private firms builds upon the strong incentives to perform and continue to perform certain functions, such as booking services or providing access to markets. Furthermore, private firms provide these services more efficiently and cost effectively than those who attempt to provide this from outside of the private sector, they adapt and respond to market changes and, providing it is feasible, they will continue to provide appropriate services sustainably. Whilst it is recognised that many CBT enterprises are remote and the private sector in Namibia is relatively weak, its potential needs to be better exploited. This requires that relationships between the private sector and government, civil society
and development agencies need to be improved and opportunities taken to utilise the private sector where possible. For example in terms of:

- Contributing to planning and product development. This would potentially involve working with both out-bound operators from key markets and also the local in-bound operators.

- Stimulating the private sector to assume certain market functions. In particular, exploring ways in which the private sector can be a source of alternative and more sustainable support to communities, such as representation and advocacy through existing membership organisations and "embedded services" through business linkages and joint ventures.\(^9\)

### 5.7 Work within the Realities of the Wider Environment

Despite gradual progress, it is recognised that the environment for tourism development continues to be adverse. These wider constraints cannot be ignored nor can they be addressed by isolated, small-scale activities on the ground. Concerted efforts are required, which might entail:

- Establishing mechanisms for better dialogue between government and the private sector.

- Improving the availability and transparency of information to all stakeholders to permit more informed decision making.

- Educating and increasing the awareness of stakeholders in government, politics, communities and the media, to improve expectations, perceptions and attitudes towards tourism and the private sector, and conversely, improve the private sector's perceptions of businesses in rural and communal areas.

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\(^9\) Via joint ventures the private sector often provides a range of support functions or services, such as technical advice on standards, skills development, market access and advertising, which are "embedded" in deals with communities. That is to say that these services are not offered on a stand-alone fee-paying basis, making them well-suited to cash-constrained communities.
6. CONCLUSIONS

The conduct of this review has expanded beyond its original focus on NACOBTA to consider the wider environment for development of tourism in rural and communal areas. It has done so, partly in response to the realities facing NACOBTA and partly in response to the open and positive engagement it has received from a variety of stakeholders involved in CBNRM and CBT. It recognises that the current challenges faced and future success does not rest with a single organisation or approach, but the effective cooperation of a range of different stakeholders.

The review recognises and applauds the many notable successes within CBNRM and CBT, given the enormity of the task faced and conditions in which they have been achieved. The review also believes that there are significant reasons for optimism going forward: the benefits of tourism development are improving all the time and approaches and practices of stakeholders are beginning to reflect the hard lessons that have been learnt over time. The picture captured by this document should therefore not be regarded as static. In the midst of this process of evolution and gradual progress, there is currently an undoubted opportunity to reflect on learning, to consolidate and improve practices and to shape future direction. This opportunity builds upon:

- The recently introduced BBBEE charter.
- The development of a new tourism policy by MET.
- NACOBTA’s process of reorientation and reform.
- The growing strength of NTB and FENATA within the sector.

This discussion paper emerges from recognition of significant challenges — which face all stakeholders — as well as opportunities. The review sees the critical importance of bringing a stronger business perspective to tourism development in rural and communal areas. This discussion paper has attempted to begin this process. In doing so we acknowledge that the nature of this type of tourism development is complex and interdependent on social and environmental factors.

However viable business development is critical to the overall sustainability of CBNRM and, ultimately, whether efforts to promote empowerment and reduce poverty are successful. To date, thinking and practices in CBT business development in Namibia have been neglected in comparison to the expertise, resources and focus applied to environmental issues and CBNRM.

The reason for our placing such a strong emphasis on business development is to redress this imbalance. It emerges, not out of ideological orientation or preference, but is born of pragmatism and realism and, most importantly, a concern that the sustainability of CBT, and by extension CBNRM, is not being addressed by the existing orientation and approaches.

It is important to recognise that this sustainability will not depend simply on business profitability, nor does it apply solely to the private sector. Sustainability rests with the capacity and incentives of a host of local private and public actors to continue performing a variety of roles, all critical to ensuring an on-going flow of economic, social and environmental benefits, independent from development assistance. Revenues from
tourism are a critical part of this system. Though this may at times require a sober 
appraisal of the undoubted trade-offs, the development of successful business needs to 
be acknowledged and embraced as the primary objective and the underlying route to 
delivering sustainable empowerment.

The challenge for different local actors is to define their distinctive roles in this tourism 
system and perform these roles effectively. The challenge for development agencies is 
to help local stakeholders define this picture and stimulate its development through 
temporary, finite interventions, without becoming an integral part of it as currently 
appears to be the case. This is the only route to genuine and lasting local 
empowerment.

This task is undoubtedly a difficult and complex one. The issues facing more effective 
tourism business development are pronounced:

- Expectations about tourism development.
- The feasibility of objectives.
- The environment for tourism development.
- Vision of sustainability.
- Commercial orientation.
- Differentiation between social and business development approaches.
- Consistency with wider development experience.
- Transparency about interventions and impact.
- Capacity for business development.
- A shared vision and coordination of efforts.

The environment for bringing about such change, though improving, remains adverse. 
Progress will no doubt be slow and iterative. However, achieving greater clarity and 
consensus on the important issues raised in this paper and adapting and improving 
approaches as the field goes forward, will consolidate the gains made to date and 
ultimately result in better and more sustainable outcomes.
## ANNEX 1: KEY INFORMANTS CONSULTED BY THE REVIEW

<table>
<thead>
<tr>
<th>Name</th>
<th>Organisation</th>
<th>Category</th>
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</thead>
<tbody>
<tr>
<td>1. Rupee Tsandjake</td>
<td>Ministry of Environment &amp; Tourism</td>
<td>Government</td>
</tr>
<tr>
<td>2. Candy Nhulua</td>
<td>Ministry of Environment &amp; Tourism</td>
<td>Government</td>
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<tr>
<td>3. Merrow Thuliseb</td>
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<td>Government</td>
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<tr>
<td>4. Phillip Usibos</td>
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<td>Government</td>
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<tr>
<td>5. Albert Mizee</td>
<td>Ministry of Environment &amp; Tourism</td>
<td>Government</td>
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<tr>
<td>7. Tom Bunde</td>
<td>Yellow Road</td>
<td>Consultant</td>
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<tr>
<td>8. Odion Chilongo</td>
<td>Namibian Tourism Board</td>
<td>Government</td>
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<tr>
<td>9. Barani</td>
<td>Namibian Tourism Board</td>
<td>Government</td>
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<tr>
<td>10. Chris Thoulcass</td>
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<tr>
<td>11. Ed Humphrey</td>
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<td>12. Susanne Metterson</td>
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<tr>
<td>13. Tim Tenderlay</td>
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<td>14. Tbc</td>
<td>USAID</td>
<td>Donor</td>
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<tr>
<td>15. Chris Weaver</td>
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<td>Donor/CBNRM Project</td>
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<td>18. Brian Jones</td>
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<td>21. Lloyd Campo</td>
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<td>22. Paalila Shikute</td>
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<tr>
<td>23. Rosanna Blake</td>
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<tr>
<td>24. Jermain Kell</td>
<td>Easy travelling ways</td>
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<td>25. Kurt Sellerer</td>
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<td>26. Alan Kirby</td>
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<td>27. Chris McIntyre</td>
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<td>28. Chris Weaver</td>
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<td>31. Michael Hearm</td>
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<td>33. Anna Davids</td>
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<td>35. Maggie Jacobson</td>
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<td>36. Garth Owen-Smith</td>
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<td>37. Don Muraws</td>
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<td>38. Lelis Usikui</td>
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<td>39. Chris Brown</td>
<td>Namibia Nature Foundation (also runs</td>
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<td></td>
<td>lodge company)</td>
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<td>40. Patricia Skye</td>
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<td>41. Ronnie Dempers</td>
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<td>42. Wilfre Boonzaier</td>
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<td>44. Kos Mouton</td>
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<td>47. Israel Iketana</td>
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<td>49. Mr. Matsie</td>
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<td>50. Riaan Gross</td>
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<td>51. Tertius Omba</td>
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