

**PPT Working Paper No. 1**



**Practical strategies for pro-poor tourism,  
Wilderness Safaris South Africa:  
Rocktail Bay and Ndumu Lodge.**

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**April 2001**

## Preface

This case study was written as a contribution to a project on 'pro-poor tourism strategies.' The pro-poor tourism project is collaborative research involving the Overseas Development Institute (ODI), the International Institute for the Environment and Development (IIED), the Centre for Responsible Tourism at the University of Greenwich (CRT), together with in-country case study collaborators. It is funded by the Economic and Social Research Unit (ESCOR) of the UK Department for International Development (DFID).

The project reviewed the experience of pro-poor tourism strategies based on six commissioned case studies. The case studies used a common methodology developed within this project. The case study work was undertaken mainly between September and December 2000. Findings have been synthesised into a research report and a policy briefing, while the 6 case studies are all available as Working Papers. The outputs of the project are:

*Pro-poor tourism strategies: Making tourism work for the poor.* Pro-poor Tourism Report No 1. (60pp) by Caroline Ashley, Dilys Roe and Harold Goodwin, April 2001.

*Pro-poor tourism: Expanding opportunities for the poor.* PPT Policy Briefing No 1. (4pp). By Caroline Ashley, Harold Goodwin and Dilys Roe, April 2001.

### *Pro poor Tourism Working Papers:*

- No 1 *Practical strategies for pro-poor tourism, Wilderness Safaris South Africa: Rocktail Bay and Ndumu Lodge.* Clive Poultney and Anna Spenceley
- No 2 *Practical strategies for pro-poor tourism. Case studies of Makuleke and Manyeleti tourism initiatives: South Africa.* Karin Mahony and Jurgens Van Zyl
- No 3 *Practical strategies for pro-poor tourism. Case study of pro-poor tourism and SNV in Humla District, West Nepal.* Naomi M. Saville
- No 4 *Practical strategies for pro-poor tourism: NACOBTA the Namibian case study.* Nepeti Nicanor
- No 5 *UCOTA – The Uganda Community Tourism Association: a comparison with NACOBTA.* Elissa Williams, Alison White and Anna Spenceley
- No 6 *Practical strategies for pro-poor tourism. Tropic Ecological Adventures – Ecuador.* Scott Braman and Fundación Acción Amazonia
- No 7 *Practical strategies for pro-poor tourism: a case study of the St. Lucia Heritage Tourism Programme.* Yves Renard
- No 8 *Pro-poor tourism initiatives in developing countries: analysis of secondary case studies.* Xavier Cattarinich.

All of the reports are available on our website at:

**<http://www.propoortourism.org.uk>**

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## Acknowledgements

The authors gratefully acknowledge the support of the UK Department for International Development (DFID) in funding this work. DFID supports policies, programmes and projects to promote international development. It provided funds for this study as part of that objective, but the views and opinions expressed here are those of the authors alone.

The study was conducted under the auspices of the CRT, IIED and ODI, with editing and advisory inputs from Caroline Ashley (ODI).

Thanks are also due to the many staff, community members and organisations who took the time to participate in this study.

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## Acronyms

DEA&T	South African Dept of Environmental Affairs and Tourism
DFID	UK Department for International Development
GSLWP	Greater St :Lucia Wetland Park
KZN	KwaZulu Natal
KZNNCS	KwaZulu Natal Nature Conservation Services
KBNR	KwaZulu Bureau of Natural Resources
KZNTA	KwaZulu Natal Tourism Authority
SATI	South African Tourism Institute
SATOUR	South African Tourism (marketing arm of the Government)
SDI	Spatial Development Initiative
SMME	Small, medium and micro enterprises
TEP	Tourism Enterprise Programme
TFCA	Transfrontier Conservation Area
WS	Wilderness Safaris

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# 1. Overview

This paper reviews the Maputaland operations of Wilderness Safaris (WS), a Southern African tour operator. In particular it focuses on two lodges run by WS, which are tri-partite ventures between the company, local communities and the provincial government's conservation authority. The main pro-poor element of WS's strategy is its contractual relationship with the community and the conservation authority in a Lodge Operating Company. A separate partnership exists between the conservation authority, a financing body and the local community in the Lodge Owning Company. This partnership arrangement differs from standard practice in the region whereby a private lodge is built on private land, or is operated within a game reserve on land leased from the conservation authority. This paper reviews the strategies and challenges faced by the company, and details the financial and livelihood impacts experienced by the community so far.

## 1.1 The area and context

The case study site is located in Maputaland, in the north-eastern portion of the KwaZulu Natal province of South Africa. The two WS operations studied in this assessment are Ndumu Lodge and Rocktail Bay Lodge. Ndumu Lodge is situated in the Ndumu Game Reserve on the border with Mozambique, while Rocktail Bay Lodge lies in the coastal forest reserve on the Indian Ocean shoreline. The area falls under the Lubombo Spatial Development Initiative (SDI)<sup>1</sup>, a regional development programme oriented to the growth of tourism. SDIs aim to promote industrial, commercial and tertiary sector activities, with knock-on employment opportunities. SDIs are often located in areas with abundant natural resources but with limited infrastructure as well as widespread poverty and weak institutional capacity to manage development sustainably (DEA&T, 1999).

Maputaland is a growing tourist destination (see Annex 2). Tourism segments include coastal tourism (e.g. beach, scuba diving, snorkelling, and fishing) and photographic safari tourism in 'Big 5' reserves. Accommodation facilities range from luxury wilderness lodges (characterised by WS and Conservation Corporation operations), through guest houses and self-catering chalets (e.g. provided by KwaZulu-Natal Nature Conservation Services (KZNNCS)), to backpackers' sites, rustic bush camps and camping. The area offers a diverse range of habitat and wildlife for various levels of the tourism market. WS provides exclusive up-market facilities for tourists who would fall into SATOUR category B (around SAR 1181 equivalent to \$150 per person, per night).

The Greater St Lucia Wetland Park (GSLWP), which also lies within the Lubombo SDI, has recently been awarded World Heritage Site status. This designation has given the region a much needed publicity boost since it is under pressure to generate revenue through nature-based tourism. In its recent history, Richards Bay Minerals lobbied the government to allow part mining of the coastal dunes for heavy metals. Following a protracted dispute with the conservation lobby and the most expensive Environmental Impact Assessment ever undertaken in the country, the new South African government ruled against mining and designated the Wetlands for conservation and tourism; the long-term financial and conservation benefits from tourism outweighed the predicted revenue and cost of environmental degradation from mining. Fourteen tourism concession sites

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<sup>1</sup> The South African government has adopted the concept of Corridor Development, called Spatial Development Initiatives (SDIs) “ . . . as a tool for creating an outward oriented and internationally competitive economy in the region. The SDIs form part of the South African government's Growth Employment and Redistribution (GEAR) programme, a macro-economic strategy, aimed at revamping the inefficiencies and inequities of the economic system that developed during the apartheid era. They are also designed to link into strategies for economic growth adopted by South Africa's neighbours in the region.” {Mafisa SDI Appraisal, March 1997}

within the GSWLP are currently for tender, and are due to be granted in August 2001. SAR<sup>2</sup> 630 million (US\$ 80.2 million) is being spent on regional support networks, park infrastructure, game reintroduction, and a malaria eradication drive (SDI Technical Team, 2000, Lubombo SDI Investor Launch Dec. 1999).

### *1.1.1 Policy context*

The general policy environment is in a state of flux, with new legislation and strategies being introduced to encourage tourism. However, there is an impression that remnants of the previous provincial bureaucracy do not welcome change, and in some cases may even be actively obstructing it. Both the WS lodges are located in designated conservation areas where KZNNCS, as the conservation authority, appears to be in disarray. There is the impression that a number of the old guard conservators in the KZNNCS do not support initiatives which involve either communities situated on the periphery of their parks, or the private sector which is being encouraged to assume the hospitality component of game reserves. Currently there is a restructuring underway where many people within KZNNCS stand to lose their jobs; this crisis is compounded by a substantial cut in the operating budget of the authority, (Pers. comm. NCS Board member, 2000). The KZNNCS is now under pressure to generate revenue from core profits, but it appears that it is neither geared towards the demands of restructuring, nor towards operating in partnership with the private sector or communities.

In order to assist changes, the Department of Environmental Affairs and Tourism (DEA&T) has created a new combined conservation and tourism Heritage Authority for part of the region, which falls under the GSLWP. This effectively places the World Heritage Site under the overall management of a national competence, and leaves KZNNCS to play an executive implementing function.

The WS initiative is caught in the middle of the administrative crisis, and does not feel it is receiving support from the conservation authority for its initiative, despite the fact that an arm of KZNNCS is a partner.

### **Attitude of government to tourism**

The central and provincial governments' attitudes to tourism in the region are positive but naïve. Initiatives such as the Lubombo SDI and the GSWLP, together with the tourism and conservation value of its natural assets, means that the region has the potential to take off as a global tourist destination. However, conflicts between the conservation authority communities, and the private sector act as a major disincentive to investors. The government has also underestimated the risk to the private sector associated with operating in areas which suffer a lack of infrastructure and a prevalence of malaria and criminal activity (see Annex 3).

### **Pro-poor policies in general, and specifically within tourism**

The government does not have pro-poor policies in place as defined by DFID (*'tourism that generates net benefits for the poor'* (DFID, 1999)) but rather hopes that the poor will benefit

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<sup>2</sup> \$1 = SAR 7.85 (South African Rand)

indirectly through government initiatives such as SDIs which attract major investment into the region (see Annexes 3 and 4).

## **Organisations influential in tourism development**

There are a number of organisations which attempt to influence tourism development. These include the SDI Technical Team, the national tourism authority, SATOUR, the provincial KwaZulu Natal Tourism Authority, and regional services councils. National and provincial government departments also have some input into planning tourism development, including the departments of Finance; Public Works; Transport, Trade and Industry; Arts, Culture, Science and Technology; Labour; Education; Home Affairs, and Foreign Affairs. These parties are sometimes in conflict with each other, particularly since some are regional, some are provincial and others are national organisations. Although there is continual reference to the government function of creating an enabling environment for private sector investment, this is seldom occurs.

## **1.2 Background and details of the PPT initiative**

The PPT initiatives studied here are WS Maputaland operations comprising two lodges, one at Rocktail Bay and the other within Ndumu Game Reserve. These initiatives fall within WS's broader tourism development strategy aimed at enhancing WS lodge operations in the region and developing the area as a tourist destination. The pro-poor element and the focus of this study is the partnership with neighbouring poor communities, formalised through a contractual relationship in the Lodge Owning and Operating companies.

During the mid-1980s WS sought to complement its Southern Africa operations in countries like Botswana and Zimbabwe with lodge operations in South Africa. The first choice was to develop tourism in Mkuze Game Reserve, with a second option of Ndumu Game Reserve. After lengthy deliberations the KwaZulu Bureau of Natural Resources (KBNR – since amalgamated with Natal Parks Board to form KZNNCS) offered WS Rocktail Bay; a fishing camp built in the coastal dune forest. WS accepted the concession on condition that a site would also be allocated in Ndumu Game Reserve for a lodge. Thus, Rocktail Bay operations started in February 1992 while Ndumu was ready for occupation in March 1995. Consultants were contracted by the KBNR who worked out the partnership arrangements with the various parties. The partners in the operation include:

- **Conservation authority**

Isivuno is a Section 21 (non-profit making) company that was formed as the trading arm of the KwaZulu Conservation Trust, acting on behalf of the KwaZulu Department of Nature Conservation (now KwaZulu Natal Nature Conservation Services, KZNNCS). Isivuno obtained a 99-year lease from the government for the lodge sites at both Ndumu and Rocktail Bay. It has since sub-leased the sites to a Lodge Operating Company for an initial period of 20 years.

- **Local communities**

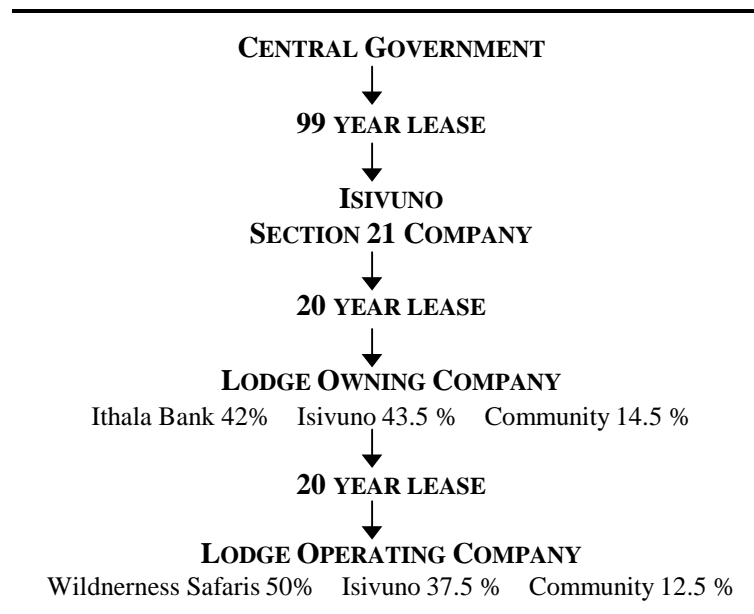
Ndumu Wilderness Camp falls under the jurisdiction of the Mathenjwa Tribal Authority, while Rocktail Bay Lodge falls under the Mqobela Tribal Authority. In both cases a trust has been formed to represent the community interests. These trusts hold shares in the Lodge Owning and Lodge Operating Companies, and profits are distributed by the trustees.



- **Private sector**

Wilderness Safaris (WS) Maputaland Pty Ltd is a subsidiary of Wilderness Safaris Pty Ltd and has been formed to look after the group's interests in KwaZulu Natal. The generic model is diagrammatically represented in Figure 1.

**Figure 1 Schematic of the partnership arrangement**



Isivuno has sub-leased its 99-year holding to a Lodge Owing Company in which it has the major shareholding (43.5%). KwaZulu Finance Corporation (now Ithala Bank) has a 42% share and the Community Trusts hold a 14.5% share.

In the Lodge Operating Company structure, Isivuno holds a 37.5% share; the community trust a 12.5% share and WS the major share of 50%. WS entered into the Lodge Operating Company after Isivuno and its consultants had designed the share allocation.

### *1.2.1 Financing the development*

Loans have been secured through Ithala Bank while WS has also lent money to the Operating Company. Substantial renovation and refurbishment has been carried out, particularly at Rocktail Bay Lodge. The camps are valued at SAR 8 million (US\$ 1,019,108). The monthly operating costs are SAR 160,000 (US\$ 20,383) at Rocktail Bay and SAR 120,000 (US\$ 15,286) at Ndumu, totalling SAR 280,000 (\$35,669) per month. These costs cover the following:

Food, bar & curio costs	Environmental impact studies
Housekeeping	Marketing & advertising
Levies & permits	Vehicle expenses
Gas & fuel	Insurance
Salaries & wages	Camp maintenance
Consulting fees	Fixed and variable rentals
Legal fees	Depreciation
Audit fees	

### *1.2.2 Market segment*

The tourists to Ndumu are predominately bird watching enthusiasts. The reserve is one of the finest birdwatching sites in the country, with 60% of South Africa's birds (over 400 species) recorded. Although not a 'Big 5' destination, Ndumu contains black and white rhino, leopard, hyena, buffalo, hippo and crocodile. The majority of the guests at Ndumu are foreign, although a number of South Africans do visit. Visitors to Rocktail are also predominately international, who are seeking an area of secluded sandy beach for fishing, snorkelling and general relaxation. The lodge also offers nocturnal walks and drives along the beach in search of leatherback and loggerhead turtles laying eggs and, later in the season, the hatchlings going out to sea.

### *1.2.3 Pro poor objectives and elements*

The commercial partnership with neighbouring poor communities means that the initiative is implicitly pro-poor. This is quite different from standard practice in the region, whereby a private lodge is built on private land, or within a game reserve on land leased from the conservation authority. In addition the areas where the lodges are located are under-developed with less security, a high incidence of malaria and widespread poverty, which makes the initiatives more pro-poor compared to much of mainstream tourism.

In addition to the partnership with the community, pro-poor elements of WS strategy include

- a policy to employ local people
- encouraging local provision of services
- enhancing the community share in the partnership.

Increased interaction between WS and its community partners has led to an improved common understanding of the importance of active participation by all partners for the success of the enterprise. The increased prominence of cultural tourism provides more opportunities to enhance and diversify the WS product, with the potential for greater community involvement in joint planning and implementation of new products. Options are currently being pursued with the Community Development Trust partners, other community structures in the region and, with the assistance of a community advisor, through linkages created with other initiatives in the region. An advisor is contracted by WS to explore various possibilities with the partnership including the conservation authority KZNNCS. These secondary initiatives could be critical in transforming WS's Maputaland operations into a profitable enterprise and developing the region as a unique destination.

### **Provision of local services**

Local cultural and community activities have also been integrated into guest itineraries. For example, performances by the local Sangoma (traditional divination and herbalist) Training School were sold to tour operators at international travel markets during 2000 and are being booked through travel agencies as part of activity choices (see section 2.1.1 for a description of Sangoma performances).

WS employs a community-based security service, rather than a commercial one. This has recently become part of a newly established Community Policing Forum and has proved very effective in

curbing local crime. In addition, taxi drivers have been employed at each lodge to transport staff to and from their homes outside the reserves.

The WS advisor in the region has also been contracted to help increase the benefits to the community partners and to diversify the tourism service. This will create a better product range for guests and additional economic opportunities for the community. More recently, efforts have been made to assist communities situated on the border of Ndumu Game Reserve to establish a community conservation area. WS has also tried to help the Mbangweni community situated on the reserve's eastern border and who have obtained non-occupational rights to a portion of it, with tourist related development. Potential enterprise developments, including buffalo breeding, elephant back safaris and a crocodile farm, are currently under review.

### **Enhancing the community share in the partnership**

WS has attempted to engage a donor agency to buy out Isivuno and Ithala Bank's shares on behalf of the community. This is still in progress.

#### *1.2.4 Efforts to include other stakeholders*

Recently, there have been efforts to involve additional stakeholders, including NGOs, other communities and international agencies, in planning a more comprehensive Wildlife Complex. The proposal for the complex includes Ndumu Game Reserve (11,000 ha), the community conservation area (3,500 ha), part of the Mbangweni Corridor (5,000 ha) and the Tembe Elephant Park (30,000 ha), and areas in Mozambique. In order to achieve some cohesion in the Ndumu destination, a number of new stakeholders have been brought in such as the Peace Parks Foundation, Transfrontier Conservation Areas Programme, Lubombo Water Ways Programme and the SDI, as well as various government agencies.

## 2. Pro-Poor Focus

WS did not embark on a ‘pro-poor strategy’ in either 1992 at Rocktail Bay or 1995 at Ndumu since there was no such strategy in place. Rather, the company engaged with its existing neighbouring communities who became partners in a predetermined shareholding arrangement, in keeping with its ‘neighbours’ policy (Box 2.1). This arrangement ensures that the community receives a share of profits from the Lodge Owing Company and the Lodge Operating Company, although at this stage neither has started to produce a profit. Thus, although WS has undertaken a number of pro-poor activities, the real benefits will only become apparent once the business is financially successful.

Following recent SDI infrastructural developments, the area has received a lot of interest from investors, albeit cautious. WS is the only substantial tour operator with an extensive marketing network that has so far been prepared to establish operations in this contested conservation area, where land claims, crime and the threat of malaria are permanent features. In line with its commitment to working with its neighbours, WS has taken on the risk in the hope that a partnership with local communities will improve wilderness conservation and transform the area into a deserving tourist destination. In this region of Maputaland the only other professional safari operators in the same league as WS are situated on private land rather than within provincial game reserves. WS’s commitment stems from a vision for the region, which recognises the development potential of such an environmentally and culturally diverse area. Despite setbacks and obstacles, such as WS’s plans to liquidate in 1999, and the lack of cooperation from the conservation authority as partner, WS has persevered.

### Box 1. Origins of WS pro-poor strategy

In a brochure entitled “Our Work With Neighbouring Communities” (2001) WS outlines its position in the following way :-

*“Wilderness Safaris understands the need to uplift and empower communities living closest to the areas in which we operate. Wherever possible, we ensure that people from these communities derive benefits from wildlife-based tourism.*

*We recognise many years ago that communities who live in, or border on, wildlife areas have key conservation roles and undeniable rights.*

*Wherever possible, we have involved them in wealth generation through integrated tourism projects and by providing employment and business opportunities, transfer of skills and training in decision-making processes.*

*A selection of community-related projects currently in progress at Wilderness Safaris include :*

*Ndumu Wilderness Camp in Ndumu Game Reserve and Rocktail Bay in the Maputaland Coastal Forest Reserve,*

*have their respective neighbouring communities and the Parks themselves as shareholders in the camps. The communities own their shares through the community share hold trust scheme. Wilderness Safaris and the operating companies of which the community is also a shareholder, pay lease rentals over to the Lodge Owing Companies. The project financially rewards the community, who are the traditional owners of the land; KwaZulu Natal Conservation Authority who are the conservator of the Parks and Forest Reserve, and Wilderness Safaris in their capacity as the manager of the lodges.*

*Damaraland Camp revenues flow to the local community through significant bed night levies, provision of services, secondary businesses, and salaries and wages. The community directly earns 10% of the camp’s bed night revenue. Our involvement was instrumental in this community being the first in Namibia to have*

*their area proclaimed a Community Wildlife Conservancy. The community is our landlord here. This area, the Torra Conservancy, is over 80 000 hectares and is home to many of the rare and endangered desert adapted elephants and black rhino. This area is rated by the WWF as the most successful community project in Namibia.*

*Duba Plains, Little Vumbara and Vumbara are part of a successful rural community development programme in the northern Okavango. Villagers who live to the north of the Okavango have been given this prime area by the government to run and manage. They have formed the Okavango community Trust to oversee the project and to receive the flow of funds. The communities are now benefiting from the substantial cash and auxiliary returns, jobs, skills transfer and training on how to nurture this area, and in turn, are doing a superb job of looking after the region;*

*Makololo's principal shareholder is a neighbouring rural family who run a small trading store just outside Hwange National Park. Funds from tourism have now started to flow through to those people who live closest to the park through dividends and salaries. Linkwasha, Giraffe Springs and Ruckmechi have local indigenous partners that ensure that any money earned gets more widely distributed.''*

## **2.1 Assessment of broad pro-poor tourism strategies**

As outlined above, the principle pro-poor element of this initiative is the tri-partite nature of the contract. This is complemented by WS's support for local employment, as well as its broader promotion of local services and the role of the community in tourism development. This section assesses in more detail WS's tourism strategies that affect the poor.

### *2.1.1 Expansion of business opportunities for the poor*

There has not been a significant growth of small enterprise development programmes. Training has primarily been oriented towards staff employed directly in the running of the lodge. Although there are ad-hoc purchases from local curio sellers and fruit and vegetable stalls, a strategic plan to develop or encourage local enterprises does not exist. However, the presence of the lodges has clearly expanded the local demand for products and services.

Enterprises which have been developed as a direct result of Rocktail Bay and Ndumu include a taxi service and cultural excursions, including a Diviners Training School and Sangoma Performing Arts Group. The taxi services at each lodge are run by members of the immediate local communities, and contribute an additional ZAR 29,000 per annum to local incomes in the area. The Sangoma Dance Team performs traditional ceremonies and dances for visitors to both lodges on request. Sangomas (*izangoma*) are traditional healers in Southern Africa who practice divination through ancestral spirits, which complements holistic health care through administration of herbal remedies and treatment. Maputaland has a high population of sangomas who practice their art using the many herbal remedies available from the region's biodiverse ecosystems. The principal Sangoma who provides excursions and performances for WS guests runs a successful practice and training school where he trains interns. The money earned from the performances has allowed the Sangoma Training School to take on financially disadvantaged students, and to speed up the rate of training by funding materials for key ceremonies. It has also allowed the principal Sangoma to employ people to work in the fields, and to establish a small shop.

The taxi service at each lodge is used both for staff transport and food and solid waste disposal. Therefore, these are two transport businesses, which have benefited from providing a regular service to a client.

'Hippo tours' have been introduced for Rocktail Bay guests which employ local community members to guide guests to local hippo habitats. Previously considered a pest by the villagers, the hippos are now tolerated because the tours generate a fixed monthly fee for the community, plus money per tourist if hippos are seen. The income also increases community awareness of the value of biodiversity conservation in rural areas.

These small initiatives aim to improve community benefits since any significant dividends from the shareholding arrangements will be long in coming. In recognition of, for example, the social and environmental responsibility as exemplified in a local contract to remove waste from the proclaimed area, WS received a British Airways Award for Responsible Tourism in 1998.

Nevertheless, there is much untapped potential particularly in the supply of tourism-related services and products. What is required is some way of organising, coordinating and training local people to develop these enterprises. Since this is not the core focus of the private sector's work, nor the competence of the conservation authority, other means need to be considered. A local agency is needed to coordinate and develop service and production options, particularly those that can build on local knowledge, culture, culinary skills and cuisine, and integrate them into tourist attractions. There is an urgent need to explore these options since expanding and diversifying the product would be mutually beneficial to both the tour operator and community (see section 4.1)

### *2.1.2 Expansion of employment opportunities for the poor*

All staff, except for management, are recruited from the area via the community partners. At Rocktail Bay the assistant manager is also from the local area. Between them, Rocktail Bay and Ndumu Lodge have created 50 permanent jobs for local people who were previously unemployed. They have also generated opportunities for casual labour from the area: 3 people at Rocktail and 2 at Ndumu are usually employed on a rotating basis. Eight people are also employed on a rotational basis to work in the Community Policing Forums in the rural areas neighbouring each lodge. In addition, 55 people were employed temporarily over a four month period in 2000 during refurbishment of Rocktail Bay.

There are pitiful job opportunities in the area, so the existence of the two WS lodges, and the policy of employing local people, have directly resulted in a higher proportion of local people in employment. The lodges have also allowed local people to receive training in tourism and opportunity for advancement within the company, for example, the assistant manager at Rocktail Bay is from KwaMqobela, and has been trained up from an initial role as a labourer on the lodge construction.

When new staff are required at Rocktail Bay, the manager or assistant manager approaches the Community Trust and Induna (or ward Headman). The names of all interested candidates are placed into a hat, and the names of prospective candidates are drawn at random. This system appears to have been designed by the community. The lodge manager and divisional head from WS are then free to interview those who are selected, and have final say over who is employed. This unusually equitable arrangement of choosing potential candidates has provided access to employment to a broader selection of community members. Experience in other lodges (e.g. Spenceley, 2000) reveals that a common approach is to ask existing employees to recommend friends or relatives for employment. This process limits the benefits to small numbers of families and does not permit equal opportunity to all.

In cases of dismissal, members of the community trust are consulted and informed of the decision making process, but have no remit to counter decisions. Such intimate involvement in business management issues would be unworkable (see Annex 5). The lodge does not employ more people than the average lodge, but does employ a higher proportion of local people.

### *2.1.3 Addressing the environmental impacts of tourism that particularly affect the poor*

The Rocktail Bay tourism development has not addressed the environmental impacts of tourism on the poor. As the lodge lies within the Maputaland Coastal Forest Reserve, access to natural resources and the land on which it lies is controlled by KZNNCS. There has been customary use of resources within the forest and the inter-tidal zone, but this has gone uncontrolled for fear of reprisals and animosity towards KZNNCS. However, non-local people must now legally apply for permits to fish from the coast, and there is a programme of developing a suitable and acceptable permit system for local communities to ensure that resource use is sustainable. The presence of the lodges has not altered the policy of KZNNCS with respect to access to resources for local communities.

Ndumu Game Reserve, which also falls within the administrative jurisdiction of the KZNNCS, does not allow people into the reserve to harvest natural resources. However, meat and skins from culled animals are sold cheaply to local people.

### *2.1.4 Enhancing the positive and addressing the negative social and cultural impacts of tourism on the poor*

The employment policy of recruiting all staff, except for management, from the local area has had a very positive social impact on the poor (please see section 3.2.3.1 for details of impacts). People from the local community who are now employed at Rocktail Bay and Ndumu have no prior training in tourism or experience with tourists, and often facilities as basic as toilets are not found in their own homes. The staff turnover is also particularly low, which means that the policy benefits WS in terms of reducing training costs over time, while offering long-term employment prospects to local people.

While WS does not operate a pro-women employment policy, women have benefited significantly from employment opportunities. There was no evidence of sexual exploitation nor of a loss of identity presented during the study. However, it is clear that jobs in security, maintenance and guiding tend to be allocated to men, whereas the laundry, kitchen and housekeeping sections are predominately staffed by women.

WS does not become involved in community decision making over expenditures, preferring instead to leave it to the communities to set their own priorities and decide how best to spend their dividends.

### *2.1.5 Building a supportive policy and planning framework*

The partnership arrangement established by WS has had some impact on policy and planning for the development of the entire Lubombo SDI as a tourist destination. WS has been consulted about

future partnerships, while this report will provide background material to an examination of a range of policy and planning scenarios for new tourism investment in the region.

### *2.1.6 Developing pro-poor processes and institutions*

The partnership arrangement requires the establishment of local bodies with whom WS can negotiate, who can represent the communities and who can make decisions and manage the resources on their behalf. WS aims to strengthen these institutions through its endeavours to buy out the bank's and Isivuno's shares and increase that of the communities. WS has also assisted with land claims and helped communities realise the benefits through independent community-based tourism development.

## **2.2 Specific actions to involve poor people in tourism**

There are many barriers to poor people's involvement in tourism, and while WS has a commitment to expand community benefits, many fall outside its area of expertise. Both the lodges are located in under-developed and isolated areas where people lack awareness, skills and capacity to respond to the demands and opportunities that tourism brings. Tables 2.1 and 2.2 provide details of specific problems encountered by the initiatives, and the efforts being made by WS, with its community partners and other stakeholders to unlock the potential.

**Table 1 Actions to address barriers to participation of the poor in tourism, Rocktail**

<b>Issue</b>	<b>Identified as a barrier</b>	<b>Means of overcoming it</b>
Lack of human capital – e.g., skills	Yes. There is no external training available to members of the community who wish to be involved in tourism	New employees are unskilled and are trained on an apprenticeship basis by WS. There is no formal training for staff.
Lack of financial capital – e.g., micro credit, revolving loans	Yes. Limited credit available through 'stockvels' (local savings club) externally	Employment and Trust dividends from WS. Staff bank accounts to receive wages provide potential access to credit.
Lack of social capital/organisational strength	Yes.	Training of employees to improve social capital. The community trust has developed organisational strength.
Gender norms & constraints	No. Both men and women are employed within the lodges, and are represented on the Trusts.	
Incompatibility with existing livelihood strategies	None reported.	
Location	Yes. The community lies about 45 minutes drive along very poorly maintained roads from the main tourist route through the area. They do not, therefore, have access to passing tourists  No. The proximity of the community to the lodge is the primary reason for their	None.



	participation in the partnership, and their employment at Rocktail Bay.	
Lack of land ownership/tenure	Yes. Land tenure is on a communal basis where land is held in trust by the Tribal Authority and allocated on a usufruct basis.	The Ingonyama Trust or Zulu King's Trust has been established .
Lack of 'product'	Yes. The local people do not have anything to sell to the lodges or tourists in any formal sense.	Informal purchases of curios and food by the lodge from local people. Initiation of 'hippo tours' for Rocktail guests, where the community receives a fixed monthly fee, and money per tourist if hippos are seen.
Planning process favours others – lack of planning gain	Yes. The SDI has not directly affected the communities around Rocktail, as it is difficult to access the major tourist road.	
Regulations & red tape	Yes. In order to develop a community campsite at Rocktail Bay, the community will require authorisation from KZNNCS. They are unsure as to the process and how best to approach the issue without alienating the conservation body.	The community requires a mediator to act between them and the KZNNCS. Such a person or organisation needs to have understanding of the conservation services processes and of the Zulu language and culture. WS consultant has been asked to assist
Inadequate access to the tourism market	Yes. There are no passing tourists through the settlement around Rocktail Bay that are not heading directly to the lodge.	Trade will have to be directed into the area through advertising and information to supply potential community operations. This is probably outside the remit of WS, who may prefer to see an external agent involved.
Low capacity to meet tourist expectations	This depends on the tourist market. There is lack of understanding that the lodge is conducive to purchasing local fresh produce and would purchase local curios to sell in the shop. There is additionally a lack of understanding of what would be required to initiate and successfully run a community tourism operation.	Communication, education and training are required. To date there has not been any specific actions to address this capacity issue outside of training WS staff.
Lack of linkages between formal and informal sectors/local suppliers	Yes.	There have been few attempts to formalise linkages including the taxi and security services. Informal purchases by WS of food and curios does occur, but there is a lot more unrealised potential.
Tourist market (segment) inappropriate	Yes. Local people do not have the capacity or understanding of the luxury tourism market to cater for them, or attract them to the area.	The idea of community campsite is being explored by the community neighbouring Rocktail. This would cater for the backpacker market and budget tourists.
Lack of pro-active government support for involvement by the poor.	Yes. There is a lack of training support for members of the community, and inadequate access to finance.	

**Table 2 Actions to address barriers to participation of the poor in tourism, Ndumu**

<b>Issue</b>	<b>Identified as a barrier</b>	<b>Means of overcoming it</b>
Lack of human capital, e.g. skills	Yes	In house training
Lack of financial capital, e.g., micro credit, revolving loans	Yes	Not started – recommendations made. See Poultney, 1999 approach to Land Bank and other institutions.
Lack of social capital/organisational strength	Yes	Need local agency to link capacity building to tourism market
Gender norms & constraints	Negligible, 71% of staff employed are women & well represented in community structures	
Incompatibility with existing livelihood strategies	No	
Location	No	
Lack of land ownership/tenure	Communal land tenure & usufruct.	In order for community to start enterprises such as the community conservation area, The Ingonyama or Zulu KingTrust has set up a division to assist in making land available for development. WS will work with the Trust.
Lack of “product”	Accessibility of product.	There are a number of possible attractions eg Border Cave, wildlife and cultural assets, which need to be developed and made accessible to tourists. The Lodge takes people to the sangoma school, or organises and subsidises transport for performances at Ndumu and Rocktail Lodges
Planning process favours others – lack of planning gain	Yes. The process targets investors as the key drivers in the region, while the unique selling points, eg the diversity of products, culture and environments, are not sufficiently packaged by the authorities.	Approaches have been made to the local tourism association and SDI to include locally owned products into the planning of the region.
Regulations & red tape	Yes	
Inadequate access to the tourism market	Yes. Limited throughflow of guests	WS has tried to integrated local products into a regional circuit to increase turnover for mutual benefit
Low capacity to meet tourist expectations	Yes	In core business this is mitigated by experienced managers who train staff.
Lack of linkages between formal and informal sectors/local suppliers	Yes	Nothing substantial
Tourist market (segment) inappropriate	Yes – for expansion	Additional accommodation planned for budget tourism as part of community project
Lack of pro-active government support for involvement by the poor.	Conservation authority and partner, KZNNCs are hostile to increased activity. They do not understand that greater	

	benefits will come from diversifying and improving the product.	
Others	General understanding of the industry and related opportunities	A local NGO or community based organisation needs to be trained in tourism to help take advantage of the various opportunities. This would also entail some coordination training and setting up of supply chains

## 3. Results and Impacts

### 3.1 Progress and challenges

As far as the Regional Director of WS is concerned, there has been little progress at either Rocktail Bay or Ndumu in the last few years. Indeed, in 1999 the company considered liquidating. More recently, WS gave an ultimatum to the SDI and KZNNCS. If there was no progress with new products in the next two months, the lodges would be sold along with the new concessions that are going out to tender in the GSLWP and Lubombo SDI (Pers. comm. WS Senior Management November, 2000).

WS believes that guest occupancy will improve substantially if new products become available. Communities too would derive greater benefits from expanding opportunities for participation in the enterprise, employment and income as well as the increase in operating profit, of which a 12.5% share would go to the community. There are also plans to buy out Isivuno in order to increase the community share. At the moment the major challenge for the businesses is to break even.

The perception of members of the Community Trust and Community Development Committee in KwaMqobela was that they were incredibly thankful to WS and Rocktail Bay for the opportunities they offered. They regarded the disbursements from the Lodge Owning Company and the employment opportunities as invaluable, and the only real prospects they were aware of. The real problems were the lack of infrastructure in the area, such as roads, electricity and water supplies, but there is a lack of understanding that dividends from WS would never be able to meet these financial costs.

Beneficiaries of the Ndumu operation are less enthusiastic. The dividends from the shareholding and direct benefits from employment and the provision of services in an area where the population is in excess of 20,000 people is small compared with Rocktail Bay. Rocktail has a significantly smaller, more proximate and homogenous population numbering 1,566 people who make up the community partner. People around Ndumu also claim that they have very little control of the finances that go to the Mathenjwa Tribal Authority who administer the Trust. Thus, ways are being considered to merge various community structures within the Mathenjwa Tribal Ward in order to secure a more equitable and accountable redistribution of benefits and opportunities in the area.

#### *3.1.1 Key factors influencing implementation of the initiative*

The key factor influencing implementation of the initiative is the financial success of the core business, (i.e. lodge operations and tourist turnover). Since the region has not yet developed into a global tourist destination, and since there has been little coherence in regional planning, tourist turnover has been low. WS has therefore attempted to broaden the activity base to include new products such as cultural excursions, boat trips on the waterways of Ndumu and a launch site for scuba diving and other marine activities at Rocktail Bay. These new activities have taken a great deal of time to plan and implement, predominately due to the different priorities of the conservation authority. The KZNNCS faces a dilemma. Its priority is to protect natural resources from the perceived threat of incremental tourism development, but it also needs to engage the private sector to help fund its conservation activities. The KZNNCS therefore regards the private sector as a necessary evil. For example, besides rental, WS pays SAR 120,000 (US\$ 15,287) annually to KZNNCS to finance its sea turtle survey and monitoring work. The conservation authority recruits

auxiliary turtle counters and scouts to monitor the turtle breeding and protect the turtles. This is becoming increasingly important since turtle eggs are now being collected and sold to desperate people as a cure for HIV/AIDS. Since KZNNCS must agree to any development of infrastructure at either Rocktail Bay or Ndumu, WS must persuade the authority that the integrity of the reserves will not be threatened. Nevertheless, KZNNCS remains suspicious of the private sector and continues to be a reluctant partner in the tourism enterprise.

Without an increase in turnover at both lodges the initiative cannot be sustained commercially and therefore the involvement of WS within the entire partnership is in jeopardy. Moreover, as far as WS is concerned, training and other support will not be forthcoming if the core business does not generate profits.

Other options, such as project development with community partners, are not part of WS's competence. Instead they have engaged a consultant to explore additional ways of increasing community benefits from tourism. Such benefits will need to come from donor support or regional initiatives, since the WS group will not agree to additional investment into, as yet, unprofitable products.

It is not clear to what extent the lack of financial success at the lodge is due to lodge management, head office strategy, or the location of the lodges themselves. It is most likely to be a combination of these factors. To illustrate, it was clear from discussions with the managers of Ndumu Game Reserve that they believed they were taking in more than their fair share of free or discounted guests, which were organised directly by personnel at WS head office. There is also an impression that the two lodges do not fit within WS's larger collection of Southern African lodges, which are located in well-known and more popular destinations. Consequently they are more difficult to sell. It is apparent that the WS sales team has a great deal of influence over the occupancies at Rocktail Bay and Ndumu. So it is possible to design a new sales approach in conjunction with the marketing department to increase the lodges' success rate. However, his study did not entail a business assessment of the corporate operations of WS, and therefore it is not possible at this time to evaluate the relative importance of these factors on the financial situation of the lodges.

### *3.1.2 PPT as an element of a broader programme*

WS's company policy aims to benefit poor, rural communities close to its operations and states that, '*...wherever possible we have involved (local communities) in wealth generation through integrated tourism projects and providing employment and business opportunities, transfer of skills and training in decision-making processes*' (see Section 2 for full account: Wilderness Safaris, 2001)

However, the fact that the pro-poor benefits from the Lodge Operating Company are intimately linked to the profitability of the business has created tensions within WS. This is because some staff believe that too much has been done to subsidise a marginal operation, such as additional loans to expedite community dividends.

### *3.1.3 How has the initiative evolved or adapted to new circumstances?*

New circumstances can perhaps best be gauged by the political changes at a national level in the country and provincial government. Since the province of Kwa Zulu Natal has a different governing

political party, the Inkatha Freedom Party, to the ruling national party the African National Congress, there has been regional conflict which has obstructed development, particularly in the first five years of the new South Africa. However, tensions at the local level have abated following the 1999 elections when a coalition government was formed in the province.

During the early stages of establishing the lodge at Rocktail in 1992, WS simply complied with the local ordinances and regulations. Since 1994 governance has become more democratic, and the company has been more prepared to engage politicians to secure a better deal with the help of advisors.

Stronger communication channels with the community have evolved where community structures, such as the trusts, have become more familiar with WS tourism operations and the attendant problems. A stronger partnership with the community has also helped negotiations with the conservation authority to improve and expand the product. Recently a boat launch site at Rocktail Bay has been agreed for scuba diving, whale watching and fishing, while a swamp boat has been launched at Ndumu for game viewing and tiger fishing. These additional activities are designed to attract more guests thus making the core business more profitable as well providing additional jobs and opportunities for community partners.

## **3.2 Relevance to the poor and poverty reduction**

### *3.2.1 Beneficiaries of the initiatives*

The primary beneficiaries are locally employed staff, the majority of whom are women. Other direct beneficiaries include large and small traders who supply the lodge and staff, casual workers, those running small enterprises used by tourists, and more broadly the members of the community trusts, particularly the committee members who are the most active participants.

In a lodge staff profile, 65.5% were women, which means that, in many cases female-headed households have benefited from the initiative. They are able to support families averaging 5.4 people in the Rocktail Bay area and 6.6 in Ndumu. The local Boxer Supertrade Chain Store in both Ndumu and Manguze (the nearest large store in the vicinity of Rocktail Bay) has benefited tremendously from direct purchases of goods for the lodge guests and from staff purchases, as have small traders (see Tables 3.1 and 3.3 below).

The poorest living in the rural areas around the lodges have gained most from employment and dividends from the community trusts. The main beneficiaries are those who have received employment and training. The benefits to the communities through the trust are limited, since the majority of homesteads have not been affected sufficiently to alter their status from 'poor', but they are certainly not worse off than before.

### *3.2.2 Financial benefits to the poor*

#### **Rocktail Bay**

**Table 3 Financial earnings of the poor, Rocktail Bay**

<b>ROCKTAIL BAY</b>	<b>Approx. amount per person, p/a (SAR)</b>	<b>Type of person</b>	<b>Number of people earning</b>
<b>a) Wage income</b> Local lodge staff			
• Assistant manager	31,800	Skilled	1
• Guides	21,624	Skilled	2
• Security	21,624	Skilled	4
• Chef	16,536	Skilled	2
• Maintenance	16,536	Skilled	3
• Head laundry/scullery	15,264	Skilled	2
• Laundry	13,992	Skilled	6
• Waitress	13,992	Skilled	6
• Casual (regular) beach cleaning	1,272	Unskilled	1
• Casual (regular) labourer	7,416	Unskilled	2
<b>Annual Total =</b>	<b>SAR 458,760 (total wage bill)</b>		<b>29 people employed</b>
<b>b) Earnings from self-employment, informal sales, casual labour (est.)</b>			
	<i>Total earnings</i>		
- curio sellers	3,120		Not known
- informal food stalls-from staff wages	52,800		Not known
-from lodge	1,200		Not known
- wood salesmen	1,800		Not known
	<i>Earnings p person</i>		
- casual (temp) lodge labour over a period of 3 months in 2000	a) 2,178 b) 311	a) Semi-skilled b) Unskilled	5 50
- casual employees of lodge staff	911	Unskilled	26
<b>Annual Total =</b>	<b>SAR 32,560 (total earnings)</b> <i>SAR 76,486 (re-spent from staff wages)</i>		<b>81+ people</b>
<b>c) Small enterprise earnings/profits</b>			
	<i>Earnings p person</i>		
- community policing forums	7,200	Unskilled	4
- taxi driver	29,200	Semi-skilled	1
- sangoma training school	4,500	Skilled	1 sangoma
- masonry stone and sand supplier	5,000	-	1 Company
	<i>Total earnings</i>		
- food supplies	4,500	-	Not known
<b>Annual Total =</b>	<b>SAR 78,000 p/a</b>		<b>6+ people</b>
<b>d) Collective income to the community trust</b>			
	<i>Total earnings</i>		<i>Earnings divided between these people</i>
- Lodge owning company (14.5%)	21-32,000 pa (120 k since 96)	Whole community	1,566
- Lodge management (12.5%)	No dividends	Whole community	1,566
- Hippo tours (KwaMqobela only)	4,200	KwaMqobela	770
<b>Annual Total =</b>	<b>SAR 21,500 – 32,500 p/a</b>		<b>1566 villagers</b>
<b>e) Other cash income</b>			
- support of staff-dependent family	844		140
<b>Annual Total =</b>	<b>SAR 118,160 p/a</b>		<b>140 people</b>

<b>Total earnings p/a</b>		
<b>Local direct beneficiaries of lodge and staff earnings</b>	<b>SAR 569,320</b>	90 beneficiaries
<b>Direct earnings of whole community</b>	<b>SAR 21,500–32,500</b>	1566 villagers
<b>Indirect secondary spending locally</b>	<b><i>SAR 194,646</i></b>	<i>156+</i>

NB: Figures in italics are secondary spending items, which have already been accounted for in staff wages

Of the SAR 569,300 disbursed by Rocktail Bay to the community in wages, payments for services and supplies, at least 34% (SAR 193,562 – US\$ 24,656) is re-spent within the local area on service and product purchases. It is likely that a fair proportion of people making these sales are also poor, and surviving through selling agricultural produce and second-hand clothing. Since this study has not followed the path of spending by local stall owners and employees of staff, this proportion is likely to be an underestimate.

With respect to direct employment, 29 local people (1.9 % of the community) benefit from an average wage of SAR 15,800 per year (ranging from SAR 31,800 to SAR 1,272 – US\$ 4,051 – US\$ 162). Each of these staff members supports an average of 5.4 relatives, which suggests that 10% of the community is indirectly supported by wages from Rocktail Bay. The number of people within the community supported by the collective Trust income from the Lodge Owning and Operating Companies will change in the future, depending on the rate of population growth.

#### *Potential expansion*

There are no plans to increase the number of employees within the lodge at the moment. However, it is likely that the construction and operation of a new boat-launch site, if it is agreed to by KZNNCS, will generate additional employment. In addition to the temporary labour required for construction, the launch site will generate new staff to service the site, operate the boats and dives, although they will be employed by qualified charters brought in from elsewhere. There is also potential for introducing horse riding operations into Rocktail Bay, which could be hosted from KwaMqobela, the community area.

Local earnings from informal sales of food are approximately SAR 54,000 (US\$ 6,879) per year. However, if the community could supply all items currently purchased by the lodge and its staff at the local supermarket, this figure could increase almost four-fold, to an estimated SAR 410,000 (US\$ 52,223) per year. In addition, the volume of timber purchased locally could have increased from SAR 1,800 to SAR 174,000 in 2000, if local plantation managers had been sufficiently organised to meet the construction demands of Rocktail Bay.

Staff wages currently account for over 75% of the direct financial earnings from the lodge, and collective income for a very minor share. However, the greatest potential for increase lies in earnings from self-employment and small enterprise development as well as dividends from the Lodge Operating Company.

There has been an attempt to improve and diversify the WS tourism product within the shareholding agreement, which is slow to deliver real benefits to the wider community. Dividends that accrue from the community share in the Lodge Owning and Lodge Operating Companies are currently limited to rental of the concession paid by WS. Dividends from the operating arrangement will only materialise when the operating company starts to make a profit. The dividends received from the Lodge Owning Company will also increase with a higher turnover of guests, since there is a 4% return on guests in beds in addition to the fixed rental paid to the Lodge Owning Company (of which the community is 14.5% shareholder). If WS succeeds in brokering a better share



arrangement for the community from both the Lodge Operating and Owing Companies, the financial returns to the local community will be much larger. At this juncture, the dividends being paid out from the Lodge Owing Company to the two community trusts are loans taken out against an accumulated loss.

Money distributed from Rocktail Bay Lodge Owing Company to the community has provided SAR 120,000 (US\$ 15,287) since April 1996. This theoretically benefits all members of KwaMqobela, and averages SAR 15.32 (US\$ 2) per person, per year. However, discussions with members of KwaMqobela revealed that spending by the Community Trust had not been working efficiently. Although the exact details have been difficult to assemble, it is alleged that the Trust has been embezzling funds and purchasing items without prior agreement from the Community Development Committee or the village members. This had led to a group within KwaMqobela rallying support to oust the whole Trust, and elect a new committee. The new committee members are currently trying to determine how much of their money has been misspent, and are dealing with administrative problems of gaining access to their remaining funds. Reports from one of the ex-Trust members indicate that of the SAR 120,000 disbursed to the Community Trust from the Lodge Owing Company, only 46% (SAR 55,500) can be accounted for as local development expenditure. Given that the remaining balance in the Trust account stands at around SAR 25,000, the implication is that around SAR 40,000 is missing. The money that is accounted for through purchases in the Trust area as shown in Table 3.2:

**Table 4 Spending by the Mqobela Trust**

<b>Purchase</b>	<b>Amount Spent SAR</b>	<b>Number and type of beneficiaries</b>
<b>KwaMqobela Primary School</b> - Fencing - Building 3 offices - Construction of 1 classroom	26,100	180 students
<b>KwaNgwanase Primary School</b> - Construction of 5 cottages for Teachers accommodation	3,000	320 students and 7 teachers
<b>Educational Bursaries</b> - 3 teaching courses - 1 first aid course - 1 attendance at graduation - training of ex-committee member (book-keeping etc).	22,200	4 students and 6 ex-committee members
<b>Bridge repair / road maintenance</b> - Materials (This job needs R10 k to complete)	4,200	When the work is completed, the whole village (1566 people) will benefit.
<b>Total</b>	<b>SAR 55,500</b>	

The new Trust voiced concern that they did not have sufficient understanding of financial matters to be able to manage the funds. They also wished to attend training courses in book-keeping to help their work.

These figures indicate that the money accrued by individuals through employment is much greater, but earned by fewer individuals, than money disbursed through the Community Trust. Money distributed by the Community Trust amounts to a very small amount per person if averaged across the village population, but is used to finance community development that **would not otherwise take place**. There are very few other sources of income for development that the community can

access. The community of KwaMqobela had benefited from a clinic, which was constructed with money from an Independent Development Trust, but this has not supported a regular doctor or nurse. A water reticulation system was in the process of being constructed at the time of this assessment, which was funded by the regional services council. The physical benefits, rather than the financial benefits from Rocktail Bay, are higher from Trust income than that from direct payments from the lodge itself. This is because money from staff wages and purchases support individuals and their families, rather than the construction of infrastructural improvements which can be utilised by the whole community.

## Ndumu Lodge

**Table 5 Financial earnings of the poor, Ndumu Lodge**

<b>NDUMU LODGE</b>	<b>Approx. amount per person (range ZAR)</b>	<b>Type of person</b>	<b>Number of people earning</b>
<b>a) Wage income</b>			
Local lodge staff – Ndumu Lodge			
• Guides	17,658	Skilled	2
• Kitchen Staff	10,971	Skilled	2
• Waitress	10,971	Skilled	3
• Chef	15,843	Skilled	1
• Apprentice Chefs	10,971	Skilled	2
• Bar lady	15,538	Skilled	1
• Maintenance	7,440	Skilled	1
• Laundry	10,971	Skilled	4
• Housekeeping	10,971	Skilled	3
• Trainee Guide / Camp hand	6,696	Semi skilled	1
• Camp hand / Driver	10,971	Semi skilled	1
<b>Annual Total =</b>	<b>ZAR 245,398 p/a (total wage bill)</b>		<b>21 people employed</b>
<b>b) Earning from self-employment, informal sales, casual labour (est.)</b>			
- curio sellers	<i>Total earnings</i> 400	Skilled	Not known
- informal food stalls - from Staff	46,594	Unskilled	Not known
- wood salesmen	3,600	Unskilled	Not known
- casual employees of lodge staff	<i>Earnings p person</i> 510	<i>Unskilled</i>	20
<b>Annual Total =</b>	<b>SAR 4,000 (total earnings)</b> <i>SAR 56,794 (re-spent from staff wages)</i>		<b>20+ people earning</b>
<b>c) Small enterprise earnings/profits</b>			
- community policing forums	<i>Earnings p person</i> 7,200	Unskilled	4
- taxi driver	29,200	Semi-skilled	1
- sangoma training school (Sangoma)	3,000	Skilled	1
- food supplies	<i>Total earnings</i> 3,000	-	Not known
<b>Annual Total =</b>	<b>SAR 64,000p/a</b>		<b>6+ people benefit</b>
<b>d) Collective annual income to the community trust</b>			
- Lodge owning company (14.5%)	<i>Total earnings</i> 22,500- 32,500 k (99.4 k since '96)	Whole comm	20,789

- Lodge management (12.5%)	No dividends	Whole comm.	20,789
<b>Annual Total =</b>	<b>SAR 22,500 – 27,500</b>		<b>20,789 people benefit</b>
<b>e) Other cash income</b>			
- support of staff-dependent family	<i>135</i>		190
<b>Annual Total =</b>	<b>SAR 25,650 p/a</b>		<b>190+ people benefit</b>
<b>Totals:</b>			
<b>Local direct beneficiaries of lodge and staff earnings</b>	<b>SAR 313,398 p/a</b>		27+
<b>Direct earnings of whole community</b>	<b>SAR 22,500 – 27,500</b>		20,789
<b>Indirect secondary spending locally</b>	<b>SAR 82,444 p/a</b>		210+

NB: Figures in italics are secondary spending items, which have already been accounted for in staff wages

Of the SAR 245,398 (US\$ 31,261) disbursed by Ndumu Lodge to the community in wages, payments for services and supplies, at least 34% is retained within the local area on service and product purchases. Since this study has not followed the path of spending by local stall owners and employees of staff, this proportion is likely to be an underestimate. With respect to direct employment, 21 local people (0.1 % of the community) benefit from an average wage of SAR 11,686 (US\$ 1,489) per year (ranging from SAR 18,131 to SAR 6,696 – US\$ 2,310 – 853). Each of these staff members supports an average of 8.8 relatives, which suggests that 0.8 % of the community is indirectly supported by Ndumu Lodge wages. (NB. It should be noted that the proportional benefit of the community has been based on estimates of the local population, where data from the health authority malaria control programme has not been available.)

Total earnings from informal sales of food locally are currently approximately SAR 46,594 (US\$ 5,936) per year, but this is all purchased by lodge staff from their wages. The lodge does not purchase food from local people. If the agricultural and sales capacity of the community could be increased to supply Ndumu with items currently purchased at the local supermarket, the community could benefit from capturing a proportion of the lodge's SAR 192,000 (US\$ 24,459) annual supermarket bill.

Money distributed from Ndumu Lodge Owning Company to the community has provided SAR 99,400 (US\$ 12,662) since April 1996. This theoretically benefits all members of Mathenjwa at a rate of ZAR 4.78 per person over a 5 year period, or less than SAR 10 (less than US\$1) per person per year. However, staff at Ndumu Lodge noted that they had not seen any benefits from this money in the local area. This is not surprising since the Trust is located within the tribal authority, located approximately 50 km from the directly affected community.

Similarly to Rocktail Bay, the lack of profit from Ndumu lodge has meant that, to date, the community has not received dividends on its 12.5% shareholding of the Lodge Management Company.

It is clear that although there are direct financial beneficiaries through wages and purchases, there are also indirect beneficiaries through re-spending of wages. It is critical to capture this money locally and to ensure that earnings from tourism are retained within the area as far as possible. To a certain extent this happens at both lodges, with a small proportion of staff wages being used to fund other employees (on average 5%), or to purchase fruit and vegetables from local farmers (on average 22%). In some cases the produce sold is grown locally, and in others it is brought in from further afield to be sold by local distributors.

## Secondary spending

For an example of secondary spending within the community, it is interesting to review how the Sangoma uses the revenue from the periodic tribal dances performed with his trainees for visitors at Ndumu and Rocktail. The performance includes an explanation by the Sangoma of his craft and how the whole apprentice system functions. The trainees then entertain guests by dancing; this is an integral part of divining and is used to induce a trance and invoke the ancestral spirits. Performances were initiated at Ndumu on New Years Eve 2000, and were taken to Rocktail Bay for specific visitor groups during the floods.

For each performance the Sangoma is paid SAR 1,000 in addition to travel costs and meals. This money has been used for a variety of purposes:

- **Subsidising trainee sangomas** There is usually a fee of three cows (or SAR 4,500 cash) for a student wishing to train as a sangoma. Usually the Sangoma takes on 5 or 6 trainees at one time, but with the money from the performances, he has been able to take on committed trainees who do not have the necessary finances.
- **Financing ceremonies** Money from the performances is used to pay for ceremonies that are required as part of the training course. Therefore the speed of training is improved with more money available for materials.
- **Employing people to work in the fields** Local people are employed to plough fields, and have been engaged recently to fence them. Produce from the fields (mainly mangoes and maize) are sold to further finance the training school.
- **Local purchases** Groceries, goats and Zulu beer are purchased locally for daily use and for ceremonies.
- **Equipment purchases** Money is used to assist trainees to purchase the finery needed, such as skins, cloth and ornaments.
- **Small enterprise development** The Sangoma is currently building a small shop on his premises to generate further funds. He also wishes to start a taxi service.
- **Non-financial benefits** The performances at Rocktail Bay take place on the beach. This enables sangomas in the area to perform on a rotational basis, and allows many different sangomas the opportunity to visit the sea, collect sea water, shells and other materials. Some people who accompany the sangomas do so under the guise of playing drums, but may simply have never seen the ocean before.

The Sangoma aims to provide regular and frequent performances so that he can plan ceremonies in relation to income, and to enhance his tuition. Without the performances the school would survive, but it would not be as efficient.

## Overview

### *Wages*

For the majority of employees at Rocktail and Ndumu, it is clear that a large number of immediate and wider families are being supported by their wages. Although the study areas are suitable for subsistence agriculture, and people are not starving, the wages could be used to finance additional activities such as house-building and clothes purchases. Frequently, employees of Wilderness Safaris are the sole earners in the household, each supporting up to 17 people. It is unlikely that these people would have the opportunity to obtain employment and training without WS.

### *Collective income*

So far the community has only received dividends from the Lodge Owing Company. There is an accumulated loss in both companies, but the Lodge Owing Company has paid dividends by lending money from one shareholder, Ithala Bank, so that the communities receive some benefit to build confidence in the initiative, although this has increased the loss further. Dividends should only be paid out once the company debts are paid off and it starts to make a profit. However the percentage of rental and levies paid by WS to the Lodge Owing Company that should accrue to the community shareholder, has been paid out before the Company has broken even.

### *Small enterprise income*

The lodges and lodge staff support local enterprises through the purchase of food, fire wood and curios. This sector has a great potential to expand if local suppliers became available. In order to fulfil this potential an NGO or other local agency is clearly needed to work as an intermediary between the communities and the lodges in a similar way to the trade associations, NACOBTA and UCOTA operating in Namibia and Uganda (see other ODI case study reports).

### *3.2.3 Impacts on livelihoods of the poor*

The financial impacts on the very poor, while limited, have been significant for those that earn. Each lodge employee earns twice the average income of a rural homestead (housing 6 people) on the South African side of the border, and over four times that of an average homestead on the Mozambique side (Els and Kloppers, 2000). Dramatic improvements to household income, especially for female-headed households, have resulted in greater overall household security. Similarly, activities associated with tourism related small businesses and vendors have improved their fortunes and broadened their livelihood options. The use of community funds has started to provide some infrastructure, access to essential services, and, particularly, education which were previously unobtainable. Tables below (3.4 and 3.5) give more detail.

**Table 6 Positive and negative impacts on livelihoods of the poor, Rocktail Bay**

	<b>Benefits</b>	<b>Losses</b>
a) Skills , access to education and training	<p><b>In-house training</b> for employees</p> <p><b>Donations</b> of school materials to high school with 324 students.</p> <p>Trust dividends used to:</p> <p><b>Develop school infrastructure:</b> 5 teachers houses; school fence; build 3 offices and a classroom, benefitting 522 students</p> <p><b>Bursaries</b> for community members to undertake courses</p> <p><b>Courses for Trust committee</b> in book-keeping</p>	<p>Recipients of Trust bursaries <b>under no obligation to return</b> to the area so may take their skills elsewhere.</p>
b) Natural resources (access to, use/productivity/ Sustainability of use)	<p>Quota system being set up by KZNNCS under the 1998 Marine Living Resources Act for sustainable use of fisheries.</p>	<p><b>Local concern over the quota system</b>, whereby their fishing proceeds could be confiscated if they had caught too much.</p> <p><b>Tree felling</b> for homestead construction within the reserve is prohibited.</p>

c) Community organisation, pride and cohesion	<p><b>Community Trust</b> led to educating committee members and ensuring public meetings.</p> <p><b>Pride</b> in the infrastructural and educational advancements</p> <p><b>Employment</b> at Rocktail Bay provides reason to stay in the area.</p>	<p><b>Corruption</b> within the community trust committee. A <b>new committee</b> has since been elected</p>
d) Access to investment funds and loans	<p>Staff <b>bank accounts provide potential for loans.</b></p> <p>A system of stockvel acts informally within the community as loan and <b>saving mechanisms.</b></p>	
e) Infrastructure: (& access to)		
- Water	None	The <b>roads</b> leading to Rocktail Bay and the neighbouring communities are of very poor quality, and very <b>difficult to access</b> during wet periods without a 4x4.
- roads, transport	Trust funds purchased some equipment to <b>improve the roads</b> leading to Mqobela. More funds are required to finish the work.	
- telephone, communication	Investigation is being made into placing a cellphone phone booth in the village by WS consultant and the Mqobela Trust	
- electricity	None	
- community hall	None, although this has been requested by the Trust fund	
- crèche	None	
f) Health, access to health care	<p><b>Clinic in the village</b> built with funds from the Independent Development Trust; not from Rocktail</p> <p>WS has been requested to start health tours to the region where professional medical people come out to help while staying at the lodge. This would necessitate the upgrading of the mobile clinic into a residential clinic with a full time staff compliment which will need to be subsidised by WS.</p>	Funds cannot support <b>permanent staff</b> at the clinic, and the nearest residential clinic is in Kwa Zibi 6 km away with the hospital in the nearest main town of Manguzi.
g) Access to information	No change	
h) Funds for the community	<p><b>Funds are generated</b> through the lodge owning company (community share of 14.5%) and the lodge managing company (12.5% share).</p>	Only the Lodge Owing Company has distributed dividends to the community to date.
i) Other livelihood activities: farming, employment, migration etc	<p><b>A community garden</b> has the potential to supply fresh produce. Currently not of acceptable quality.</p>	
j) Markets, market opportunities	<p>Knowledge of the tourism industry through village employees has started to <b>generate ideas</b> to develop a curio market, a community campsite for backpackers, as well as other niches..</p>	
k) Policy environment	<p>WS's model is <b>being used to investigate future partnership arrangements</b></p>	

l) Influence over policy makers		KZNNCS is hostile to tourism development. WS currently trying to persuade them to permit a boat launch site within the reserve..
m) Jobs	<b>29 local people</b> have permanent jobs at Rocktail Bay, which would otherwise probably not be available. These salaries support 29 homesteads with an average 5.44 people per homestead, 158 people.	
n) Opportunities for informal sector & small businesses	There are <b>numerous opportunities</b> , for eg curios, furnishings, food supply and special tourism products, but little has been done..	
o) Casual labour opportunities	Rocktail Bay <b>employs three casual labourers all the year round</b> , and employs local people casually when other work is needed (e.g. recent refurbishment's of the lodge)	
p) Household income	For those with jobs, income has <b>increased</b> . For those without, Rocktail may enhance income of those who sell produce to employees, or those who work for them.	
q) Local culture	The <b>Sangoma performances</b> enhance this cultural activity.	There is potential for the activity to become <b>over-commercialised</b> over time if not managed carefully.

**Table 7 Positive and negative impacts on livelihoods of the poor, Ndumu**

	<b>Benefits</b>	<b>Losses</b>
a) Skills , access to education and training	People employed in the lodges have benefited from <b>in-house training</b> . Members of the Ndumu Development Trust committee also undertook a course in book-keeping.	Trust dividends from the lodge owning company have been used by the Mathenjwa tribal authority with no real accountability
b) Natural resources (access to, use/productivity/ sustainability of use)	People living on the eastern boundary of Ndumu have recently <b>won a land claim</b> where non occupational title has been granted to them. WS is now assisting with realising the benefits from the area. .	People are <b>prohibited from harvesting resources</b> in the reserve.
c) Community organisation, pride and cohesion	The community development trust provides a <b>strong structure</b> through which the community may negotiate and plan.	As with the Rocktail Bay case, <b>corruption</b> has been identified in the community trust.
d) Access to investment funds and loans	Staff with bank accounts now have access loans.  A system of stockvel {indigenous savings system} acts informally within the community as loan and saving mechanisms. In 1999 the staff participating on the savings each SAR 11,000 {US\$1,400 }	
e) Infrastructure: (& access to) - water	A second phase of the Government sponsored Shemula Water Scheme was introduced and provides piped potable water within a reasonable distance from homesteads. The scheme was implemented in response to a request from the Ndumu Reserve. People living on the south eastern border will also benefit.	Not all homesteads in the vicinity of the game reserve have received water.
- roads, transport	The need to make the game reserve accessible to	

<ul style="list-style-type: none"> <li>- telephone, communication</li> <li>- electricity</li> <li>- community hall</li> <li>- crèche</li> </ul>	<p>guests even in wet weather has ensured better access by access road into the area.</p> <p>The need for good communications in the reserve and lodges has resulted in a better telephone service as well as cell phone tower..</p> <p>The need for electricity in the park has benefitted people in the immediate area near to the main gates where a sub station has delivered sufficient capacity for linking electricity to homesteads.</p> <p>No hall as yet although the Trust has suggested this.</p> <p>No crèche, although it has been requested.</p>	<p>Members of the Trust and in particular working women members of staff have indicted that Trust money should be used to build a crèche</p>
f) Health, access to health care	The malaria control programme, initiated to encourage tourists, has also benefited the community. There are a number of residential and mobile clinics which service the area.	The hospital is about 70 kms away, for major illnesses people hospitalised often spend long periods away from their families.
g) Access to information	Interaction albeit limited between guests and the community through excursions to the school at Ndumu and the sangoma, has resulted in an exchange of information.	
h) Funds for the community	<p>Funds are generated through the lodge owning company (of which the community owns a 14.5% share) and the lodge managing company (they own a 12.5% share).</p> <p>The dividends generated through the lodge owning company have been paid to the Mathenjwa Development Trust.</p>	<p>Only the lodge owning company has distributed dividends to the community to date.</p> <p>The way in which money has been used by the Mathenjwa Development Trust which is basically the Mathenjwa Tribal Authority has not been sufficiently accounted for.</p>
i) Other livelihood activities: farming, employment, migration etc		
j) Markets, market opportunities	Knowledge of the tourism industry through employees has generated ideas to develop a curio market and a community campsite for backpackers.	
k) Policy environment	WS model is being considered for future tourism partnerships in SDI areas.	
l) Influence over policy makers	The WS initiative has had an impact on the policies adopted by the Lubombo SDI and GSLWP Tourist Developments see 1.5	
m) Jobs	21 local people have permanent jobs at Ndumu Camp. With an average of 6.69 people per family in the immediate area, 140 people benefit from the salaries.	
n) Opportunities for informal sector & small businesses	There are opportunities, but few have been pursued, eg selling curios, furnishings and food to the lodge.	
o) Casual labour opportunities	Ndumu Lodge employs local people for temporary work such as camp revamping after the floods earlier this year	



p) Household income	For those with jobs, household income is increased significantly.	
q) Local culture	The Sangoma performances in the Park and excursions to the sangoma training school have become a saleable cultural activity.	Potential to over-commercialise.

### Positive impacts and opportunities

As indicated in the tables, a number of benefits have started to emerge which may be attributed to the tourism initiative, such as improved infrastructure. In particular, community funds have been used to improve education facilities (Rocktail) while the need to attract tourists has prompted road development, communications and health programmes. Although not in the immediate vicinity of either Rocktail or Ndumu, an SDI 'tourist road' is under construction from Hluhluwe in the vicinity of the St. Lucia Wetland to Maputo in Mozambique. The road is designed to improve access into the region, and will support tour operations. It will also improve mobility and communications, and will be used to transport products in and out of the region.

The employment policy of recruiting all staff, except for management, from the local area has had a very positive social impact on the poor. People from the local community who are now employed at Rocktail Bay and Ndumu have no prior training in tourism or experience with tourists. It appears that the turnover of staff employed from the local area is lower than one would expect. From observations elsewhere (e.g. Spenceley 2000) the turnover staff, particularly white, educated staff is high in the South African safari industry. Typically staff may stay at one lodge for between 9 months and 3 years, before moving on. However, whether it is due to a lack of alternative employment opportunities or because of strong social ties in the area, evidence suggests that local people remain in their jobs until they are forced to leave through (e.g. dismissal, transfer or retirement). This reduces training costs for WS and offers long-term employment prospects to local people.

The role of women has been enhanced through their employment at the lodges, with 62% of the local staff of Rocktail Bay and 71% of those at Ndumu being women. These women contribute significantly towards the financial support of their families and are frequently the sole wage earners. Women also play a major role within the Community Trusts and, in the case of Rocktail Bay, constitute almost half of the committee members.

The communities have been exposed to a broader range of livelihood options through interaction with WS and their participation in the tourism enterprise. Furthermore, the contact has helped create a stronger partnership between the two and has enhanced mutual understanding. WS proposes to reinforce this through, for example, a commitment to generate additional benefits for community members and to familiarise them with tourism operations. A stronger partnership will also lend greater weight to WS's efforts to persuade the conservation authority to cooperate with its plans for much needed product expansion, and therefore make the enterprise more profitable.

Both the Mqobela and Mathenjwa Community Development Trusts developed in direct response to WS's tourism concession. The trusts were established to represent the communities in the partnership arrangement and to manage the financial resources in communities' interests. The Development Trust will approach a ward Development Committee regarding project ideas using Trust money. The committees are voluntary associations which are elected to assist with development and the introduction of infrastructure in the area.

Community projects which fall outside WS's core activities are also being planned, since both WS and its community partners feel that the core business is not generating sufficient benefits. In interviews, both Community Development Trusts suggested several pro-poor projects which were not specifically related to tourism. For example, the Mathenjwa Trust identified the need to assist small building contractors and commercial agriculture. Financial support for these activities has been examined with the Land Bank of South Africa, which lends money to emerging commercial farmers and tourist enterprises linked to agriculture. Various scenarios were discussed where it was suggested that, in order to streamline lending into rural areas, the Land Bank could make use of existing financial skills and resources in the tourism sector on an incentive basis. This would mean that continued financial input could be traded for favourable lending rates to companies such as WS (Poultney, 1999).

### **Negative impacts**

Perhaps the biggest negative impact is that community expectations have been raised far in excess of what tourism generally, and one operator in particular, can deliver. Maputaland's biodiversity supports a range of activities, from crop farming and animal husbandry to artisanal fisheries and small commercial enterprise, such as palm wine production. Although tourism creates a market for these products, it is too small to sustain intensification for commercial production. With the development of the region as a tourist destination there is an opportunity to streamline many of these activities to supply a growing tourism market.

#### *3.2.4 Broader contributions to poverty elimination*

A key impact of this partnership initiative is the recognition it has given to the poor and local communities as stakeholders in both tourism development and conservation and natural resource management. Attempts to reinstate the poor is a major short and long-term contribution to changing attitudes as well as creating social and economic linkages to the industry. In this way, culture, skills, knowledge and other assets owned by the poor will start to have a value which they can capture.

#### *3.2.5 Anticipated impacts*

If lack of profit forces WS to sell the Maputaland lodges, there would be no guarantee that the same shareholding arrangements would hold, nor that the community benefits (current and those in the pipeline) would continue with a new operator. Additionally, within the current crisis and changes in Nature Conservation Services, a new arrangement might not be as well disposed towards the community.

Currently there are concerted efforts to:

- improve and diversify the product to attract more tourists into the area, thus making the partnership more profitable, and;
- increase dividends to the poor other than through their shareholding in the Lodge Owning and Lodge Operating companies.

There are problems associated with these two efforts, particularly within the Mathenjwa Development Trust. If dividends do increase, a more equitable system to disburse benefits needs to be created. This is compounded by the fact that there are close to 21,000 people in the vicinity of the

Ndumu development. Thus, there needs to be greater investment in training and strengthening the capacity and accountability of local community structures.

What is also critical is that training and broader pro-poor development activities which fall outside the core activities of the private sector, should be organised simultaneously with tourism development. This is possible in the case of Wilderness, since its lodges are located within a regional tourist development initiative, where other stakeholders and agencies could assume this role. The replicability of the WS initiative in the private sector is only possible, however, within a large tourist company which can carry any losses until the initiative starts to pay for itself, or in a destination where government and non- government input can be co-ordinated to support broader pro-poor strategies.

## 4. Review and Lessons

In sum, and as reflected in the tables, the communities want to achieve more benefits from the operations than they currently derive. Although WS's strategy is not explicitly 'pro-poor', the company has been willing to assume the initial business risk and to practice its neighbours policy. More recently the company has explored ways to increase community benefits and diversify the product by contracting a consultant and being more proactive. This has opened up communication and other possibilities.

There are limits, however, to what one company can achieve in contributing to poverty reduction in a rural area the size of Maputaland, and where the population has increased from 35,000 to 850,000 in less than a decade (Els & Kloppers, 2000). One of the difficulties is the pressure this places on WS, particularly in Ndumu where all sorts of development demands have been foisted on the company. These expectations reflect a lack of understanding of what tourism can or should deliver, and what many government and regional development initiatives are preaching where tourism is posited as the panacea to poverty. For example, electricity, roads, and water are all required and desired by the communities, but financing them is outside the capacity of dividends from the partnership. Funding for such basic services should come from government investment.

However, as this case study has illustrated, tourism has acted as a catalyst for communities to mobilise for change. The contact between the community and tour operators generates ideas and opportunities, which quite often fall outside the competence of a private tour operator. For that reason WS has brought an advisor on board to help manage the demands from communities, from the conservation authority and from the company itself, to create a more productive operating arrangement and to help develop the region for the benefit all. However, there is an uneasy alliance with the conservation authority, KZNNCS, which manages the nature reserves in which the lodges are located, and which is resistant to WS's attempts to increase tourism revenue and potential.

The reality is that this is not an easy task. Regional initiatives such as the Lubombo SDI, which focus on tourism as the principal driver of regional development, need to take this into account.

### 4.1 Reflections on this PPT initiative

#### Strengths:

- Good relationship with the community
- Community share in both lodge owning and lodge operating companies
- Equitable pro-poor recruitment strategy
- Lodge staff using initiative to improve local services (e.g. hippo tours; community policing forum; taxi)
- Eagerness of WS and lodge staff to support improvements for local people and willingness to carry losses

#### Weaknesses:

- Although the pro-poor strategies and management initiatives do not appear to be related to the lack of financial success of the lodges, they suffer from it
- Lodges not located within key tourism destination, and therefore difficult to market
- Inadequate consultation with private sector operator when drawing up shareholding to ensure that they are financially viable

- Inadequate understanding of shareholding agreements when the KZNNCS and their consultants drew up shareholding
- Difficult to replicate tri-partite structure if not implemented at project initiation
- Difficult to negotiate a change to the share allocations of companies once implemented
- Dividends from community trusts minimal when compared to the extent of development required, and the large, dispersed population
- Community dividends from Ndumu accrue to Tribal Authority, a distance from the area
- Poor linkages between local entrepreneurs and lodges
- Lack of regional NGO or independent sector agency to develop business linkages between local producers and lodges

#### **Opportunities:**

- Diversification of produce supplied to lodges by local agriculturists and curio artists
- Potential for local tourism development (e.g. community campsite) to exploit budget tourist market (so not competing with lodge market) with assistance of WS
- Provision of environmental education to local school children
- Linkages with other lodges in the area to support local community development
- Integration of pro-poor strategies into regional development initiatives (e.g. Lubombo Spatial Development Initiative) and concession tender criteria
- Multilevel approach at pro-poor intervention

#### **Threats:**

- Relationship with conservation authorities hinders potential for tourism to add value through additional services, and therefore employ more local people
- Lack of profit may lead to sale of lodges, which may threaten future pro-poor strategies
- Insufficient attention paid to integrating pro-poor strategy and actions into SDI regional tourism programme which would frustrate communities and the private sector
- Over-commercialisation and unskilled imitation of authentic traditional ceremonies and activities (e.g. Sangoma performances)

## **4.2 Reflections on the PPT research**

For this PPT strategy to be effective and replicable, it should be implemented within a broader policy framework which supports regional development, such as the SDI, or its equivalent. Although the Lubombo SDI is a fairly recent initiative and is preceded by WS operations in the region, WS's efforts provide a valuable starting point from which to develop the strategy. WS's commitment and its ability to carry losses cannot be replicated by smaller individual operators. For this reason it is incumbent on the government, para-statal and the numerous consulting agencies to coordinate and integrate their pro-poor efforts in the region.

A regional initiative such as the SDI has the capacity to formulate policy and act on it. For example, with the recent designation of GSLWP as a World Heritage Site, a new local authority has been created where the executive powers have been delegated to the conservation services but within a larger Heritage Authority which draws on a broader and more representative constituency. Thus, a multilevel approach to pro-poor interventions which operate locally, nationally and internationally is also desired. This includes practical *local initiatives*, supportive *national policies*, and, at the *international level*, *marketing*, *lobbying*, influencing international dialogue etc, to encourage responsible business and consumer behaviour.

The design of the community's share allocation within the Lodge Owning and Operating Companies, and the subsequent distribution of funds to affected communities, are also critical to the success of the pro-poor initiative. A major constraint for communities neighbouring Ndumu Game Reserve is that the financial benefits from the Trust have been distributed to the Tribal Authority who are located far from the lodge and reserve. The benefits of the revenue, therefore, have not been invested in facilities for the area immediately affected by the lodge. In addition, with such a large, dispersed population living in poverty, it is impossible for one lodge to significantly impact on the living conditions of all. One tour operator alone cannot be expected to solve the problems of regional poverty, without the support of government and other authorities.

From the research, the authors recommend that ODI make representation to the Lubombo SDI in support of integrating a PPT component into the qualifying criteria for the allocation of concession in the GSLWP. This could mark the beginning of a process of integrating PPT into the overall SDI, and into the criteria for concessions over a larger area, to include Swaziland and Mozambique.

On a more immediate level, a real opportunity exists for maximising linkages with other communities in the region and, in particular, with those linked to developments such as the WS initiative, through a shareholding or some other arrangement. The supply of goods and services that are imported into the area can be organised in the region and sold at competitive prices. This would require resources and support to local community-based projects such as Mboza Village Project, the WS partner Trusts and other community structures.

One example here would be the Sangoma Training School, which provides a unique cultural excursion to guests on a commercial basis. Obviously a balance needs to be achieved to avoid over-commercialising a cultural asset which may alter or destroy it. These smaller initiatives could provide a very practical base from which practical PPT actions can be introduced into the broader regional tourist destination.

Another opportunity to strengthen linkages would be for community projects to set up manageable tourist amenities in the communal areas such as Rocktail Bay and the areas abutting Ndumu, where backpackers could be accommodated. If properly zoned and organised to avoid interference with the core business aimed at the upper end of the market, tourism could derive additional benefits for the poor with assistance from WS and its experience in the industry. This market niche could then be expanded through the SDI as part of the PPT strategy.

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## **Annex 1: Methodology**

The data collection was undertaken by two researchers during November and December 2000. One of the researchers has extensive experience with the communities and WS and was able to draw on historical knowledge to support the information collected.

Semi-structured interviews were conducted with representative members of staff from each department within each lodge and with management. The Sangoma who ran the training school was also interviewed. A meeting was held with each of the Community Trusts, which were attended by the Induna and representatives of the Community Development Committees. Interviews were also held with members of KZNNCS, KZNTA (KwaZulu Natal Tourism Authority), staff at WS, the South African Police Services the KZN Regional Health Authority, teachers and principals of neighbouring schools, and managers of the local Boxer Supertrade Stores.

Literature sources were pooled from the South African government website, the media, KZNNCS, and Wilderness Safaris.

## **Annex 2 Types of tourists (international, domestic, regional)**

Of all international tourists visiting S. Africa in 1998, 40% visited KZN, mostly from the UK, Germany, Africa (especially Zimbabwe), the USA, France and the Netherlands. The majority of these visitors (60%) were on holiday, 70% of whom were independent while around 30% were on organised holidays. They reportedly spend an average of around ZAR 4,000 each while within the province (Seymour, 2000b).

The majority of domestic tourists within South Africa fall into LSM (Living Standard Measurement) 7 & 8<sup>3</sup>, and KwaZulu-Natal (KZN) is reportedly the most visited province with 44% of the market share. Most of the domestic tourists to the province are from KZN (34%) or from Gauteng (35.8%) which includes Johannesburg and Pretoria. The majority of LSM 1-6 visitors do so to visit friends and relatives (63.7%) while the majority of LSM 7-8 tourists go on holiday (46.3%) (Seymour, 2000a). Almost 71% of domestic tourists visiting Maputaland do so for holidays, and most people visiting the province are self catering (49.7%) or visiting friends and relatives (16.1%) (KZN, 1998).

### **Is tourism growing or declining?**

International tourism in KwaZulu-Natal is growing, while domestic tourism appears to be in decline as a result of the weakening economy and fears of malaria, personal safety and travel (Pers. comm. James Seymour, KZNTA, 2000).

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<sup>3</sup> LSM is the South African socio-economic measurement of living standards, with 7 and 8 representing the highest income brackets, and 1 and 2 the lowest.



### Annex 3 Policy context in which the initiative is taking place

This annex illustrates the growing importance of tourism to South Africa in general, and KZN in particular. It provides details of a range of policies, institutions and initiatives established by national and provincial governments and the resources that are being invested to boost the sector.

National and provincial governments are committed to tourism development in the area, particularly through the Lubombo SDI (Pers. comm, James Seymour, KZTA, 2000). This is illustrated in an excerpt from “A Strategy for Tourism in KwaZulu-Natal (2000)” below.

#### Box 2: Extract from “A Strategy for Tourism in KwaZulu-Natal (2000)”

Tourism is widely regarded in all spheres of government and throughout the private sector as holding significant potential to deliver economic growth and employment in the country.

National approaches to tourism development are framed in terms of the National Government White Paper on Tourism (1996) and the Tourism in GEAR development strategy (1997), which indicate that tourism should be led by government and driven by the private sector, and should be community-based and labour conscious.

The ‘Institutional Guidelines for Public Sector Tourism Development and Promotion in South Africa (1999)’ set clear policy and strategic guidelines concerning the future direction and development framework for tourism. It provides a general framework for co-operative government as this pertains to tourism development and promotion, and the broad differentiation of roles between national, provincial and local spheres in respect of:

- Tourism legislation
- International relations and agreements
- International tourism marketing / promotion
- National (domestic) tourism marketing
- Provision of tourism infrastructure
- Tourism standards
- Tourism awareness
- Training
- Incentives/investment/financing programmes
- Information management
- Domestic tourist information dissemination
- Tourist guiding
- Tourism development
- Safety and security

The KZN Tourism Act of 1996 sets out how the KZN Tourism Authority (KZNTA) would be set up to develop, promote and market tourism within the framework of government policy (KZNTA, 1996). The KZNTA has since created a strategy for developing tourism in the province which includes international and domestic marketing and aims to position the province as a globally competitive tourist destination (KZNTA, 2000). In November 2000, SATOUR (South African Tourism) launched a phase of its international marketing campaign at the World Travel Market in London, with its largest global investment to date of SAR 400 million (\$51 million) over two years (SATOUR, 2000).

The South African Tourism Action Plan was launched in September 1999 following a public-private partnership between government and the tourism industry assigned with the task of formulating an integrated strategic tourism marketing campaign for South Africa. The SAR 180-million budget, the largest budget for international tourism marketing since SATOUR's inception in 1947, comprises

- SAR 50 million from government
- SAR 45 million from the fixed costs and marketing spend of SATOUR (the international tourism marketing arm of government)

- SAR 50 million from the Business Trust
- SAR 25 million from the Tourism Business Council through the collection of a voluntary levy and
- SAR 10 million from SAA

The Tourism Action Plan focuses on two major activities. In the short term it will run marketing campaigns (above the line, below the line and co-operative marketing campaigns) mainly in the traditional Big Six markets (UK, USA, Germany, Italy, Netherlands and France) to increase South Africa's market share of international tourists. In the medium and longer-term, comprehensive information will be gathered on the international tourist market. This will assist South Africa's strategic marketing campaigns to attract not only the much needed high-spending tourists, but also those from emerging markets in Asia, the Middle East and the rest of Africa (DEA&T, 2000e).

In October 2000, SAR 15.7 million (approx US\$ 2 m) was received by the Department of Environmental Affairs and Tourism (DEA&T) from the Spanish government to fund a new South African Tourism Institute (SATI), which will spearhead tourism education and skills training. SATI will specifically focus on upgrading the skills of teachers, trainers and assessors within the tourism industry. It will be used as a vehicle to fast-track tourism training programmes at various levels. The first part of the initiative will be introduced at school level by way of a specifically developed knowledge and skills transfer programme aimed at schoolteachers. A further training programme will be implemented to develop the skills of approximately 3,000 on-the-job trainers and assessors currently working within tourism. A budget of SAR 1.5 million (US\$ 191,083) has been set aside for worthy tourism projects in need of special assistance, while a tourism bursary fund will also be established (DEA&T, 2000c).

The context of the initiative consists of a mixture of planning frameworks (e.g. Strategic Development Initiatives (SDIs); Biosphere Reserves; and Transfrontier Conservation Areas (TFCAs). Since its initiation, the Lubombo SDI has achieved the following (DEA&T, 2000d):

- The upgrade of the N2 from Richards Bay to the Swaziland border;
- The construction of the Hluhluwe to Maputo road of which 68 percent was carried out by done by SMMEs and will provide 70,000 people with all weather access;
- The provision of 11 key access roads serving 160,000 people;
- The building of a new border post with Mozambique;
- A SAR 40 million (US\$ 5 million) malaria control programme;
- A SAR 2.8 million (US\$ 356,688) crafts programme to build capacity and give marketing support to 2,000 crafters;
- The St Lucia Millennium festival and four other satellite festivals in which 18 countries participated;
- The development of a SAR 1.2 million (US\$ 152,866) heritage route and marketing programme with regional tourism stakeholders;
- The Greater St Lucia Wetlands Park was declared a World Heritage Site in 1999;
- A SAR 42 million (US\$ 5.5 million) tourism infrastructure programme, which will include the re-introduction of game, is taking place in the southern section of the park;
- The removal of 5,000 hectares of commercial forests on St Lucia Lake's western shores and its inclusion into the park, has been negotiated, and
- Land claim settlements on the eastern shores have been settled.

The next phase of the SDI project is to market SAR 1 billion worth of investment sites in the three countries and to establish the Greater St Lucia Wetlands Park Authority in terms of the World

Heritage Act of 1999. At present the area attracts 500,000 tourists and provides 11,200 beds of which most are white and government owned. Through the intervention of the Lubombo SDI and the establishment of the greater St Lucia Wetland Park Authority the plan is to kick-start the economy of the sub-region over a 10-year period. By 2010 projections are for an increase in tourist numbers to 1.4 million, the bed numbers to 18,700 and foreign currency earnings to SAR 850 million a year. With careful conservation and resource management it is predicted that the LSDI will create 9000 jobs during infrastructure construction which, with private sector investment, is estimated to create 4,000 permanent jobs (DEA&T, 2000d).

On a wider scale, the Lubombo Transfrontier Conservation Area agreement was signed between Swaziland, Mozambique, and South Africa on 22 June 2000 at the World Economic Summit in Durban. The establishment of the Lubombo TFCA supports the broader aims of socio-economic development in the Southern Africa sub-continent, as well as improving regional ecosystems management.

The major TFCA objectives are:

- economic development through appropriate maximum use of opportunities presented by the three countries' natural assets;
- ecological and financially sustainable development, the sustainable use of the natural resource base and the maintenance of ecosystem function through holistic and integrated environmental planning and management;
- the development of joint strategies for trans-frontier ecological planning and resource management.

The detailed protocol signed by the ministers includes an extensive list of objectives as well as clear undertakings by the parties, and establishes a TFCA Conservation and Resource Area Commission.

Four specific areas targeted in the protocol are:

1. The Lubombo Ponto do Ouro-Kosi Bay Marine and coastal area on the Mozambique-South African borders
2. The Ndumu-Tembe-Futi elephant reserves on the border of Mozambique
3. The Nsubane-Pongolo (Josini) area on the border with Swaziland and
4. The Lubombo Conservancy- Hlane-Mlawula/Goba area on the border of Mozambique and Swaziland.

At the signing, the Minister of Environmental Affairs and Tourism, Mr Moosa said,

*“The involvement of communities in and adjacent to the Lubombo TFCA, through consultation, representation and participation in the management of the TFCA, is critical for the success of this initiative. . . . The protocol will form a basis for a deliberate identification of opportunities to broaden ownership patterns in the TFCA through encouragement of local small businesses, of community-owned ventures, and joint ventures with domestic and global investors”* (DEA&T, 2000d).

In total, projects totalling ZAR 530,000,000 are being facilitated by the LSDI in conjunction with lead agencies and partners, including the KwaZulu-Natal Tourism Authority, the Uthungulu Regional Council and the KwaZulu-Natal Economic Council (KZNTA, 2000b).

## **Annex 4 Pro-poor government policies with respect to tourism**

The Tourism Enterprise Programme (TEP) was launched on 21 November 2000 and identifies enterprise development as one of the key instruments in the transformation of the tourism industry.

The TEP is designed to increase the economic participation of previously disadvantaged people and communities within the tourism sector. It will do this by identifying and developing partnerships and synergies between emerging business, community business entities and corporate businesses. It will also provide business skills training and capacity building for emerging enterprises. This intervention will result in about 4,000 enterprises benefiting from the scheme over a period of four years, with transactions estimated at SAR 450 million. The government states that the business sector is committed to the development of South Africa and its people, and is fighting along side government in its attack on poverty (DEA&T, 2000a).

Two initiatives currently supported by the Department of Environmental Affairs and Tourism with an emphasis on job creation within KZN are the Cultural Heritage Tourism Project and the Umvuma Community Project, with an investment of ZAR 1.42 million. The first of these aims to identify opportunities for coastal cultural and heritage tourism development, and to develop a site as a model project. The second is for the development of a full community-owned hiking trail and accommodation in Kosi Bay. This has links with the Lubombo SDI and KZNNCS (DEA&T, 2000b).

Both Uthungulu and Zululand Regional Councils dedicate significant funds and resources to tourism (Pers. comm., James Seymour, KZTA, 2000)

Organisations which are influential in the area with respect to tourism development include:

- KwaZulu-Natal Tourism Authority
- KwaZulu-Natal Nature Conservation Services
- Lubombo Spatial Development Initiative
- The Department of Environmental Affairs and Tourism
- South African Tourism (SATOUR)

## **Annex 5 Example of a community-based project – Kosi Bay**

A community-based tourism project started some kilometres up the coast at Kosi Bay at the end of 1989, when anti-apartheid activist David Webster was assassinated. The confusion and conflict generated through community meddling in tourism management and, conversely tourism management dabbling in community affairs, resulted in the demise of the whole project. Although the project was a response to the forced removal of people by the previous government and conservation authority from the land they had occupied for 700 years, the project became economically feasible realising occupancies of 70% in 1996.

Training and other support systems were introduced and the only import was a management training team who were there for 3 months, and a manager who worked under difficult circumstances with the community for 2 years. Often management decisions were overturned by members of the community for personal reasons, but under the guise of community participation, which made the running of the camp unworkable. On the other hand the manager, who was paid by an NGO, was also under pressure from a potential investor who was supporting him to get involved in community affairs in return for trying to secure a partnership with the community to develop Webster's and two other sites.

More recently, a series of potential partners have run the camp for a while and then left, and various organisations and individuals have submitted proposals for the camp. This has included environmental groups and even farmers vying for favours of the 'community'. However, the community is not a homogenous coherent group. Through allegedly corrupt practises the latest camp manager, a builder, has improved the camp amenities and is running the camp with permission from the local tribal authority headman. The development has been opposed by members of the community, however. In addition, the KZNNCS has instituted a supreme court interdict against the manager for illegal occupation of a designated area without bona fide membership of the local Tembe community, who after a protracted land dispute continue to live in the coastal forest reserve. [Assessment done by C. Poultney for David Webster Trust]. Various legal actions have been instituted as the camp is in the coastal forest reserve, under the jurisdiction of the conservation authority but where people also reside. Since there is no comprehensive cooperation between the KZNNCS and community structures, the new camp manager has had a fairly good innings with a couple of substantial tourist structures to boot for the fishermen who patronise his camp.

## **Annex 6 Comments on the research**

Although the PPT research methodology was clear and explicitly described, it was not possible to collect adequate data on some issues during the available timeframe. Time and financial constraints meant that many interesting avenues were not researched. For example, it would be very interesting to investigate further the secondary spending of staff and local entrepreneurs within the community to determine the level of revenue leakage. This would enable strategies to be designed to capture locally more of the tourist spending.

It also would have been useful to have spent more time investigating the extent of poverty in the area, and alternative sources of income exploited by community members not working at the lodges. This would have allowed a more accurate evaluation of the benefits provided by the lodges.

A critical area of investigation which could also have benefited from more attention was the environmental and financial sustainability of the initiative, and consequently, the long-term prospects for pro-poor tourism.

The use of two researchers on the project – one who was intimately involved with the company and the communities, and the other who was not, worked well. The mixture of in-house knowledge and independence permitted a thorough investigation and evaluation of the pro-poor initiative.

### Annex 7 Maps of region



