



## Case study

# Ecotourism joint ventures between the private sector and communities: An updated analysis of the Torra Conservancy and Damaraland Camp partnership, Namibia<sup>☆</sup>

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## ABSTRACT

Community-based natural resource management is frequently proposed as a solution to poverty in rural Africa. The extent of Namibia's CBNRM programme's success in terms of joint ventures between the private sector and communities has not been comprehensively analysed. Tangible benefits from joint venture partnerships play an important role in development and poverty reduction, with intangible benefits improving social welfare and local economic development. Questionnaire surveys of staff employed at Damaraland Camp in Torra Conservancy and of households in Torra Conservancy provided insight into the potential benefits of joint ventures. The direct benefit of income from jobs in ecotourism and associated household income diversification opportunities highlight the importance of permanent employment in these remote, rural areas. An analysis of spending patterns, attitudes to tourism, non-governmental organisations and the conservancy illustrated the level of success achieved by joint venture partnerships in terms of poverty reduction, local socio-economic development and changes in attitudes.

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## 1. Introduction and literature review

In order to contextualise the case study that follows the next four sections give a brief background to Community-Based Natural Resource Management (CBNRM) in Namibia, as well as joint venture partnerships in general and the specific Torra Conservancy/Damaraland Camp joint venture.

In general, one of the main aims of CBNRM in Africa is to diversify rural economies through the sustainable utilisation of wildlife and other natural resources (Long, 2002). Various other benefits can however result, which contribute substantially to economic and social upliftment and development in remote, rural areas (Boudreaux & Nelson, 2011; Long, 2002). In Namibia, CBNRM allows communities to integrate new land-use options with existing livelihood strategies (e.g. livestock farming) in order to help conserve wildlife and improve the welfare of rural households (Long, 2002).

The relative success of CBNRM in Namibia has largely been due to an enabling policy and legislative environment (Long, 2002), which devolved authority to the community level as opposed to Zimbabwe's CAMPFIRE programme which devolved authority to already established district councils and not directly to the community level. CBNRM can provide both tangible and intangible benefits to communities.

Intangible benefits include, amongst others, the value of improved local-level institutional and other capacity-building, the empowerment of local communities, and the issue of the restoration of rights (Long, 2002). Tangible benefits include: cash benefits from employment and dividends from joint ventures; direct benefits from improved natural resource management for current livelihoods and benefits relating to social development and livelihoods (Long, 2002: 4).

Overall, there are three main types of land tenure in Namibia: state land (which includes all National Parks), commercially owned land and communal land (Nott & Jacobsohn, 2004). Historically, privately owned land in Namibia showed that the right to manage and benefit from wildlife resulted in an increase in wildlife numbers (Barnes & Jones, 2009; Jones, 2010; Jones & Murphree, 2001; Jones & Weaver, 2009). This was largely white-owned private land and the need to therefore devolve power to local communities resulted in, after independence, conservation laws being amended so that communal farmers were able to enjoy similar rights to those previously enjoyed by farmers on privately-owned land (Jones, 1999 in Nott & Jacobsohn, 2004).

In order to be registered, a conservancy must have a registered membership, legal constitution, representative management committee, outline of a benefit distribution plan and defined boundaries (Ashley & Jones, 2001; Jones, 1999a, 1999b; Long, 2002). At the beginning of 2002 there were 15 communal conservancies registered in Namibia (Nott & Jacobsohn, 2004). By 2009 there were 59 registered conservancies, generating income from the overall conservancy programme of about NAD 35 million, representing over 82% of the total CBNRM income of NAD 42.48 million (NACSO, 2010).

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In order to assist conservancies in being commercially viable, they can engage in a partnership or joint venture with the private sector to develop ecotourism in the conservancy. Joint venture (JV) tourism in Namibia provides the largest overall source of benefits to the conservancies (NACSO, 2010), over and above the direct cash benefits, there are also benefits associated with skills development and training provided by the private sector. In 2009, JV tourism contributed NAD 19.9 million (57% of all income) to conservancies (NACSO, 2010), representing a significant contribution to the local economy.

The definition of a joint venture, given by Ashley and Jones (2001:2) that will be used in this article is: 'a contractual partnership between a community or local institution and a private investor, to work together in establishing and operating a single tourism enterprise', they add that joint ventures add cultural and ethical components to the product. Mitchell and Ashley (2010) and Spenceley (2008b) found that as an equity arrangement, joint ventures tend to generate the best all-round benefits, but are more difficult to establish and have higher transaction costs compared to pure private sector operations. Joint ventures, where there is a private sector partner, tend to be more successful due to the business acumen of the private sector partner (Spenceley, 2008a, 2008b), as well as their experience in the industry, ability to reach the market and a greater understanding of the tourism market in general (Spenceley & Snyman, 2012).

Joint ventures can however be highly complex arrangements (Mitchell & Ashley, 2010) and this can make such arrangements vulnerable to dissolution and should be taken into consideration when developing ecotourism partnerships in remote, rural areas. There are several critical factors influencing the success of a joint venture including: committed individuals, company philosophy, facilitation, time and trust, local institutions, national policy context, and tourism market trends (Ashley & Jones, 2001). The potential collective revenue benefits from such formally structured contractual arrangements between ecotourism operators and rural communities can play an important role in poverty reduction (Spenceley & Snyman, 2012). Overall, the extent to which revenue sharing can help alleviate poverty is linked to the commercial viability and market competitiveness of the project and to the size of the beneficiary community (Ashley, De Brine, Lehr, & Wilde, 2007). In this regard the Torra Conservancy is a relatively small community and therefore able to realise benefits collectively as well as to individual households.

The overall analysis of the Torra Conservancy/Damaraland Camp joint venture, in the literature, has shown numerous positive outcomes. This article aims to add concrete primary data support to past analyses, to correct any incorrect past claims, to give a thorough analysis of the joint venture partnership between the Torra Conservancy and Wilderness Safaris, to assess private sector/community JVs and to offer clear policy implications for management.

### 1.1. Torra Conservancy background

The Torra Conservancy (originally Ward 11 (Salole, 2003)) is located in the southern part of the Kunene region of Namibia. It covers an area of 3493 km<sup>2</sup>, with approximately 1200 people living in the conservancy (NACSO, 2010) from various different ethnic groups. These include, amongst others: Nama/Damara; Riemvasmaker and Herero. The Riemvasmakers were forcibly relocated to the area from South Africa in the 1970s (Scanlon and Kull, 2009) and form the majority of the community (Kemp, Mendelsohn, & Jones, 2009). The area is scenically beautiful and has a wide variety of fauna, including: desert-adapted elephant, black rhino, oryx (gemsbok), springbok, kudu, Hartman's mountain zebra, lion, cheetah, leopard and spotted hyaena. The Torra area is extremely dry, with average annual rainfall ranging from 50 to 150 mm (Kemp et al., 2009), resulting in there being very few sustainable alternative land uses, with high levels of unemployment and marginal opportunities for agriculture. Tourism is one of few businesses able to generate income in this impoverished

rural area (Ashley & Roe, 2002; Boudreaux & Nelson, 2011; Scherl et al., 2004; Spenceley & Goodwin, 2007).

In 1995, the Ward 11 Resident's Association Trust was formed giving community members a legal body to represent them in negotiations with investors (Kemp et al., 2009) and after a long period of negotiations, a contract was signed between the Resident's Trust and Wilderness Safaris (WS) to develop Damaraland Camp (Kemp et al., 2009; Salole, 2003). This joint venture agreement signed in 1996 was the first joint venture agreement between a private tourism company and a community in Namibia (Kemp et al., 2009). Due to the fact that the conservancy was already organised through the Resident's Trust, Torra became one of the first conservancies to be officially registered by the Ministry of Environment and Tourism (MET) in June 1998 and in 2000, it was the first conservancy to cover its own running costs, including salaries for staff, vehicle maintenance and office management (Long, 2002; Scanlon and Kull, 2009).

Torra is managed by a committee of residents who are elected by the members for a five-year term (Kemp et al., 2009). This committee decides on benefit distribution and community members<sup>1</sup> are encouraged to attend meetings and to play a role in the direction of community conservation (Scanlon & Kull, 2009). It is however often logistically difficult to get all members to meetings as the distances that need to be covered are often large. General communication across the whole conservancy can be difficult due to the remote nature of some of the homesteads (Jones, 1999a, 1999b).

Traditionally, meat is distributed to the community twice annually after community hunts (where community members are employed to hunt, prepare and distribute the meat) and after any trophy hunting (Scanlon & Kull, 2009). Other non-financial benefits associated with conservancy membership have been that elderly members of the community have received Christmas parcels; a compensation scheme for stock losses was initiated, as well as a pension plan for retired employees (Scanlon & Kull, 2009). According to Hoole (2008:134) the "Torra Conservancy has been characterized as a 'flagship' of the national CBNRM program in Namibia and its joint venture with the Damaraland Camp has served as a model that other conservancies have aspired to replicate". The analysis that follows will analyse Hoole's claim based on concrete, primary data.

Over and above the financial benefits of the JV, the people in Torra Conservancy have gained the following: improved planning skills; insights and capacity for collaborative action; improved knowledge of their rights; broader vision for their community (Jones et al., 2002); and committee members on the Board are empowered to make decisions and are involved in business management.

The benefits of the JV for Damaraland Camp/WS include: access to a new site, an increase in market share, improved conservation and an overall fit with WS company philosophy of including communities in conservation (Ashley & Jones, 2001). Whereas, some of the benefits associated with working at Damaraland Camp for Torra conservancy members include: benefit of income from wages, importance of living and working close to home, being able to work and keep livestock for livelihood security reasons, importance of co-operation in realising benefits from improved wildlife management (Jones et al., 2002:30), and the ability to maintain and strengthen social networks and "safety nets" (Long, 2002).

Contrary to Hoole's (2010:86) statement in his paper that the handing over of ownership of Damaraland Camp to the Torra Conservancy has "not progressed and there is little prospect for this in the foreseeable future", the Conservancy from year ten to fifteen of the partnership was given, per annum, 20% equity in Damaraland Camp until they owned 100% and chose to sell a portion back to Wilderness Safaris to form a joint venture equity partnership. Wilderness Safaris was then offered and purchased 60% of the Camp back from the Torra

<sup>1</sup> In 2009, there were 854 adult members (pers. comm. Torra Conservancy official).

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