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**LOW IMPACT TOURISM AS A STRATEGY  
FOR SUSTAINING NATURAL AND CULTURAL  
RESOURCES IN SUB SAHARAN AFRICA**

Mid Term Report

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## **I. INTRODUCTION**

This mid-term report covers activities executed as part of the **Low Impact Tourism as a Strategy for Sustaining Natural and Cultural Resources in Sub-Saharan Africa Project** from August 23, 1989 through June 23, 1990. This report provides a description of the deliverables associated with the first half of the project which are:

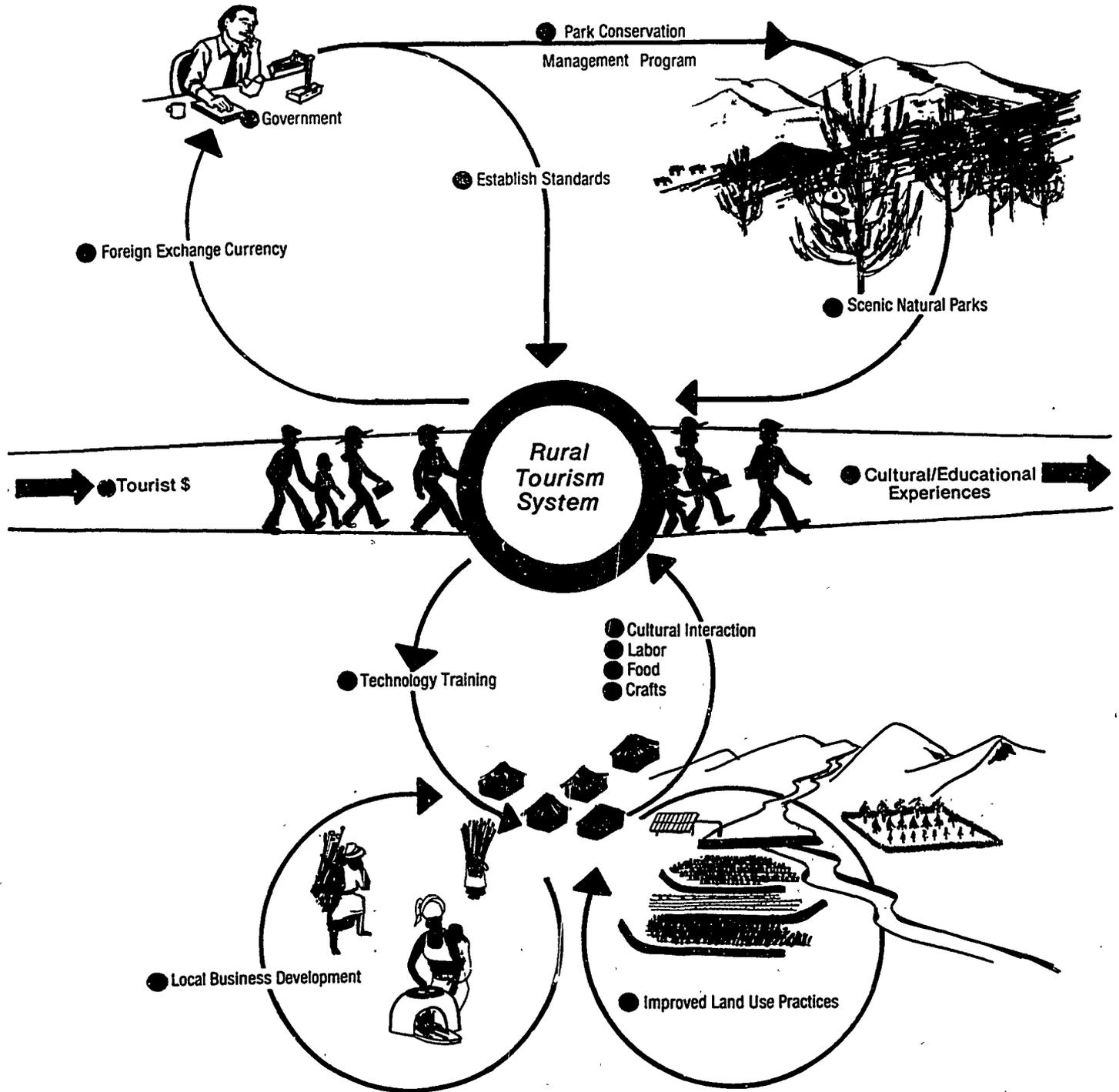
1. Low Impact Tourism Demand Market Analysis
2. African Generalized Low Impact Tourism Model
3. Low Impact Tourism Country Scenarios for Botswana and Madagascar.

This information will be available in separate volumes later in the project as part of the Comprehensive Low Impact Tourism (LIT) Tourism Conservation Plan and LIT Business Development Plan which will be developed during the next half of the project.

This report focuses on assessing the feasibility of promoting low impact conservation tourism in Botswana and Madagascar because these countries were the only countries that approved execution of this project during its initial stages. Preliminary work has been done in preparation for country visits to Uganda and Tanzania, but this inconclusive data is not discussed in this report.

In general, the LIT concept has been well received by development banks, investors, private voluntary organizations (PVO's), non-governmental organizations (NGO's) and the tourism and travel industry. The favorable response from the Botswana and Madagascar USAID missions was very supportive. They have requested that the project continue with expansion of activities in policy related areas and tourism-based natural resource valuation studies. In-country PVO's and NGO's have requested more emphasis in LIT orientation workshops and on establishing LIT projects in villages.

# FUNDING CONSERVATION THROUGH LOW IMPACT TOURISM



## II. DEFINING LOW IMPACT TOURISM

Low Impact Tourism is a title coined by the Principle Investigator (PI) in 1985 to distinguish the conservation market image of some U.S. based travel companies from in-country tourism policy and infrastructure that intrinsically and legally finances natural resource management (NRM) coupled with village economic development through the private tourism sector. The concept is relatively new to the development community and completely new to the travel agencies and travel investors of the United States, Europe and the Pacific Rim. For this reason a detailed definition of and discussion about Low Impact Tourism follows.

Low Impact Tourism is supply driven, in contrast to eco-tourism (a variety of traditional tourism) which is seen as demand driven. Supply driven tourism is concerned explicitly with the social impact and economic development and natural resource management of the supplier country and destination sites (villages). LIT puts control and regulation of tourism development in the hands of the destination country, not the demand side travel agents and tour operators. To accomplish this it requires full commitment of the local suppliers and an infrastructure for the equitable distribution of revenues and profits to investors, tour operators, governments and villagers or rural areas dwellers. LIT tourist infrastructures are ethnic (lodging), safe and modest (low impact means on society and environment) and LIT is a process that is capable of generating income to pay for these infrastructures as well as for management of protected areas and parks by local people. This potential increased foreign exchange currency income and reduced recurrent costs for village development from LIT also provides leverage for tourism policy reforms that are an essential prerequisite for the establishment of LIT programs and for indigenous and government natural resource management cooperation. LIT is a tool for natural resource management and it creates an opportunity for foreign and in-country investment and for equity swaps by government and villagers. LIT creates a common point where conservationists, the development community and the private sector come together.

LIT represents a potential technical innovation rather than an established technique. It involves policy decisions in both the preparation and implementation phases and the policy issues can be both far reaching (to top levels of government) and broad in scope involving private sector and rural economic development. The appropriate policies have to be put in place by the host government before LIT programs based on investment can begin. This is a potentially serious conservation and investment constraint and therefore tourism policy development should be done in cooperation with the travel industry, potential international investors, PVO's and villages.

LIT and buffer-zone management around protected areas should be intimately connected; such areas are prime targets for the development of LIT programs. LIT is not a panacea for all programs of natural resource management. It's specific appropriateness must be determined. Only certain countries and village conditions are suitable for the development of LIT programs. Actual implementation would vary from one cultural situation to another. For example, in the case where LIT was to be developed in a buffer zone around an established national park which was experiencing population pressure, (eg. Analamazaotra-Perinet, Madagascar) the approach would be different from that needed in developing a program in a new national park being established in an area of low population pressure (e.g., Kgalagadi Region, Botswana).

Establishing a LIT infrastructure is a very subtle process. Subtle processes are, in general, best implemented by indigenous or international PVO's or NGO's with assistance from development agencies. To establish low impact tourism, PVO/NGO's must now work hand in hand with the private tourism sector. It is important that LIT should not degrade the cultures they are involved with. Mechanisms for minimizing the risk of this are possible, e.g., traditional cultural performances for tour groups could take place in specific theater sites or simulated villages away from actual residences if necessary.

It is important for all participants in the LIT development process to get the scale of development and expectations into perspective and under control from the outset, (i.e., supply market control). While promoters might feel that "small is beautiful", there is a danger that government perception of possible foreign exchange earnings, driven by balance of payment needs and macro-economic pressures could doom such projects to failure from a rural economic development and natural resource management perspective because of their economic success. This tendency can be tempered by integration of such projects with those of other bilateral and PVO programs. Such integration can help keep a realistic focus.

Local (indigenous) tourism, employing local people would, also be a potentially powerful conservation education tool.

#### **GOALS OF LOW IMPACT TOURISM**

- \* To establish, coordinate and mutually support conservation and tourism policy
- \* To fund parks development and management and foster indigenous natural resource management of protected and unprotected areas
- \* To stimulate the rural economy of tourist destination sites
- \* To improve village living standards in tour destination areas
- \* To increase foreign exchange currency through tourism revenues
- \* To promote cross cultural understanding through marketing and the tourism trade
- \* To return a profit to investors, to host country businesses and villages

#### **CHARACTERISTICS OF LOW IMPACT TOURISM**

- \* It is locally managed
- \* It provides a quality travel product and tourist experience
- \* It values culture
- \* It has a training emphasis
- \* It is dependent on natural and cultural resources
- \* It integrates development and conservation

## A. Projected Benefits

A summary of expected advantages and benefits from the development of LIT are noted below.

- \* The supply side nature of LIT means that the impact on the local natural resource base is more easily controlled than is the case with demand side tourism. The dangers of overload and of cultural submersion and tourists exceeding biological carrying capacities (as in Kenya and Gambia) may thus be minimized.
- \* Private investment and tourism revenues pay for the needed infrastructures as well as for the development and training costs. The infrastructures of LIT are in general "appropriate" rather than luxurious. Investors' profits are dependent on villages being properly prepared to supply the quality tourist product they market. Therefore international and local travel companies have a vested interest in sustaining village improvements and indigenous NRM.
- \* LIT can generate income while not diminishing, degrading or destroying the natural or cultural resource base. LIT can foster and finance protection of watersheds and bio-diversity of natural forests and increase human and agricultural productivity.
- \* Through economic incentives, LIT provides the potential of indigenous management of unprotected natural resource areas that would otherwise be endangered.
- \* LIT is capable of putting a hard dollar value on natural resources which may be valuable data in political and economic negotiations and in determining costs of environmental degradation and establishing NRM, land tenure and tourism policies.
- \* LIT provides the possibility for otherwise totally bankrupt countries to obtain foreign exchange currency economic benefits and to engage in management of their natural resources without major recurrent cost.
- \* Villagers can obtain equity in a travel or safari corporation using their own natural and cultural resource base without cash investment rather than being paid a pittance for the use of these resources. This process is conducive to indigenous and sustained conservation management.
- \* LIT leads to improved health care, education and community facilities in villages.

## B. Issues

- \* Unless LIT development is preceded by detailed anthropological and sociological studies, there is the possibility of developing a program around a village only to find, for example, that other traditional rights there which have not been taken into account supersede village rights. The social background of a tourist destination site must be very well known.

\* There is a danger that the development of a village-based cash and income generating business could attract other rural people to the area, causing increased pressure on the natural resource base, social disruption and urban migration near tour site villages.

\* There are possible problems associated with tourism revenue distribution. Money must go equitably into peoples' pockets right down to the grass roots level. But this can be socially disruptive if people are brought from subsistence into a cash economy. Cash payments or women's salaries can also be socially disruptive within the family structure. To avoid this, a causal link must be established between villagers' activities and the money they receive, or these payments might become like a welfare check. This can occur by developing two avenues for delivering tourism revenues to villages which are shown graphically in Figure 9: government redistribution through village institutions and private sector/joint venture business relationships with villages. In this way, LIT can be a focus for bringing together rural development and conservation or natural resource management activities via the private sector.

\* Conservation and tourism policies have to be in place in the host country before projects begin and investment in villages is made. These two types of policies have to be consistent and congruent.

\* There is a danger, through cultural tourism, that natural processes of cultural change and development will be frozen.

\* There is a demand market risk factor. Tourism can be a fickle trade dependent on disposable income and media coverage. Phenomena such as AIDS, hostage-taking, hijacking, high levels of crime, etc. can all have unpredictable effects on the tourist trade. LIT development plans can thus be severely compromised if political disruption or disease epidemics are reported in the news media. If the village has become dependent on the tourist trade for income, the cessation of exporting tourism services could have serious social and economic effects.

\* There is the possibility that increasing tourism might encourage the sale of non-desirable artifacts such as ivory and rhino horn and thus tend to deplete the natural resource base. However, in some areas of southern Africa, the non-consumptive use of wildlife resources in village-based wildlife projects is so successful that consumptive uses have not been a problem.

### III. SUMMARY OF PROJECT ACTIVITIES

The first nine months of the project were devoted to four primary activities:

1. Initiating the U.S., European and Japanese LIT demand market analysis under subcontract,
2. Meeting with international finance institutions, donors, PVO's, NGO's, other USAID contractors and travel organizations,
3. Developing LIT models for Botswana, Madagascar, Uganda and Tanzania
4. Conducting a ten week field trip to Botswana, Madagascar, Kenya and Togo to attend the Regional Workshop on Natural Resource Management.

The demand market analysis is 80% complete and is discussed in Section IV of this report. In an attempt to develop an African generalized and country specific LIT models, meetings were held with more than eighty organizations in the U.S. and overseas. This was a particularly difficult task because very few of the organizations understood what the LIT process was and because it was necessary to bring together investors and investment bankers, conservation PVO's and development specialists to gather the necessary input. Each of these sectors had a different viewpoint about tourism but by the sixth month of the project all three sectors had stated their claim to and defined their terms of involvement in the LIT project. Once these sectors of diverse interest had come together around their perceptions of LIT, the demand for more information, discussions and presentations far exceeded the project's ability to respond. This became the primary problem the project had to deal with. The demand for information was premature with respect to the project schedule. Unquestionably, the inability of the project, because of limits of the scope of work and funding, to provide more printed information and personal slide presentations has temporarily dampened the interest in LIT particularly in the investment community; but this interest can be peaked by providing this type of material based on the completed DTI study in the future. A list of meeting presentations associated with this phase of the project is given in Appendix A. The generalized African and country specific Botswana and Madagascar LIT models are discussed in sections V and VI of this report.

The culmination of these preparation efforts occurred during the country visits to Botswana and Madagascar. The project was endorsed by the USAID missions, the necessary government ministries, the PVO community and the private business travel and tourism sectors in both countries. There was overwhelming interest in both Botswana and Madagascar in having the project continue. (Note: for example see Botswana USAID mission FAX, Appendix B). In Botswana, the LIT model proposed by Domestic Technology International (DTI) fit precisely into the thinking of the Department of Wildlife and National Parks, and the Tourism Unit of the Ministry of Commerce's strategies and again the request for printed information on LIT and tourism based wildlife valuation was overwhelming.

All of the objectives of the field trip were met. They are listed below:

1. To introduce the LIT concept and model to the USAID missions, host country government, PVO's, NGO's and private travel sector.
2. To present the preliminary demand market survey results.
3. To initiate a tourism market supply survey in each country using in place organizations and local employees.
4. To determine if the USAID missions, host country governments and private sector wanted to participate in the project.
5. To identify actions that needed to be taken to proceed with the LIT project in that country.

The information obtained in meeting these objectives clearly indicate that this LIT project is timely, appropriate and desired in both Botswana and Madagascar.

The introduction of the LIT concept at the Togo conference by the Principal Investigator could have a longer term benefit to USAID and other African NRM projects in the future. With the exception of the representative from African Wildlife Foundation, one USAID Agricultural Development Officer and this project's Principal Investigator, the attenders were primarily involved in forestry projects in West Africa. There was little awareness or understanding of LIT as a strategy for funding wildlife management in east and southern Africa or for applications in broader natural resource issues. The presentation of the LIT project models based in both wildlife management (Botswana) and forest management (Madagascar) demonstrated how tourism could be used as a tool to foster indigenous management and to finance natural resource based rural economic development. The expectation is that as the conference attenders have a chance to assimilate the basic LIT model, they may find applications in their countries of assignment.

#### IV. OVERVIEW - AFRICA DEMAND MARKET ANALYSIS

Africa has been the destination for a very small percentage of the global tourism demand market. It's market share ranges from 2% of long haul traffic (as is the case for the U.S.) to being included in the 1 to 4% of "other destinations" category of international rankings. However, African tourism has begun to and will continue to increase for the next five to ten years without any major marketing effort for two reasons:

1. The number of long haul tourists from major demand markets is increasing very rapidly, particularly in countries which are thriving economically - Far East, Asia and the European common market countries. In a number of these countries, governments are encouraging travel as a way of balancing international trade that has gone too far in their favor and which is having negative worldwide impact. In Japan, for example, the government is currently instituting programs whose goals are to increase the money spent on tourism imports by 25% in the next few years for a total of 19 billion dollars by 1995. In West Germany, economic well being resulted in a doubling of the percentage of long haul tourism between 1986 and 1989. Even if the "other destinations" category remains 1-4% for Africa, there is a continuing significant increase in the actual number of tourists that will visit the continent.
2. The rapidly growing world-wide consciousness of diminishing wildlife and traditional cultures has whet the appetite of many who desire to see the "last tiger", or the last authentic mud hut village and has raised the interests of those concerned about the global environment. Since Africa is a major resource for this interest, worldwide concerns of environmental conditions give travel to Africa a great deal of free advertising which a low impact tourism program can take advantage of.

New efforts are needed to make this naturally occurring upswing in African tourism benefit host country governments and villages and to finance natural resource management. Comprehensive plans are needed to provide a quality travel experience for the tourist and this depends on an infrastructure that can provide the critical ingredients associated with "niches" in the international tourism market such as: endangered wildlife viewing, and experiencing the traditional village life.

Extensive advertising by the government, demand market travel agencies and investors will be needed to direct tourists to existing and new market "niches" in particular countries in Africa, like Botswana and Madagascar. It should be noted that the most successful tour operators in the United States combine two to four countries to form a regional niche for their major wildlife and natural history tours. The long haul travel client interested in this type of regional travel, expects to pay six to seven thousand dollars for the tour package. More adventuresome, independent travelers who make their own way and whose expectations of the infrastructure are minimal, expect to pay about three to four thousand dollars for a self made tour. LIT must focus on high cost tours to maximize the revenues and minimize the number of tourists. The best upper-end demand market in the category of package tours to Africa is the United States, where the middle class still plans a year in advance for a major three week vacation and likes traveling with a group. By 1995, the primary upper-end demand market is projected to be the Pacific Rim area, led by Japan, if the specific Asian needs and expectations can be met by an expended and improved tourism infrastructure.

The European market is the next candidate to provide travelers to African niche destinations. This is in part because of the strong colonial history with Africa. The West Germans, French and British do not find Africa as inaccessible or foreign as Americans do and are in general more individualistic travelers. Europeans consider North Africa a short haul vacation, and one that is reasonable in price. To attract them as long haul package tourists to sub Saharan Africa, one would have to create and advertise tours that appeal to the more discerning tourist who wants unique adventure and personally meaningful or globally significant experiences.

Client perception of personal safety, related to unstable governments, terrorism, disease, poor hygiene and cleanliness can be a major drawback where the Asian traveler is concerned. Personal safety is critical to the individual packaged tour American and Japanese traveler.

It is this perception that presently limits the Japanese market in Africa. Japan is a xenophobic country that is just starting to venture into traveling beyond other oriental cultures. The market demand is predominantly for urban pleasures such as amusement or theme parks. Japanese travelers are used to the costs of travel in other oriental cultures where travel is not seen as an activity which justifies major expenditure. The high incidence of Japanese travel to the U.S. is strongly related to budget packaged tours. Japan at present, does have a small exclusive niche of demand market which has high African market potential. This niche promotes travel to exotic cultures with participatory cultural adventures and possibly exclusive safari hunting. This market would be attracted to "Raj" style wildlife expeditions, mixed with special cultural events, travel to several sites by balloon or small boat and camps with a very active social environment. If this market can be tapped, whether through corporate packaged tour agreements or conservation oriented groups, it would result in more tourist dollars to Botswana and Madagascar than all other tourism combined by 1995.

#### A. Creating Niche Tourism Market Demand

Creating a demand for niche LIT in Botswana and Madagascar will require a comprehensive staged development plan which gives the opportunity for appropriate implementation in villages and the international market place without losing control of tourism growth. The type of environmental destruction and political destabilization that occurred in Kenya was in part due to the rapid escalation of tourism without appropriate policies and infrastructure being in place. This must be avoided by having a coordinated low impact tourism (supply market) development plan and an eco-tourism (demand market) plan for each country of concern.

##### 1. Stage One - Existing Carrying Capacity

The first stage of development is concerned with making the best use of existing resources and existing demand for those resources while extending the market's appeal and establishing the LIT infrastructure. This approach offers a way to reduce the abuse of a tourist product and not lose income. One possible solution to overuse of natural resources in the short term is by spreading tourism options to other areas of interest. In this way income can be increased without additional pressure on wildlife in a single area and it allows time for long term tourism and NRM to be implemented. Combination staged tours could blend, for instance, wildlife viewing with cultural activities and wildlife could still remain the focus of marketing.

Combining new and established destinations is the most realistic way to extend appeal to a demand market because it offers something new but is achieved mainly through

advertising rather than by infrastructure development and restructuring. This approach can be compared to the combination food platters which have become popular in U.S. restaurants. They offer a taste of many things and, to all but the special interest group, make the meal (or tour) seem richer and more worthwhile.

## 2. Stage Two - Regional Marketing

Regional tours, which combine with neighboring countries to provide extended market appeal, increase tourism revenues and reduce environmental or infrastructure pressures on natural resources and village destinations. For Botswana, Zimbabwe, Zambia and Namibia would be appropriate and for Madagascar, Kenya, Tanzania and Mauritius. These should be developed in Stage Two. LIT regional tour marketing can also lead to a high return rate of tourists in following years.

## 3. Stage Three - Developing New Destinations

Developing new village based inns or lodges which fill a niche identified by the demand market analysis requires the longest lead time. Marketing the new destination must begin a year prior to their completion. This stage gives time to shape a LIT infrastructure that more precisely responds to the needs of the Japanese and American market where personal safety (including disease) and hygiene are the first concerns of many travelers. The sequence of events for developing a new destination is given below:

- a. Identify and negotiate agreements with villages in new geographical areas where village involvement can be depended on;
- b. Design and market high cost tours and destinations where the quality of service and the experience will command a high price;
- c. Train villagers to construct tourist lodges or inns;
- d. Begin marketing to the niche markets that have endured (i.e. wildlife viewing) but add specialized interests such as art festivals, pan African music festivals, traditional and undiscovered gourmet cuisine and archeological ruins.

## B. Botswana Projections

Africa as a destination is projected to capture an additional one percent of each of the major world markets in 1992: U.S., England, West Germany and Japan. This means an additional 35,000 U.S. travelers, 47,000 English, 112,000 West Germans and 59,000 Japanese, for a total of 253,000 new travelers. The Japanese travel growth rate to Africa is expected to be 11% per year through the end of the century. The majority of U.S. and Japanese travelers would participate in packaged tours which means 94,000 packaged tours from these two markets in 1992. Approximately 55% of English travel (25,860) and 30% of German travel (36,600) is packaged tours. This would make a total of 153,450 packaged tours at \$3-4,000 each for the in-country portion of the package. The assumption is that each tourist would spend 15 days in-country at a cost of \$200 per day and would spend \$350 on optional expenses not including air travel expenses. This would increase travel industry revenues in Africa by \$537 million. Botswana, with appropriate marketing, could conservatively get 14% of this projected travel increase to Africa.

Because of Botswana's strong reputation as a stable African country and because of its wildlife, it is projected to be the second major wildlife viewing destination with American adventure tour companies following Kenya. Botswana is also well positioned

to capture a portion of the Kenyan tourist market (approximately 85,000 in 1989) if a decline occurs. DTI has assumed that 25% of the projected packaged tours spend one half of their time in Botswana and one half in neighboring countries. This would result in an additional tourism income of \$67 million for Botswana from LIT in 1992. These projections show that an additional 253,000 "high end" tourists would be traveling in Africa and about 36,000 travelers could be captured by the Botswana market in 1994.

A critical question now arises. Could the infrastructure in Botswana support 75,000 high end tourists by 1995? This LIT project will attempt to answer this question during the second half of the project activities.

Since tourism receipts are prepaid in countries of origin, the Botswana government and private sector must structure its tour pricing, payment method and redistribution of tourism revenues through clearly enforceable policies and internal business agreements. Figure 2, "Distribution of Low Impact Tourism Revenues", defines the formula that DTI's demand market analysis has shown to be a viable model for developing these policies and agreements. This data will be discussed further in Section V, Generalized African Tourism Model.

### C. Madagascar Projections

Madagascar is a newcomer to the world long-haul tourism market. Malagasy culture is relatively unknown in the major demand markets except to the French. Its rare natural resource base is only recently becoming known to western environmentalists and natural history followers and therefore Madagascar is now ripe for LIT development. A vacation image needs to be developed apart from the attraction of lemurs. Madagascar lends itself, through LIT development, to the image of an ecological Greek island paradise with good local food and music, beautiful scenery, diverse culture and beaches. The demand market analysis for Madagascar was not completed at the printing date of this report so the projections for tourism in Madagascar are not available at this time. However, it is clear that the long-term, high-end tourist market for Madagascar LIT is the Pacific Rim with the short-term market growing to a smaller percentage of the long-term market being in the U.S. and portions of Europe.

Madagascar LIT tours will range in cost from \$4,600 to \$6,000. The impact of the soft dollar and the increasing downward mobility of the middle class in the U.S., coupled with the mass market tourism in Japan consisting of middle management interested in bargain packaged tours are all factors that affect the potential Madagascar tourism market. The single most important factor affecting the demand market analysis is that the existing infrastructure in Madagascar which would usually be part of the supply analysis, specifically air access, is the limiting factor in the number of tourists that can visit the country. This, coupled with the lack of world knowledge about Madagascar, makes collecting and analyzing demand market data difficult and subject to error.

DTI has been collaborating with the Pullman International Hotels (PIH) and Savana International (SI) as part of an effort to assess the potential relationship between a large, environmentally concerned hotel chain and the demand for low impact tourism development in Madagascar. PIH and SI have an ongoing hotel development project in Madagascar and they have a good understanding of the European eco-tourism demand for tours to Madagascar. DTI is now analyzing this data for LIT niche market potential. The PIH/SI hotel project will be discussed further in Section VI, C. Country Tourism Scenarios - Madagascar.

## V. GENERALIZED AFRICAN LOW IMPACT TOURISM MODEL

The concept for the LIT model is shown in Figure 1, "Funding Conservation through Low Impact Tourism". The findings of the demand market analysis and in-country visits support the feasibility of the concept operated by the private sector. However, the policy and business agreements and conditions identified in Sections II and IV of this report must be adhered to for this data to be reliable. The model data shown in this section has been derived by merging data from Botswana, Madagascar, Tanzania, Zimbabwe, Kenya and Uganda. Therefore, this generalized model is meant to be indicative of a LIT business operation from the U.S. to a generic African country. Country specific data is given in Section VI. The distribution of LIT revenues (demand market projections) shown in Figure 2, "Distribution of Low Impact Tourism Revenues", graphically delineates the tourism revenues distribution formula that DTI feels is justifiable to both private sector participants, the host country government, PVO's and villages. The dark area of "sales" represents the amount of sales revenues that the international travel retail agent will collect as a function of number of trips sold and the light area represents the foreign exchange currency paid in US dollars to the low impact tourism infrastructure in country by sector, i.e. "optional" sales for crafts, alcohol, clothes, etc., conservation use fees for parks and protected areas etc. Figure 3, "Financial Allocations - National Low Impact Tourism - Conservation", shows DTI's projections for distributions of tourism revenues from the private sector, government and development community based on the data in Figure 2. DTI's destination village revenue distribution projections based on the data in Figures 2 and 3 is shown in Figure 4, "Distributions of LIT Revenues" and Figure 5, "Financial Allocations -Low Impact Tourism - One Village". The heading "destination" in Figure 4 includes all revenues from government and from the private business tourism infrastructure that reaches the village and surrounding park or protected areas. The village revenue data is based on the assumption that 5,000 high-end international tourists per year (or 20 tourists per day seasonally) will spend three nights each in a 20 bed inn or lodge that is 49% owned by nationals and 14% owned by the village. It is also assumed that each tourist will spend \$75 for optional expenses.

A summary of the projected income and profit for the U.S. investing travel corporation is shown in Figure 6 and a summary of the income and profit for both the retail travel agency and village operated inns is shown in Figure 7. The column "training" in Figure 5 shows that approximately \$185,000 per year, or about one million dollars during the lifetime of the investment, is budgeted for training in each village. Much of this training will be long term and village based.

This data shows that village-based, low impact tourism can be profitable for foreign and national investors, travel agencies, tourist operators and villages if high-end tourist sales are maintained. Furthermore, this data demonstrates that conservation of natural resources and park development in tourist destinations can be financed by the private sector at a higher level than is presently being done anywhere in the developing world. It also demonstrates that this LIT process can be initiated and maintained, including research and monitoring by PVO's, with very little financial help from the development community and with almost no recurrent cost to the government. Perhaps the most important conclusion is that villages can participate with equity in the process rather than with casual employment and odd jobs.

### A. Village Equity

The LIT project has created a viable method for tour destination villages to gain equity in a travel agency or safari operation without investment capital. The village economic unit, through the appropriate village governing body, e.g., village development committee, uses exclusive access to the culture, village environment and adjoining natural resource and historical attractions in exchange for a percentage of ownership in the travel agency or safari company. The village also negotiates into the business agreement guaranteed jobs, training, technical assistance and investment from the corporation to build and equip a lodge or inn which becomes the center piece of the village economic unit. PVO's and government extension workers are trained to assist villages in the process through donor and government coordinated efforts. At the present, villages or RAD's receive only part time, low paying jobs in exchange for this access and there are no guarantees even for that minimal economic development. The primary barriers to this village equity process is the possibility of (1) government land tenure policy preempting villages from using their surrounding natural resource base for an equity swap, or (2) parks and protected areas and buffer zone management policy interfering with exclusive access guarantees by the village to a travel agency or safari business partner.

This idea of village equity is new and untested, however it has several benefits and economic incentives that make its likelihood of success high. In addition, the investment community has accepted this model as viable and investment worthy and the financial analysis shows that these village investments are reasonable expenses. There are a number of potential village internal problems which might occur in the transition from traditional village life to a village structure more dependent on tourism dollars. However, the ability to solve these problems will become part of the tour site selection criteria and minimum payments by the travel corporation and the government will have to be guaranteed to the villages to insure stability within the new village economic framework.

### B. Village Investment Scenario

The generic village investment scenario based on data given previously in this section, is shown below. This data demonstrates that a village can gain a \$2 million equity in a joint venture who's gross foreign exchange currency income over a five year period is approximately 12.6 million dollars. The village operation is financed with a \$150,000 investment and a portion of the revenues (see Figure 5) spread over this time period. The tour operator profit is 1.6 million dollars over this time period or about \$300,000/year and the village share of this is approximately \$48,000 per year. The international investing travel or tourism company reaps a \$1.2 million gross profit after debt service payments and expanded village development investments costs are deducted.

**INVESTMENT SCENARIO - 5 YEARS**  
**One Tourism Village Destination/Equity Swap (1000's US \$)**

Investment (FEC)	150	Tourism Revenues (FEC)	10,980
Loans (FEC)	150	Operator Profit (FEC)	1,600
<hr/>			
Total	300	(FEC)	12,580
Village (Equity Swap - 14%)	2,000	Agency Profit (US)	1,200

The sequence of events that needs to transpire for investment financed LIT to be established are given below.

1. Demand market analysis
2. Evaluate supply tourism infrastructure
  - resource base
  - village destinations
  - policy
  - transportation/hotels
  - capacity
3. Supply market analysis
4. Negotiate government, private sector and village agreements
5. Feasibility study - go/no go project decision
6. Business plan submitted to investors
7. Design/construct facilities
8. Training of in-country staff, villagers and PVO's
9. Market exclusive access to village destinations
10. Maintain a high quality tour product in villages

It is also important to point out that once this LIT business is in place, the villages could develop lodges or inns independently and draw on the same government and PVO technical assistance at their own cost or through a low interest loan program or natural resource based revolving fund which redistributes revenues from park use fees to neighboring villages.

The last investment consideration to be discussed in this report concerns the requirement for policies which make possible the striking of the necessary agreements to allow and to monitor international private sector involvement in the establishment of a LIT industry. The international investing travel corporation will provide capital, technical assistance, training, technology and marketing. The in-country travel agency business partner together with participating villages must provide access to natural and cultural resources, management of facilities, staff, fiscal management and operation of tours. The agreements necessary to make this a business reality include an exclusive access or use agreement between the two parties, tour and operator pricing and cost agreements and an enforcement agreement in the event that all parties do not meet their obligations. In addition, the government (national and local) must establish policy which supports private sector conservation tourism and which manages the natural resources that are the primary basis for long term investment in the rural villages. Policies must also allow villages broadly monitored latitude over management of their

natural resources and allow for collection of debts and payment of bills on a timely basis.

Establishing all of these agreements and policies is truly a formidable task and investors are unlikely to participate until these policies are in place. The initial stages of low impact conservation tourism must be financed by donors, PVO's and the government in order to set the stage for outside or local investment which can then be directed to both profitability and maximizing benefit to the natural resource base and the people who live in tourist destination areas or buffer zones.

Figure 2

# Distribution of Low Impact Tourism Revenues

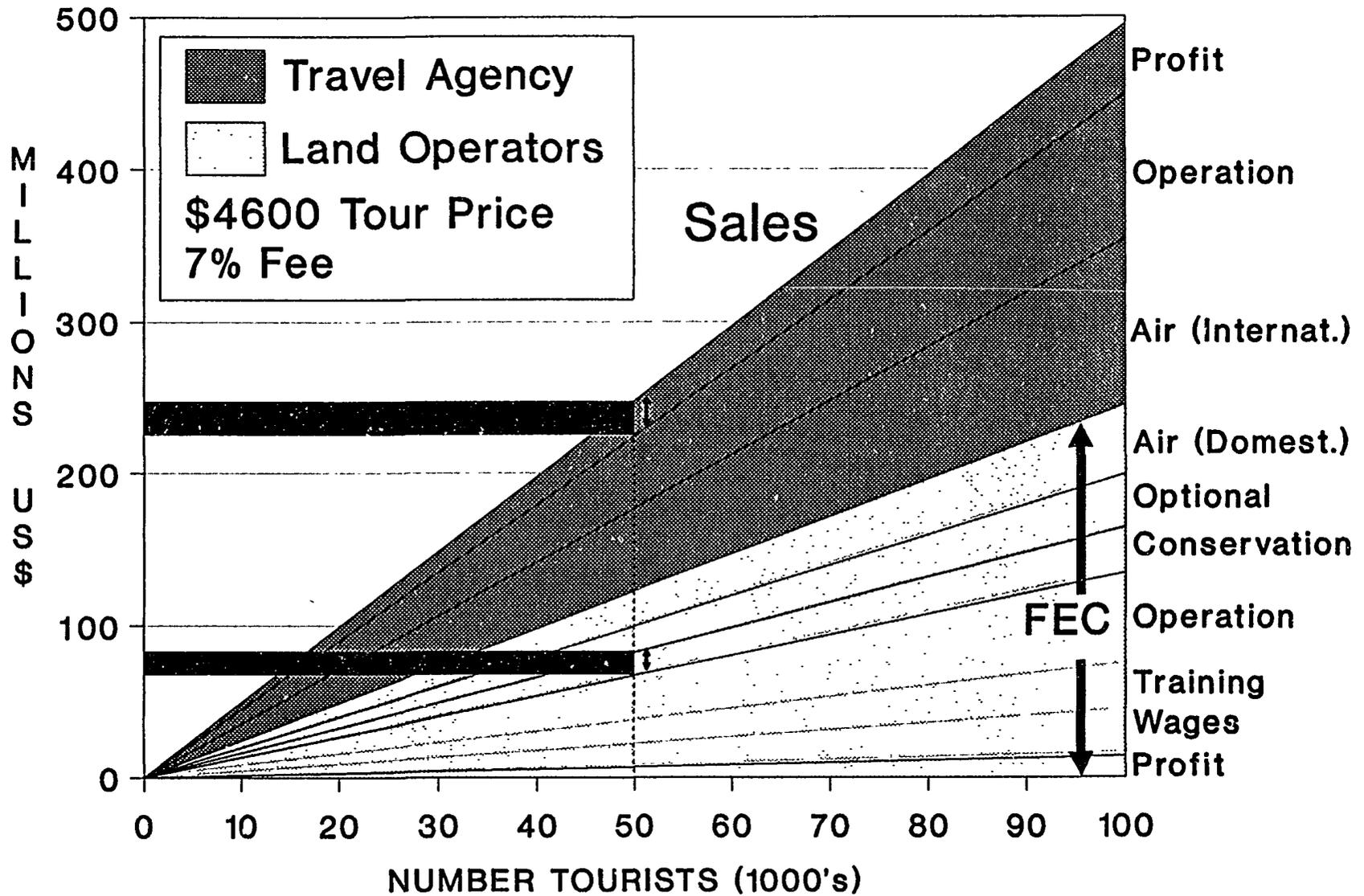


Figure 3

### Financial Allocations National Low Impact Tourism - Conservation (5 year - 50,000 Tourists/Year - 7% Fee)

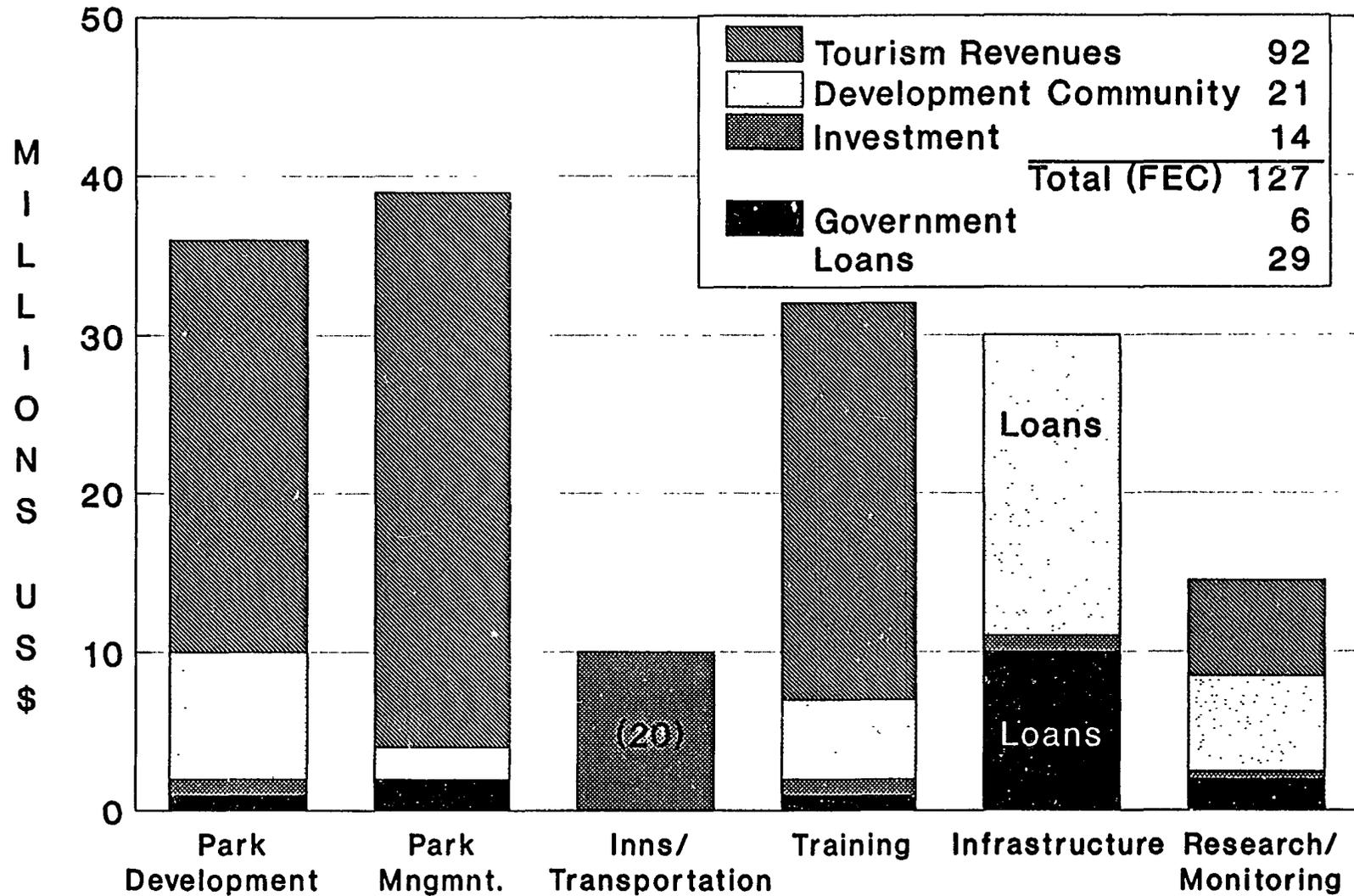


Figure 4

# Distribution of Low Impact Tourism Revenues (Millions \$)

TOURISTS (1000's)	SALES	AGENCY PROFIT	DESTINATION (FEC)				
			CONSER- VATION	WAGES /TRAINING	PROFIT	OPTION	TOTAL
1	4.6	0.6	0.3	0.3	0.2	0.4	1.2
5	23	2.8	1.5	1.3	0.9	1.8	5.5
30	138	14	9	8	5	11	33
50	230	21	15	14	9	18	56
100	460	42	30	28	15	35	108



Domestic Technology International Inc.

Figure 4

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Figure 5

### Financial Allocations Low Impact Tourism - One Village (5 yr - 5,000 International Tourists/yr - 20/day Seasonally)

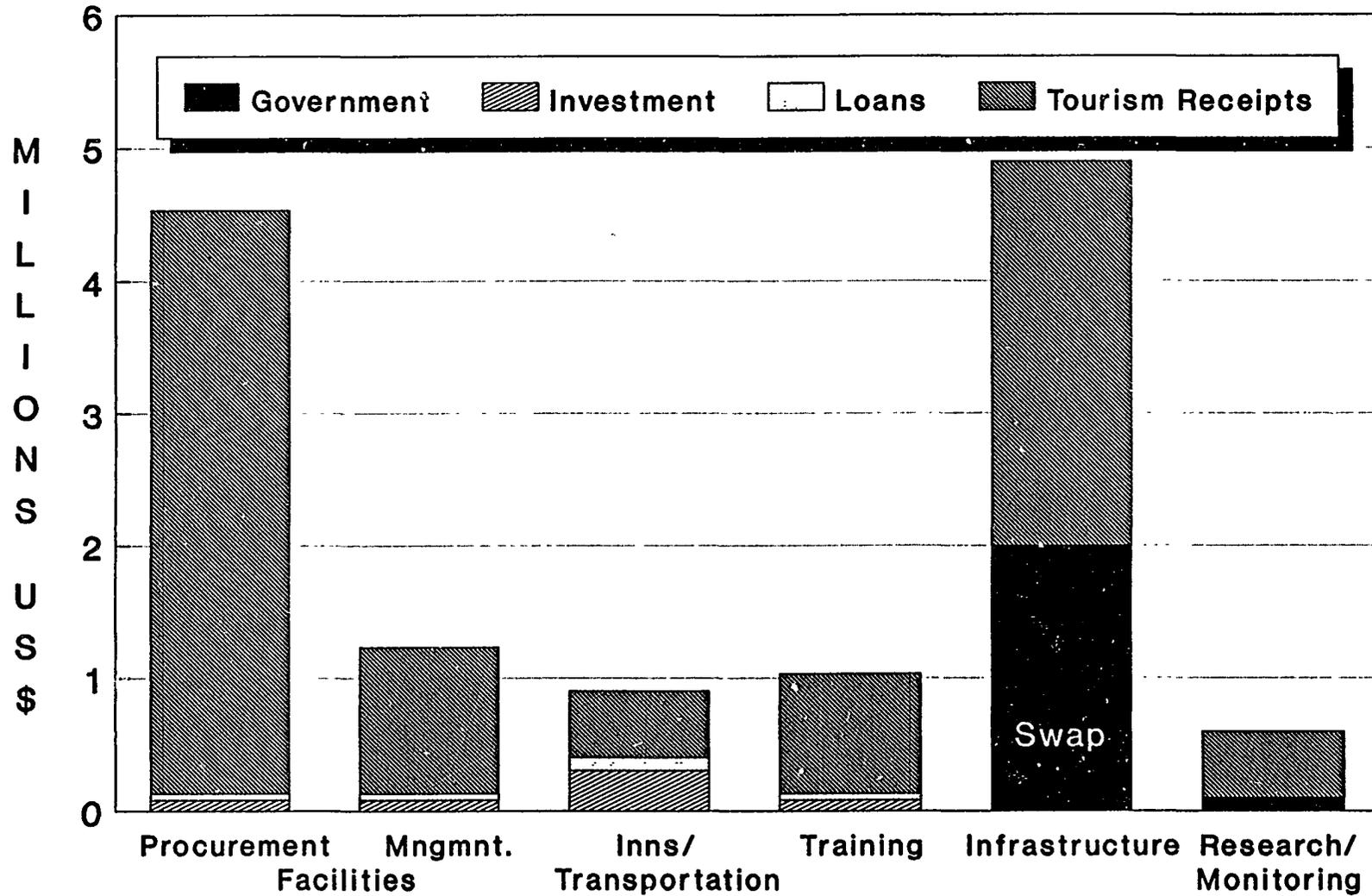


Figure 6

SUMMARY OF FIVE YEAR INCOME AND PROFIT FORECAST FOR INVESTING TRAVEL CORPORATION

Cash Flow Forecast for One Lodge

Year One	Gross Income (120 trips X \$4870 wholesale price)	584,400
	Direct Tour Costs (120 trips X \$3476)	417,132
	Gross Profit	167,268
	Operating Expenses	123,380
	Profit and Debt Service	43,888
Year Two	Gross Income (240 trips X \$5114 wholesale price)	1,227,240
	Direct Tour Costs (240 trips X \$3636)	872,640
	Gross Profit	354,600
	Operating Expenses	129,690
	Profit and Debt Service	224,910
Year Three	Gross Income (300 trips X \$5344 wholesale price)	1,603,239
	Direct Tour Costs (300 trips X \$3803)	1,140,976
	Gross Profit	462,263
	Operating Expenses	142,875
	Profit and Debt Service	319,388
Year Four	Gross Income (300 trips X \$5590 wholesale price)	1,676,947
	Direct Tour Costs (300 trips X \$3978)	1,193,381
	Gross Profit	483,566
	Operating Expenses	165,080
	Profit and Debt Service	318,486
Year Five	Gross Income (260 trips X \$5600 wholesale price)	1,456,000
	Direct Tour Costs (260 trips X \$4095)	1,064,700
	Gross Profit	391,300
	Operating Expenses	171,976
	Profit and Debt Service	219,324

Figure 7

SUMMARY OF FIVE YEAR INCOME/PROFIT FORECAST FOR TWO LODGES

Note: Village lodges are jointly owned by the investing travel corporation, the in-country travel agency and the village economic unit to be defined in village negotiations

Cash Flow Forecast for Village Operated Inns

		Agency US\$	In-country Inns US\$
Year One	Expenses	(98,756)	(40,000)
Year Two	Gross Income		
	1st Lodge	59,400	82,208
	Expenses	123,323	32,000
	Gross Profit	(63,923)	50,208
Year Three	Gross Income		
	1st Lodge	62,132	93,496
	2nd Lodge	62,133	33,689
	Subtotal	124,264	67,185
	Expenses	63,228	65,205
	Gross Profit	61,036	61,980
Year Four	Gross Income		
	1st Lodge	60,450	108,450
	2nd Lodge	70,200	40,185
	Subtotal	130,650	78,635
	Expenses	74,564	78,205
	Gross Profit	56,086	70,430
Year Five	Gross Income		
	1st Lodge	75,270	102,500
	2nd Lodge	60,250	44,200
	Subtotal	115,520	86,700
	Expenses	72,137	86,000
	Gross Profit	63,383	60,700

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## VI. LOW IMPACT TOURISM COUNTRY SCENARIOS

The country scenarios presented in this report represent the first step in the preparation of a comprehensive LIT tourism development plan and the final step in the selection of countries for which the plan will be developed. The country scenarios will summarize and highlight the findings of the project to date. Botswana and Madagascar are the two countries that have participated in the project to date and are the only two countries for which scenarios have been prepared.

### A. Botswana

Botswana's tourism industry is reasonably well developed but is concentrated in the northwest and Chobe districts and, to some extent, the Tuli-block area. Because of this fact, it renders unequal distribution and utilization of tourism resources and services.

Botswana is well endowed with natural resources, including minerals, unique habitats, and wildlife. Increasing pressure on these natural resource endowments, particularly renewable resources, such as wildlife and the habitat it needs to survive, have become severe. This pressure is, in part, the result of a rapidly developing economy, a growing agricultural sector, and a large beef export market. The economy of Botswana is based on diamond mining and the beef export market. This economic base is narrow and is exposed to market fluctuations around the world; therefore, it is desirable to diversify and pursue other options to boost the economy. The option seen by the Government of Botswana (GOB) for economic development with the greatest spectrum of returns is tourism.

The present situation within the tourism industry in Botswana is favorable in some respects and unfavorable in others. In relative terms, Botswana offers a secure environment for tourists and Botswana are, for the most part, well disposed towards visitors. Insofar as accessibility to tourist areas and the quality of facilities and amenities are concerned, the involvement of government, aside from the massive contribution made through the designation of vast areas of Botswana as national parks and reserves, has been minimal. Government's investment in airports, landing strips, roads and similar infrastructure created primarily to serve the tourism industry has been modest. The quality of the amenities offered by government campsites within the parks and reserves has been only fair, often poor or worse. However, this may have been fortunate, given that access to the parks and reserves has, until recently, been grossly underpriced. Had such low prices applied to high quality facilities, overcrowding would have been an even greater problem than it has been.

To a large extent, the net economic benefits of tourism to Botswana are potential rather than actual: only by the adoption of a carefully considered strategy will they be maximized. The point can be illustrated. If there were a large number of regional tourists who brought with them all their provisions, camped on public grounds for which no charge was levied, purchased no services and paid no local taxes, their presence would simply impose costs arising from overcrowding of public facilities and degradation of the environment. The same would hold for overseas tourists, even though their out-of-pocket costs were much larger, if such tourists were to travel on foreign carriers, stay at facilities located on large tracts of land for which only nominal rents were being charged, and pay the foreign owners for the services obtained in such a way that incomes did not accrue to residents and tax revenues did not accrue to the government.

In these circumstances, the land and wildlife "used" by such tourists might just as well be ceded to another country for all the benefit they would bestow on the Batswana.

Botswana's unregulated tourist industry has been increasing rapidly and, along with uncontrolled development, has threatened the environment. There is a need for more information and a supply market strategy for future tourism development which has resulted from the GOB's recent interest in tourism. Growth in tourism within northern Botswana has been considerable, as evidenced by the growth in the number of fixed safari camps, from 14 in 1978 to 32 camps in 1988. However, the government has responded to this situation by releasing its first Tourism Policy Draft Paper in November, 1989. This statement on tourism policy is the first of its kind by the GOB and it has been prepared and issued for three reasons:

- 1) because, in terms of government policies and priorities, the tourism industry has been largely ignored in the past;
- 2) because the potential of the industry is growing at a rapid rate, so much so that it is now regarded by many as a possible generator of significant economic activity in many parts of the economy and the country; and
- 3) because Batswana are not likely to benefit from realization of the potential unless a new framework of policy is put in place.

There is no doubt that, in Botswana, wildlife represents the principal tourist attraction and, for that reason, there is an intimate relationship between wildlife and tourism policy. It should be understood, however, that there are other resources that are, or could become, important tourist attractions. The rock paintings at the Tsodilo Hills are one example, but many other could be given. Under the Monuments and Relics Act of 1970, the GOB has the authority to declare sites to be of national importance and to protect them. But many of these sites require investments if they are to be preserved and made more accessible to the public. Steps should be taken by the relevant authorities to identify these sites and to prioritize them for development and promotion.

The draft tourism policy is a big step towards supply side regulation of tourism and it lays a good foundation for establishing a LIT industry in Botswana. In fact, LIT development as a response to the draft tourism policy could assist in the formulation of a self sustaining wildlife management component of the National Conservation Policy which has been in progress for some time. Coupling the tourism policy and the introduction of LIT in Botswana confronts a number of issues in both conservation and rural development policy. The Tribal Grazing Act of 1968 transferred the traditional trusteeship and allocation of land from the tribal chiefs to a network of 77 provincial Land Boards. These Land Boards presumably have custody of natural resources that villages would need for an equity swap with investors because the Land Boards presently manage land leases to safari operators. Out of this practice has grown a cadre of District Officers of Lands to assist Land Boards in land use planning. Each district constituted a Land Planning Advisory Group. There now exists a natural resource (primarily wildlife) based land use map for Botswana that the Department of Wildlife and National Parks (DWNP) Ministry of Commerce has developed that defines where different types of tourism can occur. This plan has not yet been made public but it could have profound impact on the development of LIT. DWNP has however informed the project that the village equity swap was apparently within the rights of villages and the law of Botswana. This is a case where participation of this LIT project in tourism

and conservation policy could be helpful to the GOB and essential to encourage the expatriot dominated private travel and safari industry to cooperate with the establishment of LIT in villages. Appendix L includes a description of the rural institutional environment of Botswana and can be referred to for clarification of where jurisdiction lies over the issues referred to above.

### 1. Tourist Profile

The following information has been obtained through collaboration with Lila Borge of the University of North Dakota who has recently concluded a tourism analysis of Botswana under USAID contract.

Botswana's tourism industry began in the late 1960s. Hunting, photography and game-viewing are the major activities for travelers to Botswana. Botswana's original safari companies are still operational and have been active since the early 1960s. A steady increase in the total number of arrivals from 352,994 in 1976 to 897,648 in 1988 indicates that Botswana has become a popular area to visit (Central Statistics Office 1989).

Wildlife and wilderness are the major attractions for tourists who travel to Botswana. Popular tourist areas such as Kenya still have large numbers of wild animals; however, while the number of people traveling to Kenya has increased to the point of "mass tourism", Botswana has the large number and diversity of wildlife and, in addition, it offers remoteness, low population density, and an unspoiled wilderness. Apart from those going to hunt, most visitors use the national parks and reserves to photograph birds and other wildlife.

Tourists who come to Botswana are generally of three types distinguished by the price they choose to pay for their holiday. The first type is the person who chooses to stay at a permanent camp. The client is flown into either Maun or Kasane and transported directly to the camp. This type of tourist has been termed the "high cost" client by the industry, meaning a high price is usually paid for the package in advance, and they are generally confined to camps owned by the company from which they bought their package.

The second type of tourist is the mobile safari tourist. This type of safari is generally less costly than a permanent camp; however, in several cases it is comparable. The tourist is flown into Maun or Kasane and departs from there on a specialized trip into the "bush" of Botswana.

The third type of tourist is the independent traveler, defined as a tourist who "travels independently, relying upon his own resources, and not as part of an organized tour group." These travelers may drive independently, hire a guide, or charter a flight. The distinguishing feature is that they usually do not pay a "package price" before entering Botswana, and they generally use public facilities (park campsites) run by the DWNP; though some use privately owned campsites. This type of tourist has been termed the "low cost" tourist, because of the assumed low expenditures.

The majority of travelers to Botswana are from continental Europe (33% excluding the United Kingdom), the United States (21%) and the Republic of South Africa (20%). See Table 1.

TABLE 1. BOTSWANA - TOURIST COUNTRY OF RESIDENCE (1989)

Country of Residence	# Responses	% Responses
United States	31	21
Other Europe	31	21
Republic of South Africa	30	20
United Kingdom	23	14
Germany	10	7
Australia/New Zealand	9	6
Botswana	7	5
Other Africa	7	5
Other World	<u>2</u>	<u>1</u>
Total	150	100

Estimates of tourist numbers distinguishing between permanent camp/mobile safari (high cost) visitors and independent (low cost) tourists are lacking. Snowy Mountain (1989) estimated that tourists occupying permanent camp (PC) sites totalled 47,000 bednights for 1988. These estimates were for the Okavango Delta region (Ngamiland) only; however, it was assumed that the proportions for the whole of northern Botswana were the same. Independent tourists (I) were estimated at 32,000 bednights (1988) with a ratio of 1.47 PC to 1.0 (I) (Snowy Mountain 1989). Applying the ratio for PC/I to the estimated 64,000 tourists yields the following estimates for each group: PC + Mobiles equal 38,089 tourists, and independent tourists total 25,911 (Table 2).

TABLE 2. POPULATION ESTIMATES FOR BOTSWANA TOURIST GROUPS (1989)

	Percentage	Total Tourists
PC + Mobiles	59	38,089
Independent	41	25,911
Total	100	64,000

Occupations of the tourists varied; however, 26 percent were professionals (doctor, teacher, lawyer), 23 percent executive/manager or public official, and 21 percent retired, or self employed. The average annual income was \$47,377 for 79 percent of the respondents. Most had been on non-guided tours.

The average number of days spent in the Ngamiland and Chobe districts was nine out of 12 days in Botswana or 80 percent of their total holiday. This substantiates that

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this area is the major tourist attraction in Botswana. The average time spent in the Delta area was three days and in the Chobe Park area, six days. Several respondents (17) spent an average of three days in the central Kalahari area, which is outside the Ngamiland and Chobe districts. Hill (1988) reported the average length of stay total in Botswana was 15.5 days.

The estimated impact of tourism on the private and public sectors of the economy of Botswana was found to be quite large. The direct economic contribution made by the tourists was 177,982,456 pula. This estimate does not include an unknown percentage of revenue that does not reach Botswana due to safari packages which are paid in the tourist's country of residence. Nevertheless, this estimate does indicate that the tourist trade is important to the economy of northern Botswana.

Safari companies' reported revenue was approximately 35,022,240 pula. An unknown percentage of this revenue is not spent directly in Botswana; however, the revenue that is likely to stay in the country includes payments for government fees/taxes, park fees, rent and labor. Businesses associated with tourism received a total revenue of 46,542,432 pula in 1989. As before, an unknown percentage of this is spent outside Botswana; however, expenses such as government fees/taxes, rent, and labor are spent directly in the region. All three groups (tourists, safari companies, and associated businesses) paid a total of 8,571,744 pula to the government of Botswana in fees/taxes, and park fees in 1989.

Park permit data showed that the GOB received 718,777 pula from two national parks in the northern region for 11 months in 1989. This was a considerable increase from the 1987 estimate of 266,857 pula (Hill 1988). This increase was due solely to the July 1, 1989 increase in park entry fees, because the number of people in 1987 (29,972) was greater than the number of people in 1989 (23,158).

DTI's analysis of this data shows that the GOB could see an 82% increase of its potential revenues from tourism in 1992 and rural Botswana could realize at least a ten fold increase in tourist revenues that would accrue from a regulated industry based on the LIT model described in this report.

## 2. Botswana LIT Model

In keeping with the draft tourism policy, the LIT model developed by DTI for Botswana is centered around wildlife management. The DTI LIT model for Botswana is viewed as a wildlife management tool funded by the private sector. The model is based on fitting LIT into a balance between consumptive and non-consumptive wildlife utilization. The relationship of LIT to other wildlife management models is shown below.

### CONSUMPTIVE

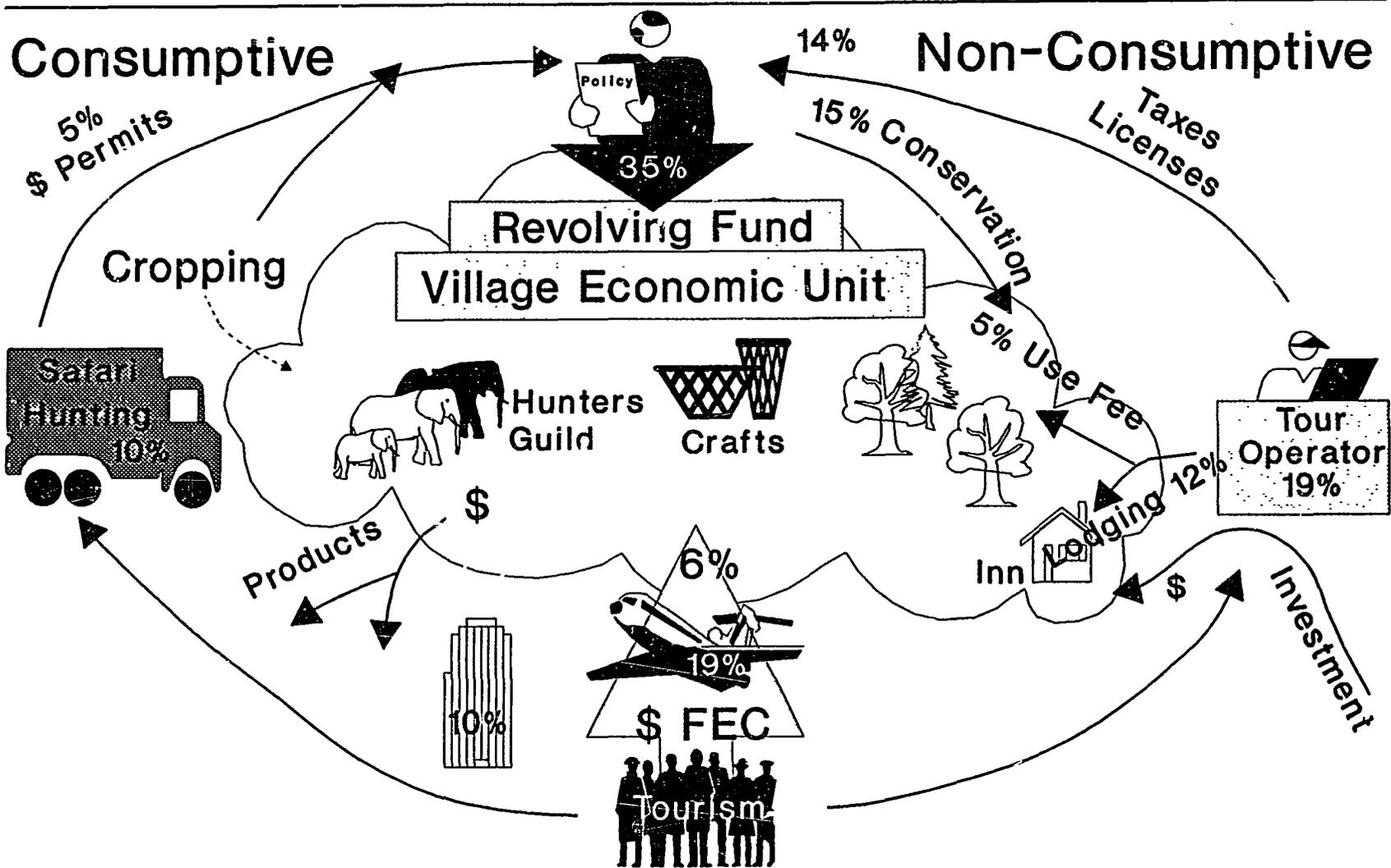
Safari Hunting  
Cropping  
Traditional/Citizen Hunting  
Game Ranching - Private  
Poaching

### NON-CONSUMPTIVE

Culture Tourism  
Observation Safari  
Wildlife Sales  
Village Economic Unit

Figure 9

# Botswana Natural Resource Revenues Distributed to Villages



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Figure 9

# Low Impact Tourism

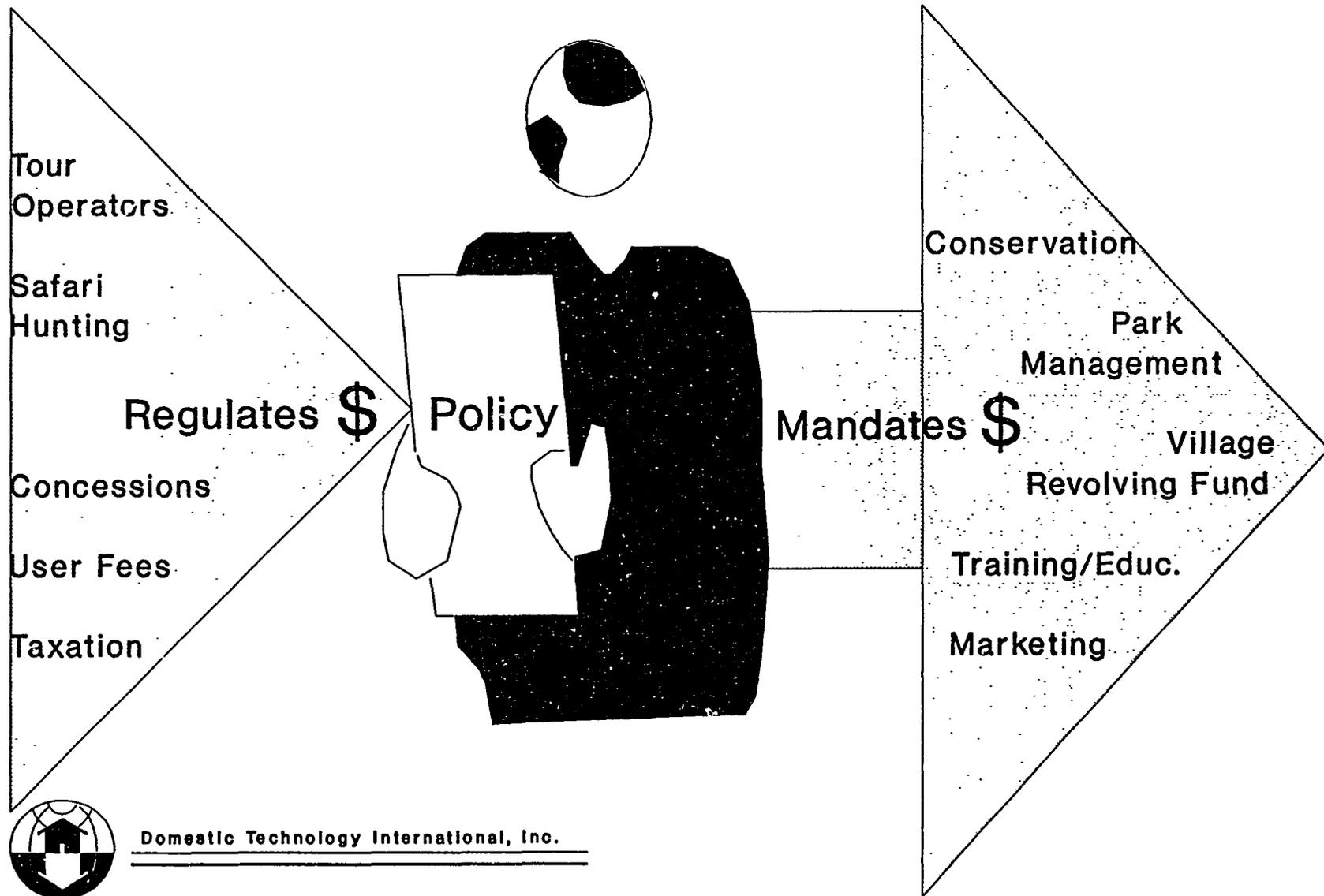


Figure 10

Figure 9, "Botswana Natural Resource Revenues", shows graphically how the tourism revenues discussed in Section V would be distributed using the LIT approach for developing Botswana's future tourism industry. The revenues that pass through the GOB are made available to villagers through a revolving fund with payments proportional to the number of tourists that visit their region. The private sector revenues reach tourist destination villages through

- (1) the village economic unit that operates the inns or lodges (or village businesses),
- (2) direct collection of "user" fees,
- (3) investment and
- (4) direct sales of crafts, food or services.
- (5) profit sharing (equity 14%)

This model presents a radically different tourism economic picture than presently exists in Botswana. It establishes minimum "high end" daily rates for all foreign tourists, requires reporting these tourists by safari operators and discourages low cost tourism by foreigners.

The effect is dispersed tourism growth of high end foreign tourists resulting in foreign exchange and village revenues that are an order of magnitude higher than they are at present in Botswana. The LIT model employs and funds PVO's to assist villages in the formation of hunter guilds (or craft and agricultural guilds). The hunter guilds would be responsible for hunting of wild game for the village and to provide game meat for the tourist menus as well. These would be the only hunters with the possible exception of safari hunters in the region. In turn, the guild members would be responsible for the well being and management of animals in this region in cooperation with DWNP. This approach provides economic incentives, with monitoring by DWNP, of indigenous wildlife management. The policy components necessary to foster this new tourism transition is shown in Figure 10. Each of these subsections of tourism and wildlife and park management must be woven into a congruent policy. For existing private operators, what it amounts to is sharing revenues and profit with villages in exchange for more and higher paying tourists which the GOB helps to bring into the country by using tax revenues to improve the infrastructure and to market internationally. It can be seen from these projections that only 15 percent of tourist revenues will come from hunting and the remaining 85% will come from non-consumptive tourism which contributes more to the costs of wildlife management and park operation.

### 3. Issues

\* A broker or commission or board may be needed as a linkage between rural areas dweller communities, villages, land boards, etc. and tour operators and/or investors to affect LIT development. It may not be appropriate for the Government of Botswana to facilitate the private sector start-up or joint venture matching process and there is presently a void here.

\* The Tourism Unit (soon to be Department) must be strengthened and better financed to spearhead a major conservation-tourism development and investment plan. The limited budget, staffing, skill-level and authority present in the Tourism Unit is not adequate to accomplish this. This results in at least two major barriers to implementing a conservation-tourism industry development plan. The capacity to adopt and enforce or implement a strong LIT tourism policy needs to be clearly established and the roles,

relationship and necessary linkage between the Tourism Unit and the DWNP needs to be clearly defined.

This situation however presents an opportunity to simultaneously strengthen the TU while creating a tourism industry commission to self-regulate the industry with oversight by the TU and DWNP. This seems to be the most feasible solution under present conditions. Models for industry regulation presently exist in Botswana as exemplified by the Botswana Meat Commission. This solution could also serve to reduce the friction between the existing tourism industry and the GOB over policy reforms because a commission will emerge out of strengthening the TU and in assisting the DWNP and TU to define their relationship in the implementation of the Tourism Policy.

#### B. Madagascar

Madagascar, from the demand market viewpoint, is an ideal opportunity for introduction of LIT as a strategy for financing conservation activities and rural economic development and as a profitable destination for U.S., Japanese and European based travel agencies. However, when the supply market is examined closely, the limitations on tourism development imposed by a transportation (air and ground) infrastructure and the lack of a tourism sector policy become evident. This, the third largest island in the world, is divided into five regions, each having a distinctive potential for tourism development. The regions include: Central Highlands, Northern Coast, Capricorn Coast, Spice Coast, Eastern Coast. The present distribution of hotel rooms underlines the fact that in the past and future tourism has and will focus on the classic beach vacation. Most of the better quality hotels are found in the Central Highlands and on the Northern Coast. There is a heavy concentration in the capital, Antananarivo, and in the beach resort of Nosy Be. The two regions combined account for 58% of the hotel rooms on the island. The Eastern Coast region has one-, two-, and three-star hotels. This region includes the island of Ste. Marie where the emphasis is on beach tourism. The current pattern of development, based mostly on beach tourism in those three regions, has resulted in a decidedly lopsided regional allocation of tourism in Madagascar. The newest and most dominant tourism development plan in Madagascar, proposed by Pullman International Hotels and Savana International of Paris and approved by the National Assembly in 1988, will further exacerbate the situation. The plan proposes to build nine hotel beach complexes totaling 1690 rooms including an 18 hole golf course in Nosy Be, Ste. Marie and Ste. Luce for an investment of \$1.5 billion French Francs.

However, one distinct advantage LIT development has over mass tourism development of the Savana Pullman type in Madagascar is that LIT does not require large numbers of tourists or geometric growth to meet its conservation objectives and to be profitable. LIT can also be instituted with less capital over a longer period of time. LIT clients also expect a somewhat less developed infrastructure as long as they are healthy, safe and encounter unique experiences. Therefore, in spite of the almost insurmountable drawbacks for short term mass tourism development, LIT has a great deal of promise in Madagascar if it can be implemented by the private sector through and as part of the natural resource conservation movement and parallel to the country's environmental action plan activities.

The current Malagasy marketing approach is the design of local tourist products by local entrepreneurs who then sell them at European travel fairs. The major emphasis is still on beach vacations although in the last three years discovery and nature or ecotourism

has been given increasing attention. Foreign travel operators promote and sell the package to their clients and arrange international air travel. This effort is backed up with additional promotion by Air Madagascar. One weak point in the strategy concerns pricing and negotiating with foreign travel operators. Local hotels quote their prices in March and April, whereas European travel operators need to have their costs confirmed almost ten months earlier so that they can quote prices in their travel brochures. A system of guaranteed pricing for hotel rates and domestic air travel is necessary. A recent increase in domestic air rates has created enormous problems for local tour operators who cannot pass them along to the consumer because of rates quoted at the trade fairs during the winter.

The global distribution of tourists is given below:

Europe 67%  
Africa 10%  
Other 10%  
N. America 7%  
Asia/Pacific 6%

Tourism has experienced a slow but steady 5% increase annually since 1980 with an estimated 37,000 tourists in 1989. However, the unofficial tourism development plan, which acts as a flexible interim policy on occasion, has a goal of 100,000 tourists by 1992, roughly a 50% annual growth rate. (See appendix M). This is highly unlikely but even the attempt to achieve this could have a disastrous impact on protected and unprotected natural resources near these tourists destinations. In general, the goals of the present tourism plan are unrealistic and lack the thrust to diversify tourism. In 1984, a tourism policy was drafted but was never implemented. In place of this a tourism plan evolved which was updated in 1987. The tourism plan proposes to develop:

- \* a policy of (tourism) information and promotion
- \* a policy of stabilizing national resources
- \* a policy aimed at reducing inequalities among tourist regions of the island
- \* a policy of focus on tourism of discovery
- \* a policy of entertainment, emphasizing different aspects of Malagasy culture and exceptional quality of the environment for tourists.
- \* a policy of air transportation which would enable tourists to travel from their country of origin directly to Madagascar.

The policy of stabilizing national resources and the national Environmental Action Plan clearly establish the need to protect the resource base for tourism although the proportion of tourism revenues or method for distribution to be used for environmental protection, for an extension of the natural reserve areas, or for repairing environmental damage caused by tourism has not been elaborated in the Tourism Development Plan or any other document.

The tourism plan, however, goes on to establish several priority actions which should be undertaken immediately to facilitate the expansion of tourism. One step is to create

new legislation and regulations which are designed specifically for the tourism industry. (Existing legislation and regulations cover "industry" in general and are not appropriate for the special needs of the tourism industry). A second step urges immediate training of local personnel to meet international service standards together with increased coordination and promotion of tourism among local professionals in the industry. Finally, the plan recommends the development of a "tourism of discovery" which explores the natural and cultural resources of the island - ecological, cultural, scientific and sport tourism. If private investors are to play any significant role it is also necessary to adopt policies and regulations which provide investment incentives.

### 1. Madagascar LIT Model

The LIT model developed by DTI for Madagascar is shown graphically in Figure 11. This model is like the Botswana model in that it combines consumptive and non-consumptive natural resource utilization with trade guilds and a village economic unit. The centerpiece of this unit is a LIT inn based in villages near a specialized or "niche" market attraction. The percentages define the formula for distribution of tourism revenues that DTI feels will stand up to scrutiny by investors, tour operators and village businesses. The graphic also indicates that the government should allocate 35% of the tourism revenues collected from airport taxes, licensing, hotel taxes, property tax and service fees to pay for conservation activities which involve employment of people who live in the buffer zones near protected areas. (It should be noted that many of the taxes and fees are not presently collected by the government.)

The village LIT model for Madagascar, like the one for Botswana, forms guild or cooperatives around the activities which comprise the most immediate threats to the rainforests (i.e. rice, charcoal, lumber and livestock production). The same type of village equity plan would also be employed to gain profit sharing for the villages and exclusive access for the investors. With the possible exception of subsistence rice growing all of these micro businesses suffer from lack of capital or cash flow, technical assistance and a more efficient and direct connection to the market for their goods. The LIT model proposes to bring income into the village from tourism which can be utilized for assisting these other businesses. PVO's, assisted by tourism revenues, will provide technical assistance and training. In exchange for this assistance the guilds, through education and training will become the primary stewards of the buffer zone and natural resources within their tourist domain. The process will be monitored by local and international PVO's.

Figure 12 shows the proposed village sites where LIT should first be evaluated. These sites all have a unique "niche" market attraction adjacent to them and existing tourism and transportation infrastructure to draw on.

The proposed approach to implement LIT in Madagascar would probably take two coordinated but separate paths: the first would combine those PVO/NGO and private sector communities which are prepared to quickly move together on this project under their existing umbrellas of operation and within the framework of the Environmental Action Plan. The government on the other hand has been considering a draft tourism plan since 1986 and adding issues such as tourism revenue sharing and village business equity based on land tenure, associated with LIT, to these deliberations may serve to make the policy more complex. However, the foreign investment, foreign exchange earnings, rural economic development and natural resource conservation which can result

from a tourism policy which promotes supply side LIT could become an incentive to adopt such a policy in the near future.

The PVO/NGO working group COMODE set up under the auspices of the USAID PVO/NGO/NRMS project has indicated that they would like to take the lead in this process in villages where their members have a working base. COMODE has also asked for a workshop on LIT to help prepare them to begin assessing opportunities in their village constituency. The World Bank representative in Antananarivo offered the National Association for the Management of Protected Areas (Association Nationale pour la Gestion des Aires Protegees) (ANGAP) as an intermediary institution which has come out of the national Environmental Action Plan. ANGAP will begin as a small agency, to be established as a private association under existing statutes. The board of directors will strike a balance between public and private sector representation. The board will also include members from national and international environmental NGO's and from the national tourism industry. It is expected that ANGAP will gradually absorb most aspects of parks and reserves management presently attributed to the Direction des Eaus et Forets (DEF)'s Nature Protection Service (SPN), as its institutional capacity increases. ANGAP will also execute or subcontract a variety of rural development activities around these protected areas. It is expected that ANGAP will eventually obtain the stature and function of a national park service. The USAID Mission questions whether ANGAP, in whatever form it emerges, could execute this role on a large scale.

Figure 13 shows graphically how a tourism policy should regulate and mandate tourism/conservation activities to foster LIT development. The conservation policies that encourage LIT are well on their way to being implemented but a tourism policy coming from the government which mandates the necessary conditions for LIT to thrive will require a major effort on the part of USAID and PVO's.

One factor is that the private tourism sector does not want a tourism policy because, at present, tourism is essentially unregulated. Considering both of these points, it might be better to try to involve a tourism policy with government cooperation, out of the Environmental Action Plan with PVO and private sector cooperation. This and other options should be studied by this project in the future.

## 2. Issues

One of the primary issues facing LIT development in Madagascar is the restriction that land tenure regulations (or the lack of) might have on obtaining village equity in tourist businesses through swaps for exclusive access to their region (refer to village equity discussion page 13). The rights of villages to use access to their village and surrounding buffer zone and natural resource protected and unprotected areas must be determined before village equity could be negotiated with investors. Land tenure issues pose problems for conservation and sustainable development. Insufficient land security provides little incentive to farmers and landowners to invest in their land, particularly in soil conservation measures. Boundaries of protected areas are not clearly defined, which facilitates encroachment.

Madagascar is one of the few African countries with coherent land laws and registration, a tradition of land titling (first land titles in the 1930's) and an existing land taxation system. However, institutional capacity is extremely low and falls far short of being able to meet the high demand for titles. As for land taxation, the government has recently tried to turn it into an incentive for productivity by penalizing

land idleness; it has also attempted to increase tax collection by improving cadastral records. However, the built-in incentive has not been high enough to yield expected productivity efforts; tax collection, despite some progress, has remained low compared to what it could be. This is due to the unreliability of these records and the current practice of allowing landowners to declare the value of their land and their crop production without sufficient verification.

A broker commission is needed as a linkage between villages, investors and protected area managers to fairly represent villages in business negotiations and to facilitate receipt of tourism revenues. It has been suggested by the World Bank representative that ANGAP might serve this purpose. It is not clear whether this is appropriate but this possibility should be explored if the mission concurs.

This LIT project in Madagascar (and other African countries) is suitable for U.S. Peace Corps involvement because of the private sector emphasis and the potentially substantial economic and natural resource benefits which could be derived from this LIT by the Government of Madagascar. This project may represent an opportunity to introduce a limited number of Peace Corps Volunteers into Madagascar who operate initially under a well defined job description. If the mission concurs, the Principal Investigator will initiate discussion with AFR/TR/ANR and the Peace Corps in Washington to explore the possibility.

### 3. Conclusions

These conclusions have been developed in collaboration with team members from the World Bank and Conservation International and may appear in other documents. Several important questions have not been addressed by the Environmental Action Plan and by tourism officials in Madagascar concerning LIT development. It is necessary to establish a policy on the proportion of national fiscal resources that will allocate tourism development as part of regional development objectives. Secondly, it is important to establish how revenues from tourism are to be distributed. Policies should be clearly established to determine what percentage of tourism revenues should be allocated for environmental protection, for the extension of reserves and parks (which are the resource base for tourism), and for the repair of damage to the environment. Finally, the role of the domestic private sector in the development of tourism must be addressed. There is substantial potential in the private sector which can be tapped if policies are established which encourage and stimulate their participation. Participation by the domestic private sector is critical if the government wishes to capture as much as possible of the foreign earnings from tourism although foreign investors will also be needed to bring the foreign exchange needed for development projects.

On the question of regional tourism development, there are several major issues. Can the government afford infrastructure costs for new development in the Capricorn Coast and Spice Coast regions where there has been relatively little tourism development to date but where the potential for "discovery tourism" is great? If not, then the location of new facilities for tourism should be examined very carefully if LIT tourism is to be encouraged. Otherwise, the forces of inertia will result in reinforcing the existing pattern of development designed for beach tourism.

The nature of the market being targeted for Madagascar's LIT tourism requires careful evaluation. Careful consideration should be given to Madagascar's best tourist market and whether the appeal should include the mass market which is usually more interested

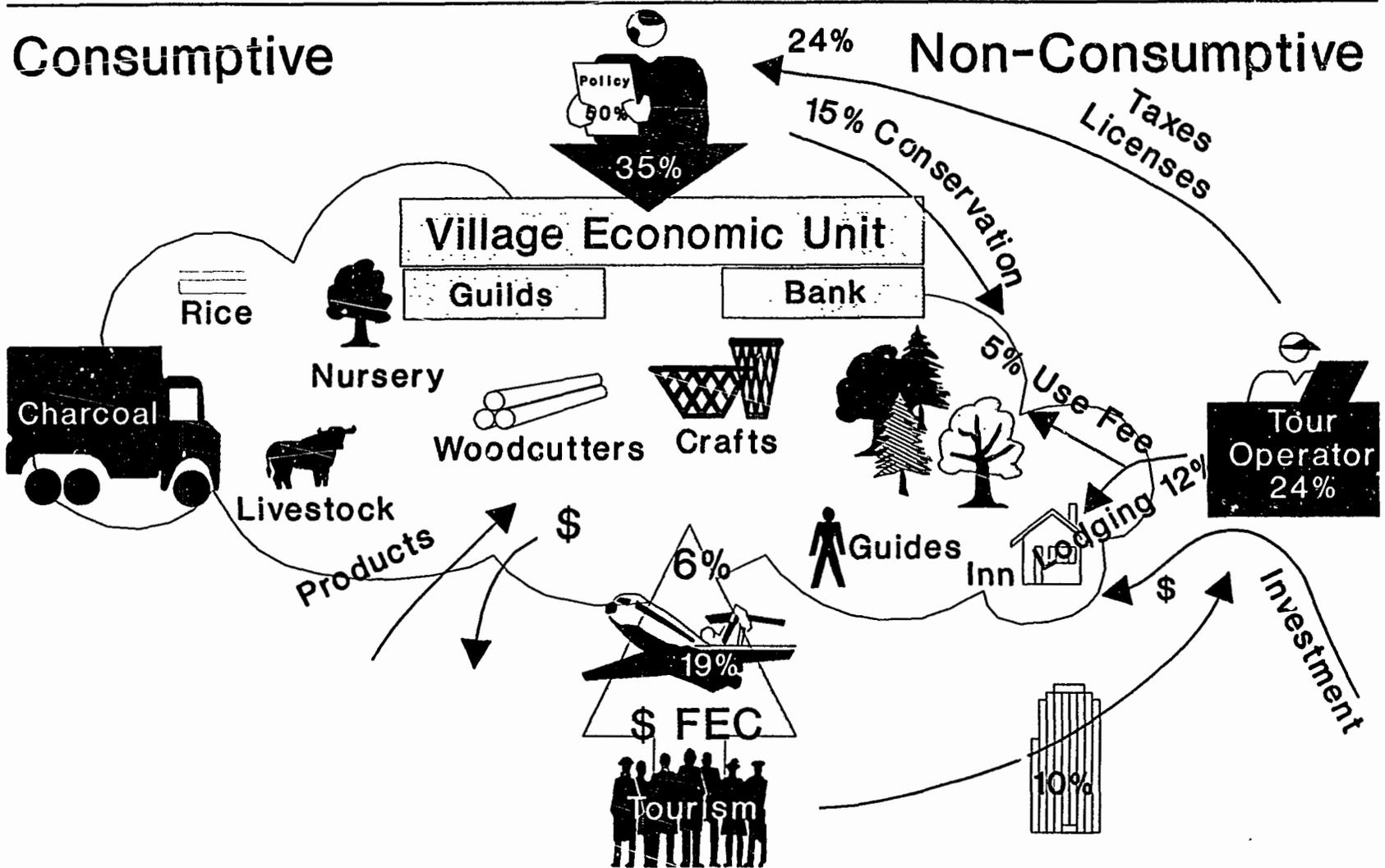
in beach vacations. A strategy for targeting a highly specialized, but lucrative market for LIT, especially in North America, should certainly be developed.

The constraints on transportation are very real. The cost of expanding airport infrastructure, purchase of additional aircraft for international and domestic services, and purchase and maintenance of a dramatically increased ground transportation system are very substantial. The ability of government and of the private sector to overcome these constraints, given other fiscal constraints imposed by International Monetary Fund, must be examined realistically.

Local tour operations will have to be expanded if even the modest needs of LIT tourism are to be met. This will involve an expansion of training programs, increase in the number of service vehicles and facilities for financing new purchases and spare parts with foreign currency. In all of this, the participation of the private sector is critical since they produce the tour operations. The ability of the private sector to keep abreast of demand is of basic importance for the expansion of LIT tourism.

Revenues could be increased substantially with the introduction of several new sources. If new policies are accepted by the Ministry of Transportation and Tourism whereby a portion of tourism revenues can be assigned for environmental protection and for extension of the environmental resource base of tourism, then several of these sources of revenue could be earmarked directly to facilitate implementation of the Environmental Action Plan.

# Madagascar Natural Resource Revenues Distributed to Villages



Domestic Technology International Inc.

Figure 11

# Madagascar Protected Areas

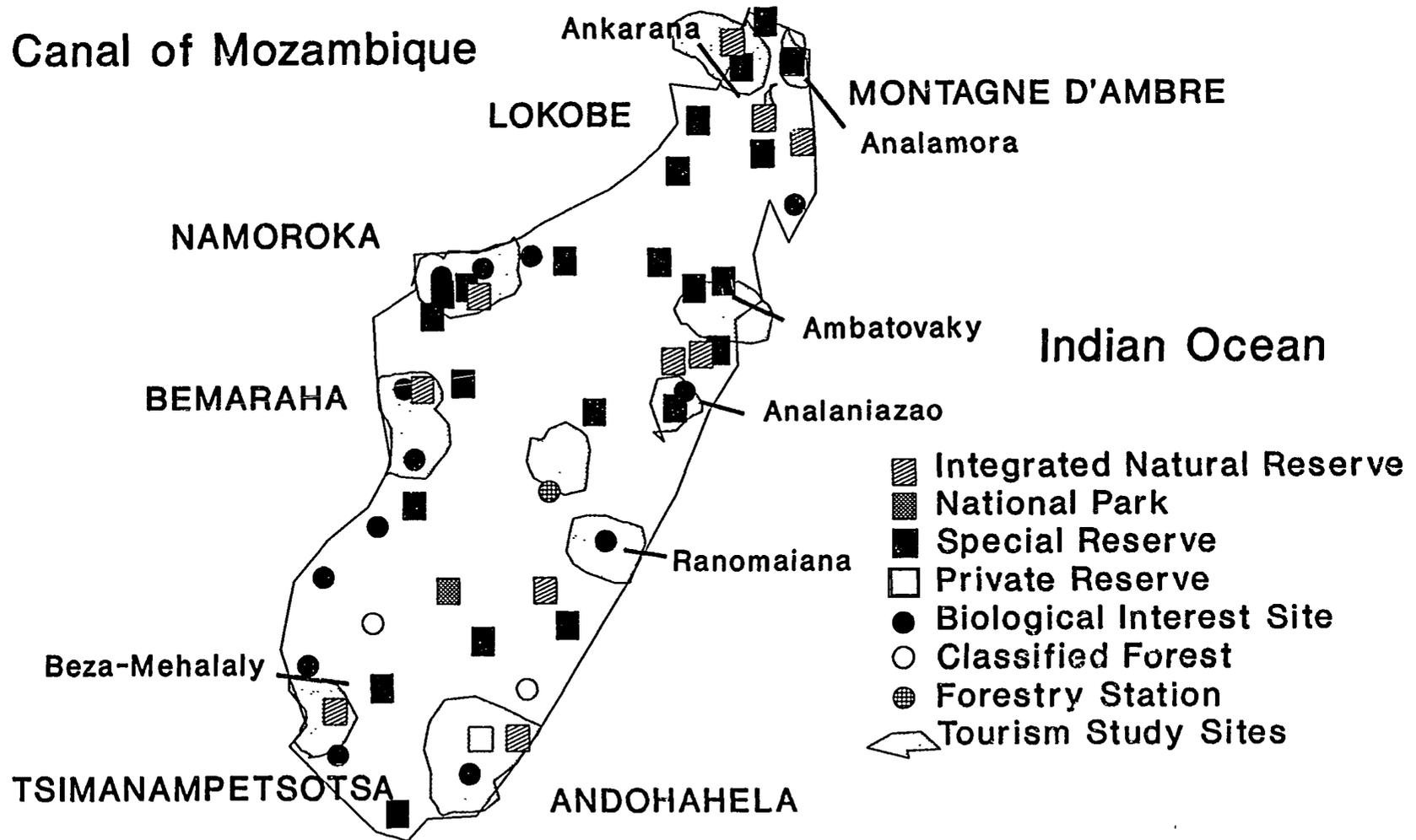


Figure 12

32

# Low Impact Tourism

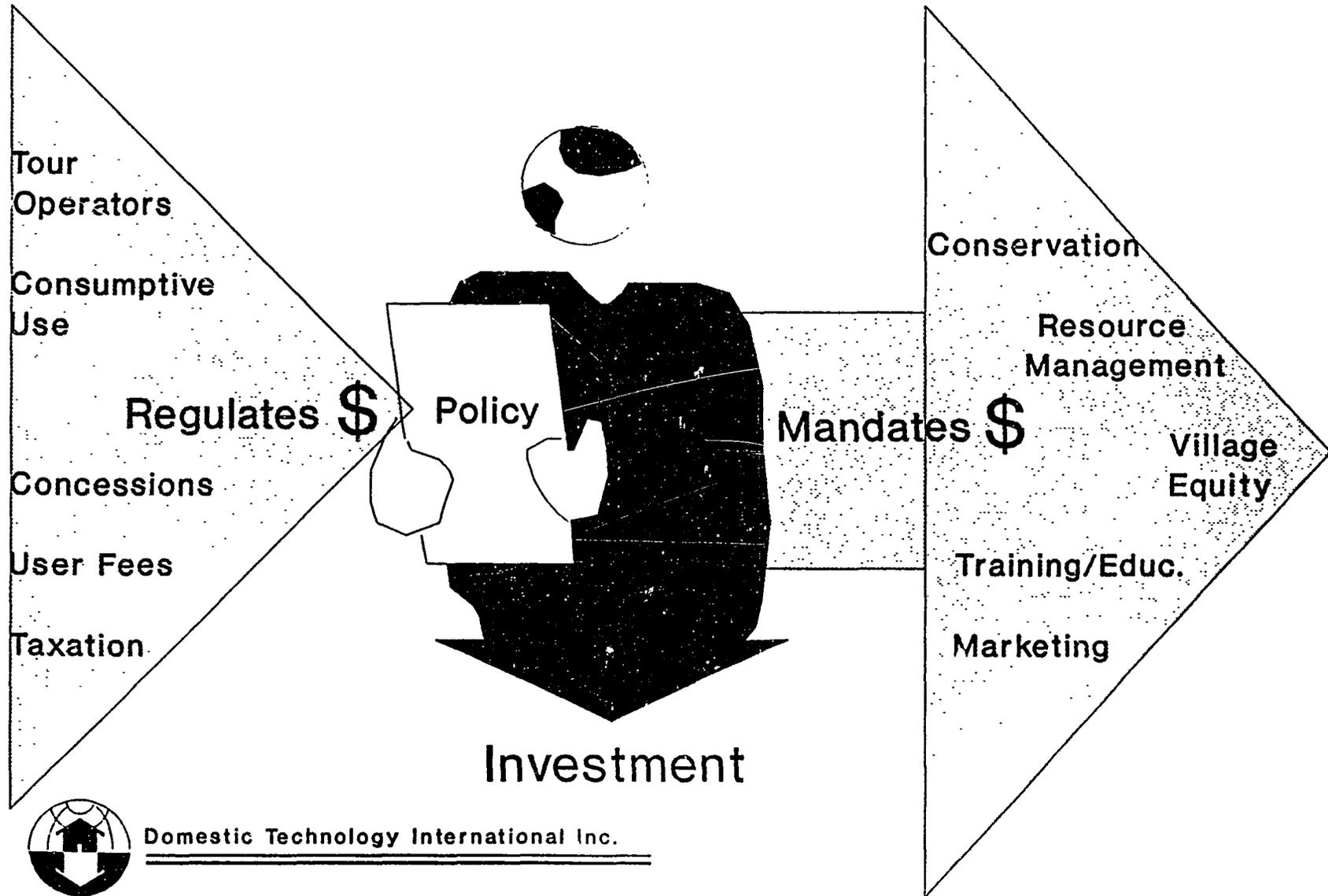


Figure 13

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## VII. PROJECT EVALUATION

The project is on schedule (see Figure 14) and ready to move into the second phase to develop the comprehensive tourism development plans for two selected countries. Because only two countries chose to participate in the project, Botswana and Madagascar, the project is prepared to proceed to Phase Two with these countries.

The problem experienced during the first half of the project was the excessive and unexpected demand on the project for information, presentations and technical assistance by international PVO's and in-country organizations and the travel industry. The project is perceived as being much more important to wildlife management and a cross section of village development interests than originally thought by the PI. The LIT project became popular before it was ready to respond with hard data and was forced to make conditional statements throughout the first nine months. The interest is still growing and the project needs to be able to respond to these requests however with present funding, this will be limited. There have also been requests to broaden the scope of this project to include tourism-conservation policy analysis by USAID missions and it has been difficult to draw the line with respect to present levels of effort by the PI.

The project is also experiencing budget pressures caused by extended field visits to Botswana and Madagascar and an unbudgeted ten-day conference trip to Lome, Togo. In-country sub-contracts have also been more expensive than expected. A revised budget is being submitted under separate cover.

**TIMELINE - OPTION I - "TWO COUNTRY" TOURISM DEVELOPMENT PLAN**  
Low Impact Tourism as a Strategy for Sustaining Natural Resource  
Conservation

MONTHS AFTER START DATE	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
Contract Start Date	*																		
Dev. Afr Tourism Model	*-----*																		
Market/Financial Analysis			*-----*										*-----*				*-----*		
Washington D.C. -	X--X																		
Prog. Dir. Meeting	X																		
Select Countries (8)	X																		
Other Agency Mtgs.	*-*																		
Return to Denver (DTI)			*																
Upgrade Tourism Model			*--*																
African Survey																			
Group A (4 entrs)				*-----*															
Return to D.C.-mtg.							X												
Return to Denver								*											
Prepare Ctry Scenarios								*-----*											
Washington-Prg.Dr.Mtg.											X								
African Survey												*-----*							
Group B (4 etrs)																			
Return to D.C.															X---X				
Prepare Ctry Scenarios															X--X				
Oral Report															X				
Select 2 Target Ctrs															X				
Return to Denver																			*
Target Country Plans																*-----*			
Upgrade Model																*-----*			
Washington-Prg.Dr.Mtg.																			X
Target Country Visits (2)																			*-----*
Washington, D.C.																			X
Return to Denver (DTI)																			*
Reports	O	O	Q	O	O	Q	O	O	Q	O	O	Q	O	O	Q	O	O		
Deliver Final Reports																			*
Contract End Date																			*

X=Meetings with Technical Monitor

Reports: O=Monthly Letter      Q=Quarterly Report

Figure 14

## VII. RECOMMENDATIONS

1. Expand the scope of work to include comprehensive tourism-conservation policy analysis.
2. The project should produce high quality documents or videos in English and French and village handbooks describing the LIT concept and how it is implemented. Documents for investment banks should also be produced.
3. Botswana and Madagascar should be chosen as the two countries for comprehensive LIT plan development or the project should be extended from 18 months to 24 months.
4. The scope should be expanded to include a tourism based Wildlife Valuation Model for Botswana which would be applicable through southern and eastern Africa. This project represents what is probably the most comprehensive tourism market study available which could be directly used to establish a hard currency value of wildlife and other natural resources. This type of information is badly needed throughout Africa and other parts of the world.

A. List of Major Project Activities/Meetings

August 23, 1989 to June 23, 1990

## I. Project Strategy Collaboration and Planning Meetings

USAID AFR/TR/TNR  
USAID Private Enterprise Bureau  
The World Bank (14 meetings)  
Overseas Private Investment Corporation  
International Finance Corporation  
Calvert Capital Alliance Investment Fund  
World Wildlife Fund, USA  
World Wildlife Fund, International, Zimbabwe  
Conservation International  
African Wildlife Foundation  
New York Zoological Association et al  
International Union for Conservation of Nature  
U.S. Fish and Wildlife Department  
U.S. Park Service  
U.S. Travel and Tourism Administration - Department of Commerce  
U.S. Forest Service (USDA)  
Embassy of Botswana  
Embassy of Madagascar  
Embassy of Tanzania  
Embassy of Uganda  
National Wildlife Federation  
Travel Industry Association of America  
World Resources Institute  
Safari Club International  
Coopers and Lybrand - Denver, Colorado and Gaborone, Botswana  
University of Zimbabwe, Center for Applied Social Science  
University of Colorado - International Tourism Information Center  
Zimbabwe Trust

## II. Meetings with USAID Contractors

University of North Dakota - Department of Agricultural Economics  
Experiment in International Living - PVO/NGO/NRMS Project  
E/DI - NRMS Project  
Development Alternatives International (DAI) - NRMS Project

## III. Presentations Given by Project

Society for International Development Conference  
Ecclesiastical Association for Socially Responsible Tourism Conference  
USTTA Conference  
USDA - U.S. Forest Service/IF Forestry Support Conference  
National Wildlife Foundation Conference  
Kenya - East African Wildlife Management Conference  
Lome, Togo - Regional Workshop on Natural Resource Management  
Zimbabwe - USAID Contractors/Grantees, NRMS Project  
Botswana - See Appendix D  
Madagascar - See Appendix E  
Paris, France - Savana/Pullman Madagascar Tourism Development Project

B. Copy of FAX from Botswana USAID Mission

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USAID  
 Post Office Box 2427  
 Gaborone, Botswana  
 Tel: 353382, Fax: 313072, Telex: 2336 8D

(U.S. mailing address)  
 USAID/Botswana  
 Agency for International Development  
 Washington, D.C. 20523 - 2170

FAX TRANSMISSION

TO: (NAME): DWIGHT WALKER FAX NO: 703 235 0875

OFFICE: AFR/TR/ANR. DATE: 25 APRIL 90

FROM: (NAME): R. E. McCOLAUGH FAX NO: (267) 313072

SUBJECT: DTI WORK IN BOTSWANA

APPROVED: [Signature] PERSONAL: \_\_\_\_\_ OFFICIAL: X  
 (EXO OR ASST./DIRECTOR)

PROJ. NO: N/A

PAGES SENT IN THIS TRANSMISSION (INCLUDING COVER SHEET): \_\_\_\_\_

RECEIVER: PLEASE CONFIRM RECEIPT OF COMPLETE TRANSMISSION, OR IDENTIFY THE PROBLEM AREA PAGE(S) FOR RETRANSMISSION TO YOU.

00216

Message to Dwight Walker, AFR/TR/ANR:

USAID Botswana is quite favorably impressed by the work being undertaken by Dr. M. Lillywhite and strongly recommends that Botswana be included in the second phase of studies and planning. The following letter was sent by our Director, Dr. Hummon, to the Permanent Secretaries of the Ministry of Finance and Development Planning and the Ministry of Commerce and Industry:

"Based upon the positive response to presentations made by Dr. Lillywhite, President of DTI, during these past few weeks, and his primary data of the Market Demand Analysis, USAID is recommending to Washington that DTI proceed with a Supply Side Analysis of Tourism in Botswana. It is now proposed that during the next six to eight months the Supply Side data be validated on DTI's proposed plan for Low Impact Tourism in Botswana. If then Botswana is selected to participate in a further phase of DTI's work, a village based Low-Impact-Conservation Tourism Business Investment Plan and a Wildlife Economic Value Model based on tourism demand would be completed.

We have appreciated the support your Ministry and other Ministries has provided to this effort and we are certain that the information that will be developed during the second phase will be as interesting to the Government of Botswana as it is to USAID. IF the DTI figures presented at the seminar last Thursday are validated as correct, not only could the natural resource base become sustainable but the yearly income from low impact tourism could increase steadily during the 1990s."

USAID Botswana has made it clear to the GOB that there is no cost to the Government on these initial studies and are certain that they will prove extremely useful. We also understand from Dr. Lillywhite's seminars (he gave three while here to Key people from both the private and public sectors), the products of his work will be made available to the Government and other interested parties. We look forward to continued collaboration with AFR/TR/ANR in this

important area of development and natural resource conservation.

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C. Botswana Low Impact Tourism Project Description



**LOW IMPACT TOURISM RURAL BUSINESS DEVELOPMENT  
AS A STRATEGY FOR SUSTAINING NATURAL AND CULTURAL RESOURCE  
CONSERVATION IN BOTSWANA**

**I. PROJECT DESCRIPTION**

The United States Agency for International Development has contracted Domestic Technology International, Inc. (DTI) to determine, in cooperation with the Government of Botswana (GOB) and the Botswana private sector, the potential and feasibility of private sector, tourism-driven natural resource conservation programs in Botswana. This supply side tourism development project is called "low impact tourism" and focuses on establishing indigenous natural resource management through private sector investment in a rural village based business infrastructure and in training villagers and rural area dwellers to take part in this process. DTI will examine government policies and natural resources, the existing tourism industry, donor and PVO programs, existing and potential capacity for a decentralized tourism infrastructure and the private investment climate. The output will be a Botswana conservation tourism model and low impact tourism development scenarios identifying extractive and non-extractive uses of resources to generate foreign exchange currency for a number of resource-management approaches. The scenarios include: conservation and financial policy requirements, a tourism conservation plan and environmental and social impact analysis, and an investment, tour market, and financial impact analysis. Based on this information, a comprehensive low impact tourism business plan focused on natural resource conservation will be developed to attract investment. The business plan will be developed in cooperation with the GOB, village destination sites, USAID, the World Bank, and other appropriate donors, PVO's and the existing Botswana tourism industry. The plan will include: tour destinations within conservation areas as well as other unprotected locations; tour designs; travel agency conservation code of operation; training requirements for park officials, guides, managers, cooks, etc.; a "traveller's support system" comprising rural facility designs; technologies needed to provide guests with safe, comfortable lodging, i.e. water supply, sanitation, cook stoves and food production; and a financial impact and investment analysis.

The country comprehensive tourism development plan includes two types of agreements necessary to effect private investment: those necessary to maintain or improve habitat, species and cultural environments that are the basis for the decentralized ecological tourism business; and those agreements which will minimize risks and maximize opportunities for local and foreign investors, travel agencies and tour operators. As part of this process, a well defined tourism conservation policy and investment agreements must be negotiated with host government ministries, villages, donors, PVO's, banks and travel agencies. The plan is structured to maximize the amount of money that is spent in the rural tour destination areas and that is designated for conservation management, and to establish and maintain preserves and parks. The plan will identify tour destinations not associated with conservation areas to expand the conservation impact to unprotected areas based on a village economic unit concept. Protected costs for lodge construction, job training, staffing, health services and local food supply will initially be included as a business (investment) expense because these activities are essential in creating synergism between institutional and market mechanisms to manage natural resources in rural areas and to promote a comfortable, ethnic, but tourist-friendly atmosphere.

The preliminary first year results of this study demonstrate that tourism has the potential to bring large sums of North American, European and Pacific Rim foreign exchange currency into Botswana. The study also shows that it is feasible to connect Batswana-owned micro-tourism business development in rural areas to both consumptive and non-consumptive wildlife based tour and safari operators through joint ventures or other business arrangements. The report links tourism, wildlife/natural resource management and land use policies and makes several recommendations necessary to affect low impact conservation tourism in Botswana. The focus of the report is on the use of tourism revenues and local and foreign investment to create a profitable decentralized rural low impact tourism infrastructure which will improve the quality of life in villages adjacent to tour or safari destinations through employment, profit sharing, increased water supply, improved sanitation and medical facilities which are necessary for the tourism infrastructure.

## II. BACKGROUND

Domestic Technology International, Inc. has been in international development since 1976 and has been positioning business development and investment programs in Asia, Africa and Latin America since 1986. The country investment projects couple marketing consulting services and import/export contracts with investment in a low impact tourism infrastructure which becomes the profit center for a long term business relationship in the country. This strategy breaks the normal nine or ten year government development cycle into three year investment cycles, each with an increasing degree of sophistication and market penetration leveraged by the increasing benefits to the participating country. The first cycle invests in eco-tourism development, the second in spin-off businesses and the third in larger scale resource extraction or manufacturing operations for export. This type of business relationship allows profits to be made by investors and the host country in foreign exchange currency without repatriation of FEC, reduces the host government's recurrent costs for rural development and pays for natural and cultural resource conservation through low impact tourism fees. This approach permits profitable short-term trade ventures to occur in countries that do not have foreign exchange currency by entering into phases of investment comprising a long term business development relationship with a country which helps strengthen its economy and natural resource conservation policies. Stronger conservation policies derived from this business relationship may help the participating country qualify for loans for infrastructure development from development banks, thereby reducing tourism infrastructure development costs. The benefits derived from this type of project can be leveraged for favorable investment agreements and for sustained conservation programs.

DTI began working in Botswana in 1978 with both the GOB under USAID contracts and with the private sector exporting crafts and importing technologies for rural development. DTI is still carrying on this aspect of its business in Botswana today. For twelve years, DTI has maintained its primary thrust as a development institution at the village level in Botswana but still working with GOB officials. DTI's primary focus has been on design and implementation of training programs but also working with SADCC on a nine country regional energy and agriculture conservation and small business training project based in Gaborone. In this project, DTI coordinated training of rural organizations in Zimbabwe, Lesotho, Swaziland, Botswana, Zambia and Malawi. Recently, DTI's interest in Botswana has been in the low impact tourism development project described in this presentation.

**D. Madagascar Low Impact Tourism Project Description**

**LOW IMPACT TOURISM RURAL BUSINESS DEVELOPMENT  
AS A STRATEGY FOR SUSTAINING NATURAL AND CULTURAL RESOURCE  
CONSERVATION IN MADAGASCAR**

The United States Agency for International Development has contracted Domestic Technology International, Inc. (DTI) to determine, in cooperation with the Government of Madagascar (GOM) and the Malagasy private sector, the potential and feasibility of private sector, tourism-driven natural resource conservation programs in Madagascar. This supply side tourism development project is called "low impact tourism" and focuses on establishing indigenous natural resource management through private sector investment in a rural village based business infrastructure and in training villagers and rural area dwellers to take part in this process. DTI will examine government policies and natural resources, the existing tourism industry, donor and PVO programs, existing and potential capacity for a decentralized tourism infrastructure and the private investment climate. The output will be a Madagascar conservation tourism model and low impact tourism development scenarios identifying extractive and non-extractive uses of resources to generate foreign exchange currency for a number of resource-management approaches. The scenarios include: conservation and financial policy requirements, a tourism conservation plan and environmental and social impact analysis, and an investment, tour market, and financial impact analysis. Based on this information, a comprehensive low impact tourism business plan focused on natural resource conservation will be developed to attract investment. The business plan will be developed in cooperation with the GOM, village destination sites, USAID, the World Bank, and other appropriate donors, PVO's and the existing Malagasy tourism industry. The plan will include: tour destinations within conservation areas as well as other unprotected locations; tour designs; travel agency conservation code of operation; training requirements for park officials, guides, managers, cooks, etc.; a "traveller's support system" comprising rural facility designs; technologies needed to provide guests with safe, comfortable lodging, i.e. water supply, sanitation, cook stoves and food production; and a financial impact and investment analysis.

The country comprehensive tourism development plan includes two types of agreements necessary to effect private investment: those necessary to maintain or improve habitat, species and cultural environments that are the basis for the decentralized ecological tourism business; and those agreements which will minimize risks and maximize opportunities for local and foreign investors, travel agencies and tour operators. As part of this process, a well defined tourism conservation policy and investment agreements must be negotiated with host government ministries, villages, donors, PVO's, banks and travel agencies. The plan is structured to maximize the amount of money that is spent in the rural tour destination areas and that is designated for conservation management, and to establish and maintain preserves and parks. The plan will identify tour destinations not associated with conservation areas to expand the conservation impact to unprotected areas based on a village economic unit concept. Protected costs for lodge construction, job training, staffing, health services and local food supply will initially be included as a business (investment) expense because these activities are essential in creating synergism between institutional and market mechanisms to manage natural resources in rural areas and to promote a comfortable, ethnic, but tourist-friendly atmosphere.

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E. Botswana Trip Summary and Meeting List

TRIP SUMMARY

LOW IMPACT TOURISM AS A STRATEGY FOR SUSTAINING NATURAL  
AND CULTURAL RESOURCES IN BOTSWANA

AFR 0474-G-SS-9069-00

Prepared by  
Principal Investigator: Malcolm Lillywhite  
Domestic Technologies Inc  
P.O.Box 2043 Evergreen, CO 80439

Tel: (303) 674-1597  
Fax: (303) 674-7022  
Telex: 710 1111 405

Trip Period April 3 - April 24, 1990

## I. SUMMARY OF FINDINGS

The "Low Impact Tourism as a Strategy for Sustaining Natural and Cultural Resources" activity is funded to explore the feasibility of private sector driven conservation-tourism in approximately six (6) African countries. Two countries will be selected for development of a comprehensive tourism development plan and business investment plans. Based on the findings of the principal investigator during this initial in-country study, and with support from the USAID Mission Botswana, will be recommended to AFR/TR as one of the two countries selected for comprehensive conservation-tourism development plans. Botswana's economy, private business sector, NGO community and a significant government representation are posed for this type of activity. The conservation-tourism activity as presently defined can stimulate rural economic growth with foreign exchange currency, and assist the GOB in achieving several national goals, i.e. reducing urban migration, redistributing tourism revenues, creating opportunities for Botswana private ownership in business development and conservation of natural resources. This activity also has the potential of being a model for SADCC regional tourism development. It is also likely that Gaborone could become the hub of a SADCC tourism marketing and sales operation given the difficulty associated with regional marketing from Johannesburg or Harare.

## II. TARGETS FOR FUTURE USAID INVOLVEMENT

The following situations have been observed by the principal investigator which must be dealt with to enable a major private sector village based conservation-tourism industry to be developed in Botswana. These situations may represent opportunities for USAID to become involved in strengthening the infrastructure necessary to effect investment in tourism and related business development. These situations include:

- o A broker or commission or board is needed as a linkage between RAD communities, villages, land boards etc. and tour operators and/or investor. The GOB is not prepared to, or skilled, in this private sector start-up or joint venture matching process and there is a void here.
- o The Tourism Unit (TU) (soon to be Department) is not prepared to spearhead a major conservation-tourism investment plan. The limited budget, staffing, skill-level and authority present in the TU in effect makes it little more than symbolic. This results in at least two major barriers to implementing a conservation-tourism industry development plan;
  - (1) The capacity to adopt and enforce or implement a strong tourism policy does not exist;
  - (2) the necessary linkage between the Tourism Unit and the Department of Wildlife and National Parks (DWNP)

will therefore fall on the DWNP and they are not prepared for, or willing to accept this responsibility. The opportunity therefore arises from a dual approach for solving this problem. An activity that will simultaneously strengthen the TU while creating a tourism industry commission to self-regulate the industry with oversight by the TU and DWNP seems to be the most feasible solution. Models for this presently exist in Botswana such as the Botswana Meat Commission. GOB resistance to this might be avoided by simultaneously embarking on both TU strengthening and creation of a Tourism Commission. This process could also serve to reduce the friction between the existing tourism industry and the DWNP because the Commission will emerge out of strengthening the TU and in assisting the DWNP and TU define their relationship in the implementation of the Tourism Policy.

MEETING AND PRESENTATION LIST

USAID

John P. Hummon, Director  
Robert E. McColaugh, Agricultural/Natural Resources  
Development Officer  
Robert Armstrong III Ph.D., SADCC Liaison Office  
Kathy Oshiro, Librarian

MINISTRY OF FINANCE AND DEVELOPMENT PLANNING

Kenneth Ellison, Ph.D.

MINISTRY OF COMMERCE AND INDUSTRY (total 15 individuals)

T.G.G. Seeletso, Director, DWNP  
Edwin T. Matenge, Deputy Permanent Secretary  
Nigel Hurter, Deputy Director, DWNP  
David Lawson, DWNP  
John Barnes, DWNP  
Kiet Lindsay, Borehole Study  
C.A. Spinage, DWNP  
Mr. Mpoloka, Tourism Unit

MINISTRY OF LOCAL GOVERNMENT AND LANDS

Svene Kulseng, RADP Unit

MINISTRY OF EDUCATION

Richard Phaniel  
Sebenela Mathiba, Education Broadcasting

WILDLIFE CLUBS OF BOTSWANA

Ramadhani Kupaza

U.S. PEACE CORPS

Binki Ramaologa, APCD

SNV-CFDA-C

Johanna Loermans

COOPERS AND LYBRAND

Uttum Corea

BOTSWANACRAFT MARKETING

Sheila Letshwiti

NGAMILAND DISTRICT OFFICER LANDS

Lejo Van Der Heiden

HOTEL AND TOURISM ASSOCIATION OF BOTSWANA

Peter Sandenburg, Chairman  
Modisa Mothoagae, Director

VELD PRODUCTS BOTSWANA

Frank Taylor

HEALTHWAY SERVICES

Francoise Horenburg

CRESTA MARAKANELO HOTELS  
Petronella Matumo, Manager

KALAHARI CONSERVATION SOCIETY  
Eleanor Patterson

BRITISH AIRWAYS  
Ernest Orapeleng

SADCC TOURISM CONFERENCE

TOUR/SAFARI OPERATORS  
Capricorn Safrics - Manager  
Okuti Safaris - Manager  
Botswana Okavango Safaris - Director

KHWAI VILLAGE  
Guides  
Headman  
Guides  
Farmers

**F. Madagascar Trip Summary and Meeting List**

**TRIP SUMMARY**

**LOW IMPACT TOURISM AS A STRATEGY FOR SUSTAINING  
NATURAL AND CULTURAL RESOURCES IN MADAGASCAR**

**AFR 0474-G-SS-9069-00**

**USAID/TR/ANR PROJECT MANAGER: DWIGHT WALKER**

**Prepared by**

**Principal Investigator/Project Manager  
Malcolm Lillywhite  
Domestic Technology International, Inc.  
P.O. Box 2043, Evergreen, Colorado 80439 USA**

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FAX: (303) 674-7022  
Telex: 7101111405**

**Prepared for USAID Internal Use**

## SUMMARY OF FINDINGS

The Low Impact Tourism (LIT) activity is funded by USAID AFR/TR/ANR in Washington, D.C. to explore the feasibility of private sector driven conservation tourism in approximately six countries. Two countries will be selected for development of a comprehensive tourism development plan and a business investment plan. This type of tourism must be developed from the supply side of the tourism business equation and therefore must have the support of the country's private sector, natural resource oriented PVO/NGO community and the cooperation or approval of the host country government. Based on the preliminary findings of the Principal Investigator (PI), it appears that these conditions exist in Madagascar and with the concurrence and support of the USAID Mission, a recommendation will be made to AFR/TR/ANR that Madagascar be one of the two countries selected for development of a comprehensive tourism plan.

The LIT activity in Madagascar would probably take two coordinated but separate paths: the first would combine the PVO/NGO and private sector communities which are prepared to move quickly together on this project under their existing umbrellas of operation and within the framework of Plan d'Action Environnementale Madagascar. The Government of Madagascar (GOM) on the other hand has been considering a draft tourism plan since 1986 and adding issues such as tourism revenue sharing and village business equity based on land tenure, associated with LIT, to these deliberations may serve to make the policy more complex. However, the foreign investment, foreign exchange earnings, rural economic development and natural resource conservation which can result from a tourism policy which promotes supply side LIT could become an incentive to adopt such a policy in the near future.

The primary reasons for the tourism policy stalemate are threefold. (1) The tentative agreements made under the previous administration with mass tourism developers have been indirectly questioned by the new government. The players involved in a new tourism industry are not clearly identified yet and therefore those who will benefit the most from a new approach to tourism are not clear. This results in a lack of interest by the travel industry and the government to create a tourism policy. (2) The one \$120 million loan application submitted to the World Bank by a Paris based consortium, Savana/Pullman (on behalf of the GOM) for mass tourism development has been held up for a number of reasons. One primary reason was due to the lack of any natural resource conservation or environmental component in the proposal. (3) The Madagascar Environmental Action Plan has obvious implications on tourism development but there has not been any specific definition of how this tourism will manifest or any input to help clarify a policy which will most effectively promote tourism.

This scenario points out some of the barriers to adoption of a conservation oriented tourism policy by the GOM which the USAID LIT project can help address. The PI will meet in Paris with the Savana-Pullman group on May 23rd to discuss their interests in LIT which may have some impact on Item #2 above. The thrust of the USAID funded LIT activity focuses on outputs which will clarify the questions raised in items #1 and #3 above although LIT tourism plan will be very different from the Savana-Pullman plan. This could result in objections from those government officials and private sector representatives who stand to gain the most by keeping tourism centered in large urban areas with central control of tourism reserves. A better understanding of this situation will be gained after the Savana-Pullman meeting in Paris.

The need for tourism policy assistance in Madagascar seems to be evident but the present USAID LIT project scope of work only allows for a minor effort to make policy

recommendations. What is needed is an integration of conservation policy already defined by the Madagascar Environmental Action Plan and the resulting PVO/NGO conservation implementation plans into a tourism policy (leveraged by the financial benefits of LIT) which will guarantee opportunities for village based private sector LIT to be established. If the mission feels the need to include a strong tourism policy component within the LIT activity this should be expressed to Dwight Walker, AFR/TR/ANR prior to the Washington debriefing on this project by the PI scheduled for May 30, 1990.

## ISSUES

A broker commission is needed as a linkage between villages, investors and protected area managers to fairly represent villages in business negotiations and to facilitate receipt of tourism revenues. It has been suggested by the World Bank representative that ANGAP might serve this purpose. It is not clear to the PI if this is appropriate but this possibility should be explored if the mission concurs.

This LIT project in Madagascar (and other African countries) is suitable for U.S. Peace Corps involvement. Because of the private sector emphasis and the potentially substantial economic and natural resource benefits which could be derived from LIT by the GOM, this project may represent an opportunity to introduce a limited number of Peace Corps Volunteers into Madagascar who operate initially under a well defined job description. If the mission concurs, the PI will initiate discussion with AFR/TE/ANR and the Peace Corps in Washington to explore the possibility.

The PI has had a number of discussions with Malagasy musicians and with PVO/NGO's concerning the use of traditional Malagasy music as a way of raising the awareness of Malagasy people about their environment and its economic value. The idea has been well received and could lead to a cost effective culturally enriching traditional music project both in Madagascar and as a concert tour to developed countries to promote conservation and tourism in Madagascar. The PI will carry a proposal concept for a Malagasy concert tour of the U.S. ("Conservation Madagascar") back to the Board of Directors of Conservation International who are collaborators on the LIT project. There is also a need for a sound studio to permit quality recordings of the traditional musicians.

The PI has identified what might be an oversight or gap in the overall conservation plan in Madagascar. The primary threat to the forests and the southern spiny desert within 100 km of urban areas or medium sized villages is charcoal production. However, there does not seem to be a major emphasis on dealing with this problem. DTI has extensive experience in Central America combining slash and burn and charcoal production into a conservation oriented micro business. The PI has therefore included charcoal and rice production guilds in the LIT Village Economic Unit concept for Madagascar villages and will proceed to evaluate the feasibility of this inclusion in the project.

## MEETING AND PRESENTATION LIST

- Ministere des Transports, de la Meteorologie et du Tourisme  
Mme Ranelina V., Secretaire Generale  
Mr. Jean de Dieu Benoit, Service Promotion d'Investissement de  
Tourisme Interieur
- Direction de Tourisme  
Directeur des Transports Terrestres et Fluviaux, Ms. Lala Ranaivoharisoa
- Tourism Statistics  
Rancel Rakotoseheno
- Chef de la Cellule Plan d'Action Environmental:  
Directeur Philippe Rajaobelina (brother of Minister of Finance)  
Mr. Guy Razafindralambo (Geestionnaire)
- World Bank  
Christopher Ward (Charge des Projects Agricoles Principal)
- World Wildlife Fund  
Dr. Martin Nicoll, Conseiller Technique Principal  
Mr. Olivier Langrand, Conseiller Technique  
Mr. Lalao Andrianifahanana, Administrateur
- USAID PVO/NGO/NRMS Project  
Lisa Gaylord, Coordinator  
William J. Ramaroharinosy, Directeur des Programmes FIKRIFAMA  
(Note: a presentation was given to the entire PVO/NGO/NRMS group)
- Jardin Zoologique de Tsimbazaza  
Voava Randrianasolo, Chef du Departement d'histoire Naturelle
- Conservation International  
Steven M. Rubin, Director, Debt Equity Swap Project in Madagascar
- Catholic Relief Services  
Darryl A. Jordan, Director of Programming
- American Cultural Center  
Mireille Ramamonjirosa  
Philippe Breeden
- ZSPRT - Promotion Realisation Industrielle  
Christian P.O. Rafidison, Directeur General
- Villages near Perinet  
elders, shopkeepers, guides, farmers
- Analamazaotra/Andasibe  
Park Director
- Boeing Commercial Airplanes (consultants to Madagascar Airport Authority)  
Rudy A. Rubesch, Manager Airline Analysis

Missouri Botanical Gardens  
Peter Lowry

Malagasy Travel Agents

Lemurs Tours Inc. - Antananarivo and San Francisco  
Roger Rakoromalala, President

Evasion Tropicale  
Caroline

Transcontinent Travel

Bourdon Tours

Airtour Madagascar

Travel magazine representatives (visiting from U.S.)  
Ty Harington, freelance  
Gail P. Dibov, Travel World News  
Steven J. Casey, L.A. Times Travel Section

Domestic Technology International - Malagasy staff, hired for this project  
Bodo Randrianasolo, researcher  
Serge Piedreir Raminoson, administrator  
Mireille Rasoarimalalanor, lawyer  
Mireille Ramamonjisoa, translator

**G. Madagascar Low Impact Tourism Project Presentation Invitation**



YOU ARE INVITED TO ATTEND

A

PROJECT PRESENTATION

in English

ON

**LOW IMPACT TOURISM AS A STRATEGY FOR SUSTAINING NATURAL AND  
CULTURAL RESOURCE CONSERVATION IN MADAGASCAR**

on Mai 17, 1990

at 4:00 p.m.

The United States Agency for International Development has contracted Domestic Technology International Inc. to determine, in cooperation with the Government of Madagascar and the Madagascar Private Sector, the potential and feasibility of private sector, tourism-driven natural resource conservation programs in Madagascar. DTI will examine government policies and natural resources, the existing tourism industry, donor and PVO programs, existing and potential capacity for a decentralized tourism infrastructure and the private investment climate. The output will be a Madagascar conservation tourism model and low impact tourism development plan identifying extractive and non-extractive uses of resources to generate foreign exchange currency for a number of resource-management approaches.

The country comprehensive tourism development plan includes two types of agreements necessary to effect private investment in tourism those necessary to maintain or improve habitat, species and cultural environments that are the basis for the decentralized ecological tourism business; and those agreements which will minimize risks and maximize opportunities for local and foreign investors, travel agencies and tour operators.

The preliminary first year results of this study demonstrate that tourism has the potential to bring large sums of North American, European and Pacific Rim foreign exchange currency into Madagascar.

The study also shows that it is feasible to connect Madagascar owned micro tourism business development in rural areas to tour operators through joint ventures or other business arrangements.

The report links tourism, wildlife/natural resource management and land use policies and makes several recommendations necessary to affect low impact conservation tourism. The focus of the report is on the use of tourism revenues and local and foreign investment to create a profitable decentralized rural low impact tourism infrastructure which will improve the quality of life in villages adjacent to tour destinations through employment, profit sharing, increased water supply, improved sanitation and medical facilities which are necessary for the tourism infrastructure.



Vous etes prie de bien vouloir rehausser de votre presence

La Presentation de Projet  
en Anglais  
sur

**TOURISME A QUASI NUL IMPACT : STRATEGIE POUR LE MAINTIEN DE LA  
CONSERVATION DES RESSOURCES NATURELLES ET CULTURELLES**

le 17 Mai 1990

à 16 heures

L'USAID a mandaté Domestic Technology International Inc. pour définir en collaboration avec le Gouvernement Malgache et le Secteur Privé les possibilités de ce dernier en matière de programmes de conservation de ressources naturelles tributaires du tourisme à Madagascar. DTI étudiera les politiques gouvernementales ainsi que les ressources naturelles, l'industrie du tourisme en place, les programmes des bailleurs de fonds et des organismes privés volontaires, les possibilités actuelles de décentralisation de l'infrastructure du tourisme, et la situation de l'investissement privé. De cette étude resultera un modèle malgache de tourisme soucieux de la conservation ainsi qu' un plan de développement d'un tourisme à quasi nul impact sur l'environnement naturel et culturel qui détermineront l'exploitation ou non des ressources destinée a générer des devises étrangères lesquelles seront utilisées à la gestion des ressources.

Le plan global de developpement du tourisme comprend 2 types d'accords necessaires a rendre effectif l'investissement privé dans le tourisme: d'une part les accords necessaires a l'amelioration de l'habitat, et à la préservation des espèces naturelles et de l'environnement culturel car ce sont les bases d'un tourisme écologique décentralisé, d'autre part les accords qui assureront aux investisseurs nationaux et étrangers, aux agences de voyages et aux organisateurs de voyages une minimisation des risques et une maximisation des possibilités.

Les resultats preliminaires de cette etude pour la premiere annee ont prouve que le tourisme est source potentielle de larges montants de devises etrangeres pour Madagascar: devises nord americaines, europeennes et des pays en bordure du Pacifique. L'Etude a egalement montre qu'il est possible de relier les petites entreprises malgaches en milieu rural basees sur le developpement du tourisme aux organisateurs de voyages par le biais de la coparticipation ou d'autre accords. Le rapport ne separe pas tourisme, gestion de la nature sauvage ou des ressources naturelles et politiques de l'utilisation des terres et fait les recommandations necessaires pour rendre effectif un tourisme a quasi nul impact sur l'environnement et soucieux de conservation. Le rapport met l'accent sur l'utilisation des revenus generes par le tourisme et des capitaux nationaux et etrangers afin de creer une infrastructure de tourisme a quasi nul impact, rurale et decentralisee. Cette infrastructure ameliorera la qualite de vie dans les villages proches des destinations des voyages organises par le biais de l'emploi, du partage des profits, d'une meilleure approvisionnement en eau, d'installations sanitaires et medicales ameliorees, elements qui sont necessaires a l'infrastructure du tourisme

H. Togo Conference - Regional Workshop on Natural Resource Management  
Statement on Low Impact Tourism

# LOME REGIONAL WORKSHOP ON NATURAL RESOURCE MANAGEMENT

## Technical Innovations Working Group Report

### LOW IMPACT TOURISM

#### GENERAL POINTS

Low Impact Tourism (LIT) represents a potential technical innovation rather than an established technique. Few group members were familiar with the issues and so discussions were as much for enlightenment as they were for the assessment of technical details. For this reason one of the first tasks of the group was to clarify exactly the meaning of the term "low impact tourism". Why not eco-tourism, nature tourism or conservation tourism?

Low Impact Tourism was defined as supply driven, in contrast to eco-tourism (a variety of traditional tourism) which was seen as demand driven. Supply driven tourism is concerned explicitly with the social and economic situation of the supplier country and destination site (village). LIT requires full commitment of the local suppliers and a structure for the equitable distribution of profits to investors, tour operators, governments and villagers or rural areas dwellers. LIT tourist infrastructures are modest (low impact means on society and environment) and LIT is a process that is capable of generating income to pay for these infrastructures as well as for management of protected areas and parks by local people. This potential increased foreign exchange currency income from LIT also provides leverage for policy change that is an essential prerequisite for the establishment of LIT programs and for indigenous and government natural resource management cooperation. LIT is one of an array of tools for natural resource management and it creates an opportunity for foreign and in-country investment and for equity swaps by government and villages.

Low Impact Tourism is not therefore mainly a technical issue although it does represent potential technical innovation. It involves policy decisions in both the preparation and implementation phases and the policy issues can be both far reaching (to top levels of government) and broad in scope involving private sector and rural economic development. The appropriate policies have to be in place by the host government before LIT programs based on investment can begin. This is a potentially serious constraint and therefore tourism policy development assistance is a necessary part of a LIT project.

#### POINTS OF AGREEMENT

Having clarified the subject matter, the group continued with a general discussion.

Technically, it was pointed out and generally agreed that LIT and buffer-zone management around protected areas should be intimately connected; such areas would be prime targets for the development of LIT programs.

LIT was described as a mediation point between demands for conservation and demands for development.

There was general feeling in the group that LIT was not a panacea for all programs of natural resource management. There was a potential role but in order to determine its specific appropriateness, certain questions had to be answered: What is the context? What are the parameters? What are the potential pitfalls? What is the process? (How can it be done?)

Only certain countries and areas would be suitable for the development of LIT programs and actual implementation would have to be very site-specific. Different approaches would be necessary in different cases. For example in the case where LIT was to be developed in a buffer zone around an established national park which was experiencing population pressure, the approach would be different from that needed in developing a program in a new national park being established in an area of low population pressure.

It was pointed out that in order to do this kind of thing well, we were dealing with a very subtle process and that subtle processes were, in the whole, not well handled by agencies like USAID. It was important that LIT projects should not degrade the cultures they were involved with. Mechanisms for minimizing the risk of this are possible, i.e., traditional cultural performances for tour groups could take place in specific theater sites or simulated villages away from villages if necessary.

The group felt that it was important to get scale and expectations into perspective and under control from the outset. While promoters might feel that "small is beautiful" there was a danger that government perception, driven by balance of payment needs and macro-economic pressures could doom such projects to failure from a rural economic development and natural resource management perspective; expectations at all levels have to be realistic.

It was felt that there was need for the integration of such projects with those of other bilateral and PVO programs; they should not be carried out in isolation.

It was thought important that such tourism, if developed, should not involve merely foreign or expatriate residents of a county, but that regional and more important local (indigenous) tourism should be developed. This would be a potentially powerful conservation education tool.

#### POTENTIAL POSITIVE BENEFITS

Several possible advantages and technical benefits from the development of LIT programs were described and discussed:

The supply side nature of LIT means that the impact on the local natural resource base is more easily controlled than is the case with demand side tourism. The dangers of overload and of cultural submersion (as in Kenya and Gambia) may be thus minimized.

Private investment pays for the needed infrastructures as well as for the development and training costs. The infrastructures of LIT are in general "appropriate" rather than luxurious.

LIT can generate income while not diminishing, degrading or destroying the natural or cultural resource base.

LIT provides the potential for the protection of areas through economic

incentives that would otherwise remain unprotected.

LIT is capable of putting a dollar value on the natural resources which may be valuable in political and economic negotiations and in determining costs of environmental degradation and establishing NRM, land tenure and tourism policies.

LIT provides the possibility for otherwise totally bankrupt countries to obtain some foreign exchange currency economic benefits and to engage in management of their natural resources without major recurrent cost.

Villagers can obtain equity in a travel or safari corporation using their own natural and cultural resource base without cash investment rather than being paid a pittance for the use of these resources. This process is conducive to indigenous and sustained conservation management.

LIT leads to improved health care, education and community facilities in villages.

#### POINTS NEEDING MONITORING

Unless the LIT program is preceded by detailed anthropological and sociological studies, there is the possibility of developing a program around a village only to find that nomadic herdsman also have traditional rights which have not been taken into account. The social background must be very well known.

There is a danger that the development of a cash and income generating process could attract other people to the area, so causing increased pressure on the natural resource base, social disruption and urban migration near tour site villages.

There are problems in income distribution. Money must go equitably into peoples' pockets right down to grass roots level. But this can also be socially disruptive if people are brought from a subsistence into a cash economy. Cash payments can also be socially divisive within the family structure.

Conservation and tourism policies have to be in place in the host country before projects begin and investment in villages is made and they have to be consistent and congruent.

There is a danger through cultural tourism that natural processes of cultural change and development will be frozen.

There is a demand market risk factor. Tourism is a fickle trade dependent on disposable income and media coverage. Phenomena such as AIDS, hostage-taking, hijacking, high levels of crime, etc. can all have unpredictable effects on the tourist trade. LIT development plans can thus be severely compromised if political disruption or disease epidemics are reported in the news media. If the village has become dependent on the tourist trade for income, the cessation of exporting tourism services will have serious social effects.

There is the possibility that increasing tourism might encourage the sale of non-desirable artifacts such as ivory and rhino horn and thus tend to deplete the natural resource base. However, in southern Africa, the non-consumptive use of wildlife resources in village based wildlife projects was so high that consumptive uses had not been a problem.

There is a danger that however sensitively the tourism is handled, that undesirable social effects could result on the village society and the host country.

There is a danger that unless a clear and causal link is established between villagers' activities and the money they receive, that these payments might become like a welfare check and become socially disruptive. This can be minimized by developing two avenues for delivering tourism revenues to villages: government redistribution through village institutions and private sector/joint venture business relationships with villages. In this way, LIT can be a focus for bringing together rural development and conservation or natural resource management activities via the private sector.

I. Field Trip Itinerary

AGENT SIGN-56LFE

12Z2ZG

MAR 28 1990 MALCOLM

MALCOLM LILLYWHITE  
6726 HAPPY HILL ROAD  
EVERGREEN CO 80439

EPTING TRAVEL CONSULTING  
1150 POPLAR AVENUE  
BOULDER CO 80304  
303 444-0442

ITINERARY FOR-  
LILLYWHITE/MALCOLM

REF-12Z2ZG

01 APR 90 - SUNDAY

PAN AMERICAN 596 COACH CLASS

LV: DENVER 1000A NONSTOP CONFIRMED

AR: NYC/KENNEDY 410P

LUNCH SEAT-23C

1 SPECIAL MEAL/S

\*ANTIPASTO ITALIANO\* MEAL REQUESTED FOR THIS FLIGHT

PAN AMERICAN 2 COACH CLASS

LV: NYC/KENNEDY 700P NONSTOP CONFIRMED

AR: LONDON/HEATHRO 650A ARRIVAL DATE-02 APR

DINNER SEAT-21G

1 SPECIAL MEAL/S

\*NEW YORK STRIP STEAK\* MEAL REQUESTED FOR THIS FLIGHT

02 APR 90 - MONDAY

BRITISH AWYS 53 SPCL CLASS

LV: LONDON/HEATHRO 1000P NONSTOP CONFIRMED

AR: HARARE 855A ARRIVAL DATE-03 APR

04 APR 90 - WEDNESDAY

AIR BOTSWANA 161 COACH CLASS

LV: HARARE 515P NONSTOP CONFIRMED

AR: GABORONE 700P

24 APR 90 - TUESDAY

SO. AFRICAN 105 COACH CLASS

LV: GABORONE 855A NONSTOP CONFIRMED

AR: JOHANNESBURG 955A

SNACK

BRITISH AWYS 54 SPCL CLASS

LV: JOHANNESBURG 600P NONSTOP CONFIRMED

AR: NAIROBI 1055P

27 APR 90 - FRIDAY

ETHIOPIAN 951 SPCL CLASS

LV: NAIROBI 1130A ONE STOP CONFIRMED

AR: LOME TOGO 300P

04 MAY 90 - FRIDAY

ETHIOPIAN 950 SPCL CLASS

LV: LOME TOGO 900P ONE STOP CONFIRMED

AR: NAIROBI 800A ARRIVAL DATE-05 MAY

75

ITINERARY FOR-  
LILLYWHITE/MALCOLM

02

06 MAY 90 - SUNDAY

MADAGASCAR 53 COACH CLASS

LV: NAIROBI 610A NONSTOP CONFIRMED

AR: ANTANANARIVO 915A

SNACK

22 MAY 90 - TUESDAY

AIR FRANCE 478 COACH CLASS

LV: ANTANANARIVO 650P ONE STOP CONFIRMED

AR: PARIS/DEGAULLE 630A ARRIVAL DATE-23 MAY

DINNER-SNACK

25 MAY 90 - FRIDAY

PAN AMERICAN 141 COACH CLASS

LV: PARIS/DEGAULLE 130P NONSTOP CONFIRMED

AR: WASH/DULLES 425P

LUNCH SEAT-13H

1 SPECIAL MEAL/S

\*FRUIT AND CHEESE SAMPLER\* MEAL REQUESTED FOR THIS FLIGHT

SURFACE TRANSPORTATION

31 MAY 90 - THURSDAY

PAN AMERICAN 4784 COACH CLASS

LV: WASH/NATIONAL 200P NONSTOP CONFIRMED

AR: NYC/KENNEDY 315P

SEAT- 2C

31 MAY 90 - THURSDAY

PAN AMERICAN 597 COACH CLASS

LV: NYC/KENNEDY 510P NONSTOP CONFIRMED

AR: DENVER 743P

DINNER SEAT-20C

1 SPECIAL MEAL/S

\*SUMMER FARE MEATS\* MEAL REQUESTED FOR THIS FLIGHT

\*\*\*RECONFIRM INTERNATIONAL FLIGHTS 72HRS PRIOR TO EACH FLIGHT\*\*\*

\*\*\*\*\*

YOUR PAN AM AND UNITED FREQUENT FLYER NUMBERS HAVE BEEN LOADED  
INTO THE COMPUTER RECORD FOR THIS ITINERARY--YOU SHOULD GET  
CREDIT FOR PAN AM MILEAGE ON THE PAN AM ACCOUNT.....

UNITED/BRITISH AIRWAYS/AIR FRANCE CREDIT ON THE UNITED ACCOUNT.

YOU/LL RECEIVE DOUBLE MILEAGE FOR PAN AM FLIGHTS PRIOR TO 15APR.

\*\*\*\*\*

SPECIAL WORLDPASS MEALS HAVE BEEN REQUESTED AS SPECIFIED ABOVE  
NO SPECIAL MEAL SERVICE REQUESTED ON ANY OTHER FLIGHTS.

\*\*\*\*\*

AISLE SEAT ASSIGNMENTS ARE CONFIRMED AS SPECIFIED ABOVE.

THE ONLY BOARDING PASS ALLOWED IS DENVER/JFK--ALL OTHERS ARE

EITHER INTERNATIONAL REQUIRING CITIZENSHIP DOCUMENTATION BEFORE

BOARDING OR FLIGHT TOO FAR IN FUTURE TO ALLOW BDG. PASS ISSUANCE

=====

TICKET NO: 026:7470:781:491/492/493/494

BASE 4802.00 TAX 25.17 TOTAL FARE 4827.17

FORM OF PAYMENT: \*\*\*\*\*CREDIT CARD\*\*\*\*\*

\*\*\*\*\*

76

**J. Cash Flow Projections - Expenses/Income for  
Typical Village Low Impact Tourism Lodge or Inn**

**COMBINED TRAVEL AGENCY AND ONE INN/LODGE DEVELOPMENT OPERATION EXPENSES**  
**Quarterly Forecast for Year 1**

<b>OPERATING EXPENSES</b>	<b>1st QTR</b>	<b>2nd QTR</b>	<b>3rd QTR</b>	<b>4th QTR</b>	<b>YR TOTAL</b>
Salaries	24184	25346	24684	26836	101050
Payroll Taxes/Benefits	3993	4200	4083	4470	16746
Legal/Accounting	1180	780	1180	780	3920
Marketing	5000	15000	10000	0	30000
Business Plan	0	0	0	0	0
Rent	1200	1200	1200	1200	4800
Interest	0	0	0	0	0
Office Supplies	570	570	570	570	2280
Lease Office Eqpt.	315	315	315	315	1260
Tele./Telex	1365	1365	1365	1365	5460
Travel	2240	8660	6240	1240	18380
Per Diem	0	0	0	0	0
Construction Mtls.	0	0	0	0	50000
Training	2000	0	0	2000	4000
Local Labor	600	900	900	900	3300
Lodge Mngmt.	0	0	0	0	0
Design Mtls.	1500	1000	900	0	3400
Insurance					
Liability/"key men"	2850	2600	2600	2600	10650
OPIC	1500	0	1500	0	3000
Equipment	5000	5000	0	0	10000
Licensing Fee	50	0	0	0	50
Computer Operator	960	960	960	960	3840
<b>QUARTERLY TOTALS</b>	<b>54507</b>	<b>67896</b>	<b>56497</b>	<b>43236</b>	<b>272136</b>
<b>YEARLY TOTAL</b>					

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**LODGE SITE DEVELOPMENT OPERATION EXPENSES**  
**Quarterly Forecast for Year 1**

OPERATING EXPENSES	1st QTR	2nd QTR	3rd QTR	4th QTR	YR TOTAL
Salaries					
Project Director	4000	8000	3000	6000	21000
Construction Supr.	3000	4500	4500	4500	16500
Draftsman	5184	846	5184	4336	15500
Payroll Taxes/Benefits	2193	2400	2283	2670	9546
Legal/Accounting	580	180	580	180	1520
Rent	600	600	600	600	2400
Interest	0	0	0	0	0
Office Supplies	150	150	150	150	600
Lease Office Eqpt.	315	315	315	315	1260
Tele./Telex	165	165	165	165	660
Travel - Air	1580	0	1580	580	3740
Land	0	0	0	0	0
Local Mileage	660	660	660	600	2640
Per Diem	0	0	0	0	0
Construction Mtls.	0	0	0	0	50000
Training	2000	0	0	2000	4000
Local Labor	600	900	900	900	3300
Lodge Mngmt.	0	0	0	0	0
Design Mtls.	1500	1000	900	0	3400
Insurance					
Liability	200	200	200	200	800
OPIC	1500	0	1500	0	3000
Equipment	0	5000	0	0	5000
Licensing Fee	0	0	0	0	0
Computer Operator	960	960	960	960	0
					3840
<b>QUARTERLY TOTALS</b>	<b>25187</b>	<b>25876</b>	<b>23377</b>	<b>24216</b>	
<b>YEARLY TOTAL</b>					<b>148756</b>

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**LODGE SITE DEVELOPMENT OPERATION EXPENSES**  
**Quarterly Forecast for Year 2**

OPERATING EXPENSES	1st QTR	2nd QTR	3rd QTR	4th QTR	YR TOTAL
Salaries					
Project Director	4000	8000	3000	6000	21000
Construction Supr.	4500	4500	4500	4500	18000
Draftsman	2640	880	0	0	3520
Payroll Taxes/Benefits	1824	2048	1350	1890	7112
Legal/Accounting	580	180	580	180	1520
Rent	600	600	600	600	2400
Interest	0	0	0	0	0
Office Supplies	150	150	150	150	600
Lease Office Eqpt.	315	315	315	315	1260
Tele./Telex	165	165	165	165	660
Travel - Air	900	1000	0	900	2800
Land	0	0	0	0	0
Local Mileage	690	690	690	690	2760
Per Diem	500	0	0	500	1000
Construction Mtls.	7000	2000	4000	0	13000
Training	4000	0	0	0	4000
Local Labor	2400	2400	2400	2400	9600
Lodge Mngmt.	1500	4500	4500	1500	12000
Design Mtls.	1200	400	1500	0	3100
Insurance					
Liability	200	200	200	200	800
OPIC	1500	0	1500	0	3000
Equipment	10000	0	10000	0	20000
Licensing Fee	0	0	0	0	0
Computer Operator	960	960	960	960	3840
<b>QUARTERLY TOTALS</b>	<b>45624</b>	<b>28988</b>	<b>36410</b>	<b>20950</b>	
<b>YEARLY TOTAL</b>					<b>131972</b>

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**LODGE SITE DEVELOPMENT OPERATION EXPENSES**  
**Quarterly Forecast for Year 3**

OPERATING EXPENSES	1st QTR	2nd QTR	3rd QTR	4th QTR	YR TOTAL
Salaries					
Project Director	5000	11000	4500	6000	26500
Construction Supr.	0	0	0	0	0
Draftsman	0	0	0	0	0
Payroll Taxes/Benefits	900	1980	810	1080	4770
Legal/Accounting	580	180	580	180	1520
Rent	600	600	600	600	2400
Interest	0	0	0	0	0
Office Supplies	150	150	150	150	600
Lease Office Eqpt.	315	315	315	315	1260
Tele./Telex	165	165	165	165	660
Travel - Air	1000	0	0	1000	2000
Land	0	0	0	0	0
Local Mileage	750	750	750	750	3000
Per Diem	1000	1000	2000	0	4000
Construction Mtls.	0	0	0	0	0
Training	2000	3000	0	0	5000
Local Labor	1600	2400	2400	1600	8000
Lodge Mngmt.	3000	4500	4500	1500	13500
Design Mtls.	0	0	0	0	0
Insurance					
Liability	200	200	200	200	800
OPIC	1500	0	1500	0	3000
Equipment	0	0	0	0	0
Licensing Fee	0	0	0	0	0
Computer Operator	960	960	960	960	3840
<b>QUARTERLY TOTALS</b>	<b>19720</b>	<b>27200</b>	<b>19430</b>	<b>960</b>	
<b>YEARLY TOTAL</b>					<b>80850</b>

**LODGE SITE DEVELOPMENT OPERATION EXPENSES**  
 Quarterly Forecast for Year 4

OPERATING EXPENSES	1st QTR	2nd QTR	3rd QTR	4th QTR	YR TOTAL
Salaries					
Project Director	9999	9999	9999	10003	40000
Construction Supr.	0	0	0	0	0
Draftsman	0	0	0	0	0
Payroll Taxes/Benefits	1800	1800	1800	1800	7200
Legal/Accounting	580	180	580	180	1520
Rent	600	600	600	600	2400
Interest	0	0	0	0	0
Office Supplies	150	150	150	150	600
Lease Office Eqpt.	315	315	315	315	1260
Tele./Telex	165	165	165	165	660
Travel - Air	1100	500	0	1100	2700
Land	500	1500	1000	0	3000
Local Mileage	780	780	780	780	3120
Per Diem	1000	1000	2000	0	4000
Construction Mtls.	0	0	0	0	0
Training	2000	2000	0	0	4000
Local Labor	800	2400	2400	0	5600
Lodge Mngmt.	1500	4500	4500	1500	12000
Design Mtls.	0	0	0	0	0
Insurance					
Liability	200	200	200	200	800
OPIC	1500	0	1500	0	3000
Equipment	0	0	0	0	0
Licensing Fee	0	0	0	0	0
Computer Operator	960	960	960	960	3840
<b>QUARTERLY TOTALS</b>	<b>23949</b>	<b>27049</b>	<b>26949</b>	<b>17753</b>	
<b>YEARLY TOTAL</b>					<b>95700</b>

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**LODGE SITE DEVELOPMENT OPERATION EXPENSES**  
**Quarterly Forecast for Year 5**

OPERATING EXPENSES	1st QTR	2nd QTR	3rd QTR	4th QTR	YR TOTAL
Salaries					
Project Director	9999	9999	9999	10003	40000
Construction Supr.	0	0	0	0	0
Draftsman	0	0	0	0	0
Payroll Taxes/Benefits	1800	1800	1800	1800	7200
Legal/Accounting	580	180	580	180	1520
Rent	600	600	600	600	2400
Interest	0	0	0	0	0
Office Supplies	150	150	150	150	600
Lease Office Eqpt.	315	315	315	315	1260
Tele./Telex	165	165	165	165	660
Travel - Air	1100	600	0	1100	2800
Land	0	0	0	0	0
Local Mileage	825	825	825	825	3300
Per Diem	1000	1000	2000	0	4000
Construction Mtls.	0	0	0	0	0
Training	2000	2000	0	0	4000
Local Labor	1000	3000	3000	1000	8000
Lodge Mngmt.	1500	4500	4500	1500	12000
Design Mtls.	0	0	0	0	0
Insurance					
Liability	200	200	200	200	800
OPIC	1500	0	1500	0	3000
Equipment	0	0	0	0	0
Licensing Fee	0	0	0	0	0
Computer Operator	960	960	960	960	3840
<b>QUARTERLY TOTALS</b>	<b>23694</b>	<b>26294</b>	<b>26594</b>	<b>18798</b>	
<b>YEARLY TOTAL</b>					<b>95380</b>

**K. Overseas Private Investment Corporation (OPIC)  
Insurance Description**

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## Overseas Private Investment Corporation (OPIC)

### Insurance Description

#### 1. Inconvertibility

OPIC inconvertibility coverage is designed to assure that earnings, capital, principal and interest, and other eligible remittances, such as payments under service agreements, can continue to be transferred into U.S. dollars to the extent transferable under exchange regulations and practices in effect at the time the insurance was issued. If a blockage occurs, the investor may be entitled to exchange local currency for dollars. Blockage may be either "active": (e.g., action by exchange control authorities denying access to foreign exchange on the basis of new, more restrictive regulations) or "passive" (e.g., failure of authorities to act within a specified period - often 60 days - on an application for foreign exchange). OPIC makes dollar payments upon receipt of the local currency. The coverage does not protect against devaluation of a country's currency.

#### 2. Expropriation

OPIC insurance contracts define the insurable event of "expropriatory action" to include not only classic nationalization of an enterprise or the taking of property, but also a variety of situations which might be described as "creeping expropriation". An action, "taken, authorized, ratified or condoned" but the project country government is considered to be expropriatory if it has a specified impact on either the properties or operations of the foreign enterprise, or on the rights or financial interests of the insured investor.

Insurance contracts typically provide that for an action to be considered expropriatory it must continue for at least one year. This period is reduced to six months for contracts covering oil and gas projects and to three months or less in contracts covering institutional loans. Important limitations in the definition of expropriatory action include exceptions for proper regulatory or revenue actions taken by host governments and actions provoked or instigated by the investor or foreign enterprise. Insurance against risks peculiar to a specific project is available and may be purchased by the project if deemed necessary.

In the event of expropriatory action, compensation by OPIC is based on the book value of the insured equity investment on the principal and accrued interest for insured loans, as of the date of expropriation. Except for coverage against the seizure or freezing of certain funds, OPIC pays expropriation compensation on investments only against assignment to it of the securities evidencing the entire insured investment and any related claims or rights. The coverage therefore does not permit an equity investor both to retain its ownership interest and to be compensated by OPIC for expropriatory actions.

### 3. Political Violence

Compensation is provided under political violence coverage for loss due to bellicose actions (war, revolution and insurrection) occurring within the project country. There is no requirement that there be a formal declaration of war. Coverage extends to losses from actions taken to hinder, combat or defend against hostile action during war, revolution or insurrection.

As part of the political violence coverage, a project may also elect coverage against civil strife of a lesser degree than that contemplated under the standard policy. Civil strife coverage would encompass damage due to politically motivated violent acts by a group or individual, and would include acts of terrorism and sabotage. A loss caused by an individual or group acting primarily to achieve demands of labor or students, however, would be excluded from the coverage. Civil strife coverage is only available in conjunction with the standard political violence coverage (although the standard coverage may be purchased separately).

The project may apply for insurance of equity investment, certain kinds of debt investment and construction contracts to provide protection for specific "covered property (i.e., the 'Lodges')". The basic measure of compensation is the original cost of the covered property not to exceed the lesser of the cost of repair or replacement or, if the damaged facilities or equipment remains commercially operable, the reduction in the fair market value of the asset. Compensation is limited to the insured's proportionate interest in the assets of the foreign enterprise which is expected to be 50% over a twelve year lease-ownership period.

L. Institutional Environment of Botswana

## **Institutional Environment of Botswana**

What follows is a brief summary of the different agencies involved in the institutional environment in Botswana and that would play a role in establishing Low Impact Tourism businesses in villages.

### **Kgotla**

The Kgotla is the traditional meeting place of the village. All important matters relating to the village are discussed at the Kgotla. All members of the village attend the Kgotla meeting and are allowed to voice their opinion, but only the men of the village are allowed to cast votes. The Kgotla is run by the village chief.

All local projects are first discussed at the Kgotla before any action or decision is made. It is usually preferable that presentations be made and that the Kgotla have time alone to decide whether or not the village would want to participate in the project. If the village decides to participate in a project, the role of monitoring and selecting people would then shift to the Village Development Committee.

### **Village Development Committee**

Each village has a Village Development Committee (VDC). No project or development can be undertaken in a village without the approval of this committee. The importance of consultation and input from the local level can not be over emphasized.

VDC's are made up of local government officials such as the headmaster, nurse or health care worker as well as by important local residents. The village chief acts as the VDC's chairman.

Technical support for the VDC is supplied by the Area Community Development Officer (ACDO). ACDO's live in the larger villages and serve a catchment area. Each village is covered by an ACDO. The ACDO's are supervised by a Chief Community Development Officer is attached to the local District Council.

### **District Council**

The best way to describe the District Council is to compare them to local or county governments. They have contact with people at the grass root level and provide a good deal of the government's services.

The District Council is headed by a Council Secretary. The Council is made up of a variety of different departments. These departments include Education, Health, Sanitation, Water, Community Development, Council Planning Office and a Remote Area Dwellers Unit. On a daily basis these different departments are supervised by the Council Secretary. The different departments are also monitored by their own units within the ministry. An example of this would be the fact that the Remote Area Dwellers Office (RADO) is located within the District Council and is supervised on a daily basis by the Council Secretary. At the same time the RADO's Office also takes orders from and is responsible to the Remote Area Dwellers Department which is located within the Ministry of Local Government and Lands. It should also be noted that the District Commissioner's office also has the authority to issue orders to the local RADO's unit when the district commissioner feels that government policy is not being implemented properly.

As far as development projects are concerned key players would be the council's Planning Officer (CPO), Treasurer, Chief community Development Officer, Deputy Council Secretary and the Council Secretary (CS).

The CPO is the District Officer of Development, this position is located in the District Commissioner's office, counter part in the council. These two officers usually work hand in hand on planning and development issues.

An important point to note is the fact that the District Council is an executive department with no elected officials.

The council holds meetings for the elected Councilmen, but this is more of a procedure to keep them informed and up to date them on government activities in the areas they represent.

**Remote Area Dwellers Unit**  
(Under the Council Secretary's Jurisdiction)

The RADO unit is located within the District Council, uses the Council's trucks and supplies and answers directly to the CS.

Traditionally, the Remote Area Dwellers, also known as Bushmen or Baswara, were hunters and gatherers. The government programs aimed at the Baswara are run through the RADO units and are primarily concerned with providing Baswara with government services such as education, health care and supplemental food supplies during times of drought. The problem is that this group's migratory habits make it very difficult to provide services on a consistent basis. Programs have been focused on getting Baswara to settle in one location.

Most Remote Area Dwellers Office's have more than one officer. Some of the junior officers are responsible for staying out in the field with the Baswara.

The fact that extreme prejudice exists toward the Baswara throughout Botswana is something that should be noted. Baswara ways and culture are looked down upon and most Batswana do not wish to associate with these people.

**Role of the Assistant Community Development Officer**  
(Under the Council Secretary's Jurisdiction)

Assistant Community Development Officers (ACDO's) are employees of the council. They work as extension officers with villages in the setting up of community development activities. ACDO's are usually well trained and have a primary objective of getting villages to undertake self help projects.

## **District Commissioner's Office**

The District Commissioner (DC) is the senior representative of the government at the district level. Although the DC and the CS are co-chairs of the many committees the DC is in charge and has the final say. With the system set up this way there is potential for conflict between the DC and CS and when this happens the stronger personality prevails.

The DC's Office is staffed by a District Officer of Development (DOD), District Officer of Lands (DOL), a Supply Officer, Rural Industrial Officer (RIO) and a District Officer. The DOD's tend to have advanced degrees in economics and are responsible for monitoring and planning development activities. The DOL handles all land use planning activities. The RIO is responsible for setting up small businesses and providing technical advice.

The DC's Office is also responsible for supervising all federal government agencies in the district. All correspondence from the ministries to the department in the field is copied to the DC's Office. This allows the DC and the DOD to keep abreast of the various activities in the different agencies.

An important thing to note is the fact that each department has two supervisors which it has to answer to. One is the supervisor in the district which would be either the DC or the CS while the other would be the department within the ministry. This system is effective in most cases, but conflicts and misunderstandings do occur. It is very easy for people to play the different parts of government against one another.

### **Tirelo Satshaba**

(Operated out of the District Commissioner's Office)

After graduating from secondary school every student is required to serve the government for one year. The Tirelo Setshaba program sends kids out into remote villages to learn how people live. This experience also educated young people about the problems in rural areas. While in the villages, Tirelo Setshaba participants work as assistance to village extension officers.

### **Game Scouts**

(Under the DC's jurisdiction only when problems occur)

Game Scouts in Botswana are responsible for monitoring and enforcing game laws. They tend to be well educated, honest and hard working.

### **District Development Committee**

(Encompasses all government functions at the District level)

The district development committee is made up of all department heads in the district. It is co-chaired by the DC and the CS. The co-secretaries for this committee are the district officer of development and council planning officer.

All committees in the district, no matter what topic they deal with, report to the district development committee. The district development committee has the last say on all activities in the district. It is in this setting that the different planning officers would present proposed plans. In most cases, the national government would set policy directives and a loose set of guidelines which the districts would have to follow. Each district development committee would be responsible for developing implementation

procedures unique to its district. Final approval would come from the relevant ministries or through some interministerial committee.

The district development committee is the thread that ties all of the government's activities together at the local level. Three year development plans that outline future government activities and expenditures are developed by these committees. The final copy of this plan is approved by the elected councilmen before being sent off to the ministries.

### **Ministries**

Ministries are headed by Ministers of Parliament. Usually the top two positions are held by elected officials. The highest ranking civil servant in the ministry will be the Permanent Secretary (PS). The PS is usually the chairman of an interministerial committee.

### **Ministry of Finance and Development Planning**

This ministry is headed by Botswana's Vice-President. All development projects as well as projects that will be utilizing donor funds go through this agency.

### **Interministerial Committees**

There is a tendency for these committees to be weak as many members believe that their real responsibility is to their individual departments and ministries. The success of these committees usually depends on who is appointed as chairman and what authority he has to put pressure on the different ministries.

### **Hunting Concessions (Private Enterprises)**

When Botswana became independent in 1966, many expatriate safari operators went to the local chiefs and purchased hunting concessions that ran from 50 to 90 years. The amount they paid for the hunting concessions was rather insignificant. The safari companies must pay taxes to the Government of Botswana, but the procedures for taxing the safari companies is not adequate and the amount of income generated is only a fraction of the potential.

The system is set up so that most people purchase their safari packages outside of the country. When they fly into Botswana they are picked up in the capital, Gaborone, and flown to the game camps. Their food, supplies and most incidentals are paid for outside of Botswana. The companies are owned by expatriates and the government has no idea how much money is actually being generated by the safari companies. Officials are concerned about the flights out of Botswana by small planes owned by the safari companies. The possibility exists that hunting trophies are being flown out of the country without being registered with the Wildlife Department.

The safari people claim that tourists want luxurious vacations. A typical hunting safari consists of driving around with a professional hunter, almost always an expatriate and some local hunting guides in search of game. Nights are spent either in permanent or portable camps staffed by local villagers. Fine food and wines are provided as part of the package. At this time, this industry does not supply many economic opportunities for local inhabitants.

**Professional Guides**  
(Private For Profit Operators)

Guide licenses are issued by the Wildlife Department to anyone who qualifies. A guide is allowed to hire out to tourists to take them on sightseeing safaris. Almost all operators are expatriates. Tourists are taken out into the game parks as well as into rural areas that have an abundance of game.

**Hunting License**  
(Issued by the Wildlife Department at the local level)

The country is broken down into different tracts for the purpose of hunting. The Wildlife Department accepts applications from people interested in hunting and then holds a lottery. The value of the license depends on which animal the license is good for as well as which tract of land you can hunt on. For the local people the problem is that you need transportation to go out to the hunting zones. In many cases this may require driving hundreds of miles out into the bush. Not many Batswana sell their permits to safari hunters. The hunters have their own permits and a limited amount of time and space for accommodating tourists. Most people make their money off the license by selling the skins to the Botswana Game Industries.

**Botswana Game Industries**  
(Non-Government Organization)

Botswana Game Industries (BGI) is a for profit corporation that was set up by government. BGI purchases, processes and markets wildlife products. They have collection and processing centers in different part of the country.

**Baswara in Remote Areas**

It is believed that there are three groups of Baswara. One group consists of Baswara that have been settled in relatively permanent villages where public services such as education and health care are available. The second group consists of Baswara located on cattle posts. This group is used as cattle herders by those who own the cattle posts. In most cases they are paid very little and treated rather poorly. It is a form of prejudice in that people consider Baswara worthless and feel that they should be lucky to have any form of employment. The third group are the Baswara who live in small groups separate from other tribal groups. The size of their groups will range from 25 to 200. The Baswara are known for their tracking, hunting, knowledge of the stars and handicrafts such as decorated ostrich eggs and bushman kits. They have not traditionally owned cattle.

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## **Prejudice Toward the Baswara**

A good deal of prejudice exists towards the Baswara. It would be a grave mistake to limit any rights or privileges of other groups so that Baswara might benefit. The idea of limiting hunting licenses to only Baswara is not politically feasible. It did occur, increased prejudice toward the Baswara would result.

## **Possible Baswara Projects**

The Baswara could be hired to track and monitor game. The main problem with the idea of income generation is what will the people spend their money on. In the remote areas and even in the remote villages there are no shops. When people need supplies they send someone to one of the larger villages to purchase goods. This can often take a week or more. The only means of transportation is to hitch a ride with a government vehicle and these rides tend to be few and far between. What usually ends up happening is that the Baswara send someone into town with the RADO or they get the RADO to purchase the goods and drop them off on their next visit.

Game farming is a possibility. Many areas in Botswana are in game parks or in areas remote enough that the game could run wild. Smaller holding pens could be used for animals being relocated to other parts of the country where their numbers have been diminished. These holding pens, perhaps being as large as a small game park, could be used to attract tourists or they could be used as a starting point for safaris. At the least, the tourists would be guaranteed seeing game in a natural setting, even if it is on a smaller scale.

Bushman curios of high quality made only with natural products is a good possibility. However the scale of production would need to be tied to the retail market. One problem with this type of activity is quality control. Once they realize that money can be made everyone will start producing. If there is no quality control then limited resources are used to make products that can't be sold.

Any tourist activity that includes the Baswara should contain traditional stories, dancing and some type of night activity where the Baswara could demonstrate their knowledge of the stars.

## **Projects for Remote Villages**

Most of the remote villages came into existence as more and more people moved in search of additional grazing land for their cattle. The problem with wildlife management programs in these areas is the fact that there will be a conflict between cattle and wildlife. Both groups will be competing for scarce resources. With income generating activities brought into these areas, people will purchase more cattle.

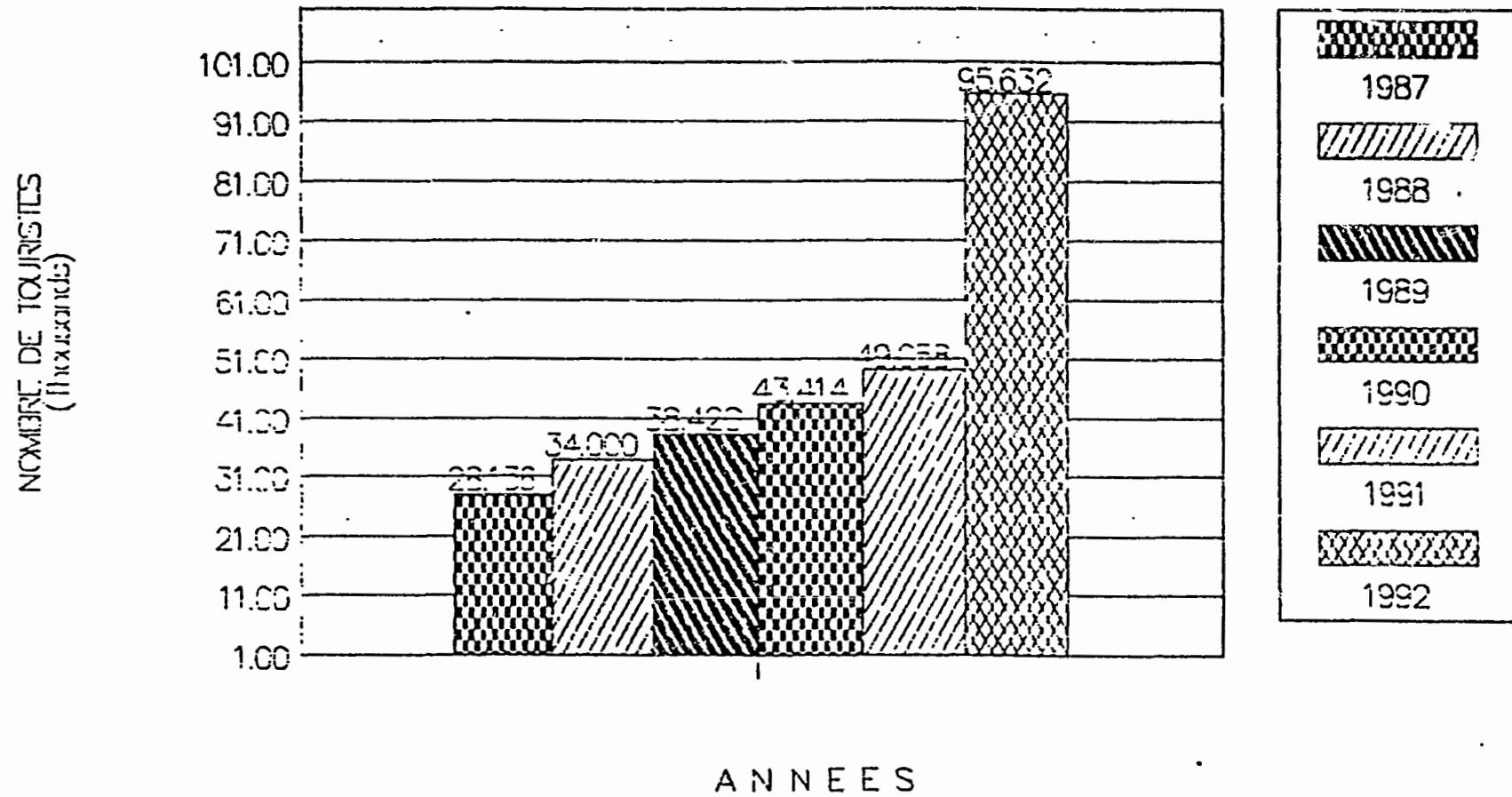
## **The Role of Women**

Women in Botswana are treated as children at the village level. Most men will politely listen to women who address them at the Kgotla and then ignore their suggestions simply because they are women.

**M. Madagascar Tourism Statistics**

# PROJECTION DES ARRIVEES DES TOURISTES

## MADAGASCAR 1987-1992



DIRECTION DU TOURISME, Janv 90

ARRIVEES DES TOURISTES INTERNATIONAUX

MADAGASCAR 1980-1989

