Can conservation and local sustainable development be successful? This study elaborates on the role of partnerships between local communities and businesses in Tanzania. It analyses three different models of nature-based tourism partnerships in order to understand to what extent these partnerships contribute to socio-economic development and local business upgrading.
successful? This study elaborates on the role of
in Tanzania. It analyses three different models of
nature-based tourism partnerships in order to
to socio-economic development and local business
upgrading.
Local sustainable development and conservation?

A research into three different types of tourism partnerships in Tanzania

Diederik de Boer
Local Sustainable Development and Conservation?  
Research into Three Types of Tourism Partnerships in Tanzania

Lokale duurzame ontwikkeling en natuurbehoud?  
Onderzoek naar drie typen partnerschappen in de toerisme sector in Tanzania

Thesis

to obtain the degree of Doctor from the  
Erasmus University Rotterdam  
by command of the Rector Magnificus  
Professor dr H.A.P. Pols  
and in accordance with the decision of the Doctorate Board

The public defence shall be held on  
19 December 2013 at 16.00 hrs

by

Diederik Paul de Boer  
born in Zeist
Doctoral Committee

Promotor
Prof.dr. M.P. van Dijk

Other Members
Prof.dr. E. Masurel, VU University Amsterdam
Associate professor dr. J.S. Clancy, University of Twente
Prof.dr. A.H.J. Helmsing
To my sons Jorrit, Thimo, Robbe and Sascha
Contents

List of Abbreviations ............................................................................................................. 10
Acknowledgements ............................................................................................................... 11
Abstract .................................................................................................................................. 12
Samenvatting ....................................................................................................................... 15
Chapter 1. Introduction ....................................................................................................... 19
  1.1 Prelude ...................................................................................................................... 19
  1.2. Why Business Community Partnerships? ............................................................... 20
  1.3 Introduction to the theories used ................................................................................. 23
  1.4 Objectives of the study ............................................................................................... 28
  1.5 Research Questions .................................................................................................. 29
  1.6 The organization of the study .................................................................................... 29
  1.7 Outline of the book .................................................................................................. 31
Chapter 2. Research design and Method ............................................................................ 32
  2.1 Introduction .............................................................................................................. 32
  2.2 Research Design ...................................................................................................... 35
  2.3 Case selection .......................................................................................................... 35
  2.4 Data Collection and compilation ............................................................................ 36
  2.5 Challenges ................................................................................................................ 38
Chapter 3. District and Case Descriptions ........................................................................... 39
  3.1 Case selection .......................................................................................................... 39
  3.2 The Babati District / Tarangire National Park case ....................................................... 40
    3.2.1 The business-initiated partnership case ................................................................. 42
    3.2.2 The NGO-initiated partnership case .................................................................... 42
    3.2.3 The government-initiated partnership case ......................................................... 42
  3.3 The Longido District Case .......................................................................................... 43
    3.3.1 The business-initiated partnership case ................................................................. 45
    3.3.2 The NGO-initiated partnership case .................................................................... 46
    3.3.3 The government-initiated case ............................................................................ 47
  3.4 The Serengeti National Park / Serengeti District case ................................................... 48
    3.4.1 The business-initiated partnership case ................................................................. 50
    3.4.2 The NGO-initiated partnership case .................................................................... 51
    3.4.3 The government-initiated partnership case ......................................................... 51
Chapter 4. Concepts of private sector development

4.1 Introduction .............................................................................................................. 53
4.2 The Bottom (Base) of the Pyramid (BOP) ............................................................... 55
4.3 Role of the private sector at the BOP in development .................................................. 57
4.4 Value Chain Research Approach ................................................................................... 62
4.5 Conclusions ............................................................................................................... 65


5.1 Introduction ............................................................................................................... 67
5.2. Tourism Development in Tanzania ............................................................................. 69
5.3 Barriers preventing rural communities from being included in tourism value chains .... 71
5.4 Partnerships for upgrading strategies and creating sustainable inclusive value chains ...... 73
5.5 Business-community partnerships .................................................................................. 75
5.6 BCPs and value chain upgrading .................................................................................... 76
5.7 Partnership cases in Tanzania ...................................................................................... 77
5.8 Research Design and Case selection .............................................................................. 79
5.9 Data collection .............................................................................................................. 81
5.10 The performance of BCPs in improving value chain upgrading for local businesses .... 82
5.11 Analysis ..................................................................................................................... 84
5.12 Conclusions .............................................................................................................. 89

Chapter 6. The relation between conservation and local economic development .............. 93

6.1 Introduction ............................................................................................................... 93
6.2 Tourism in Africa ....................................................................................................... 95
6.2.1 Tourism arrangements in Tanzania ........................................................................... 96
6.3 Relations between local economic development and conservation .............................. 97
6.3.1 Tourism trade-offs ................................................................................................. 97
6.3.2 Local Economic Development ............................................................................... 99
6.3.3 Business Community Agreements for conservation and Local Economic Development .......................................................... 100
6.4 Research framework ................................................................................................. 102
6.4.1 The impact of local economic development ............................................................ 102
6.4.2 Three different agreement models analyzed in Tanzania ......................................... 102
6.5 Research Design ....................................................................................................... 105
6.5.1. The conceptual framework ................................................................. 105
6.5.2. The nine selected cases and the stakeholders ................................... 106
6.5.3. Data collection ................................................................................ 107
6.6. Findings .................................................................................................. 108
6.6.1. Impact of Business-Community Agreement on Local Economic Development and Conservation ........................................ 108
6.7. Conclusions ............................................................................................ 116
6.7.1. Linking conservation and local economic development ................... 116
6.7.2. Final conclusion and recommendations ............................................. 117
Chapter 7. Success Factors For Community Tourism Business Partnerships in Tanzania .................................. 120
7.1. Introduction ............................................................................................ 120
7.2. The Tanzanian context .......................................................................... 121
7.3. Partnership typologies ........................................................................... 122
7.4. Partnerships for sustainable local development ..................................... 123
7.5. Research framework ............................................................................. 130
7.5.1. Sustainable Local Development .......................................................... 130
7.5.2. Types of business community agreements ......................................... 131
7.6. Research Design and Case Selection ..................................................... 134
7.6.1. Conceptual framework ..................................................................... 134
7.6.2. Case selection ................................................................................... 137
7.7. Data analysis .......................................................................................... 139
7.8. Conclusions ........................................................................................... 143
Chapter 8. Conclusions and recommendations ........................................... 145
8.1. Partnerships ........................................................................................... 145
8.2. A review of propositions regarding BCPs ............................................. 149
8.2.1. Three propositions assessed .............................................................. 149
8.2.2. The first proposition assessed ........................................................... 149
8.2.3. The second proposition .................................................................... 150
8.2.4. The third proposition ....................................................................... 152
8.3. Overall Conclusion ................................................................................ 153
8.4. Contributions to the literature ............................................................... 154
8.5. Methodology assessed .......................................................................... 158
8.6. Tanzania Tourism and Conservation Policy Recommendations: ........ 159
References .................................................................................................................... 163
Annexes .......................................................................................................................... 176
  Annex 1. Questionnaire ............................................................................................. 176
  Annex 2. Business Community Partnership Cases .................................................... 180
  Annex 3. Tourism partnerships & value chains – opinion/perception test of success factors for partnership .................................................................................................................... 181
  Annex 4. Individual case analysis ............................................................................. 182
  Annex 5. Key to table 7.2 ........................................................................................ 200
  Annex 6. Income per person per partnership case ....................................................... 202
  Annex 7. Tourism business-community partnerships interviews list ........................... 203
  Annex 8. Datasets used/ Resources contributed .......................................................... 206
Curriculum Vitae .......................................................................................................... 215
<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
</tr>
</thead>
<tbody>
<tr>
<td>AWF</td>
<td>African Wildlife Foundation</td>
</tr>
<tr>
<td>BCP</td>
<td>Business-Community Partnership</td>
</tr>
<tr>
<td>CBO</td>
<td>Community Based Organization</td>
</tr>
<tr>
<td>CSR</td>
<td>Corporate Social Responsibility</td>
</tr>
<tr>
<td>CTP</td>
<td>Cultural Tourism Program</td>
</tr>
<tr>
<td>GCA</td>
<td>Game Controlled Area</td>
</tr>
<tr>
<td>MNC</td>
<td>Multinational Corporation</td>
</tr>
<tr>
<td>MNRT</td>
<td>Ministry of Natural Resources and Tourism</td>
</tr>
<tr>
<td>MoIT</td>
<td>Ministry of Industry and Trade</td>
</tr>
<tr>
<td>NGO</td>
<td>Non Governmental Organization</td>
</tr>
<tr>
<td>PA</td>
<td>Protected Area</td>
</tr>
<tr>
<td>PPP</td>
<td>Public Private Partnership</td>
</tr>
<tr>
<td>SBE</td>
<td>Social Business Enterprise</td>
</tr>
<tr>
<td>SLENs</td>
<td>Sustainable Local Enterprise Networks</td>
</tr>
<tr>
<td>SME</td>
<td>Small and Medium Enterprises</td>
</tr>
<tr>
<td>SNV</td>
<td>The Netherlands Development Organization</td>
</tr>
<tr>
<td>TANAPA</td>
<td>Tanzania National Park Authority</td>
</tr>
<tr>
<td>WD</td>
<td>Wildlife Division</td>
</tr>
<tr>
<td>WMA</td>
<td>Wildlife Management Area</td>
</tr>
<tr>
<td>WPT</td>
<td>Wildlife Policy of Tanzania</td>
</tr>
<tr>
<td>WWF</td>
<td>World Wildlife Fund</td>
</tr>
</tbody>
</table>
Acknowledgements

This study started 10 years ago; I felt the urge of contributing to development through private sector development. Being a staff member of the Maastricht school of Management (Maastricht), I was well placed to do so. As a result the Expert Centre for Sustainable Business and Development was established consisting of the main players in this field in The Netherlands. Based on this virtual network between the Maastricht school of Management, Erasmus University, Nyenrode University, the University of Amsterdam, and Wageningen University I was able to develop programmes which provided a link between research and business development, amongst others Round Table Indonesia and Round Table Africa (www.roundtableafrica.net). Round Table Africa brought me to Africa, Arusha for three and a half years, which gave me the opportunity to collect the required data. I would therefore like to thank MsM for giving me the opportunity to work in Africa (and in Maastricht) on this research. Next I would like to thank my research team in Arusha (Laura Tarimo and Dulle Stevens) who supported me in collecting and analyzing data about the cases researched, and Damian Bell for making available most of the pictures in this book.

In the Netherlands, first of all I would like to thank Meinhard Gans for supporting my research endeavors throughout my career at Maastricht. I am grateful to Jeroen van Wijk, Robert Goedegebuure, Jakomijn van Wijk and Leo Zegwaard who provided me with often critical comments on parts of this book. Especially I would like to thank René Asselberg for proofreading the manuscript. I also would like to thank Ien Bakker, Johanna Korff and Huub Mudde for assisting me in the editing of parts of the document.

But most and for all I would like to thank Prof. Meine Pieter van Dijk for his unconditional support in assisting me in the whole process from the first thoughts, the first publications and finally in developing this manuscript.

Last but not least I would like to thank my parents Johan de Boer and Helga de Boer-Kirchmann for supporting me during my educational career. But foremost I thank my kids, Jorrit, Thimo, Robbe and Sascha for accepting not having me there for many evenings in a row. Finally I would like to thank especially my wife Ilona Smeets, who supported my research from the beginning and who assisted me a lot at the final stages of this manuscript.
Abstract

Business community partnerships are vested in private sector development and are the study topic of this research. This study will elaborate on the role of local partnerships to understand to what extent they contribute to a sustainable environment for local socio-economic and private sector development. In addition, it will assess the critical success factors of business community partnerships.

The study analyses nine tourism conservation partnerships in one country, Tanzania. Certainly, there is a risk of generalizing from a few case studies in one particular sector. Tanzania, however, is a good place to embark on an investigation on tourism conservation partnerships. Conservation aspects and commercial efforts in the area of tourism are of importance and do relate to each other. Without the conservation of wildlife and the existing ecosystem, there will be less nature based tourism. However, population pressure in these areas, environmental challenges as well as the willingness to become more commercially oriented causes frictions and requires for partnerships. These challenges include loss of natural wildlife levels, loss of biological diversity, and pollution of off-farm ecosystem in terms of the overgrazing of cattle in possible and existing ecosystems. On the development of the commercial side also many challenges arise as the private sector environment is in many places still very poorly developed.

The knowledge on what works and what doesn’t work in the tourism conservation context remains poor since only a small number of policy instruments have been employed. This is unfortunate as the tourism sector is in need of successful policy instruments. I put forward as the central question: Under which conditions (and in which models) do community and tourism company partnerships contribute to sustainable local and private sector development?

In the analytical part of this study I will investigate in depth the selected case studies and will describe a number of circumstances in which partnerships are most likely to be successful in achieving sustainable local development. This will be the case when they keep focused on socio-economic development, on local private sector development as well as on conservation goals.
Business community partnership may take different forms. For example, community participation may either be focusing on one community or on more than one (3 – 10), and there are also a number of possible partnership combinations. Participants might include national government, the district government, large tourism companies or smaller tourism companies, civil society organizations and or larger international NGO’s. And the different partnerships also involve different terms and conditions. In total there are three possibilities in the Tanzanian context:

- Business initiated agreements
- NGO initiated agreements
- National government initiated agreements

The cases were selected in order to explore the diversity of the partnership arrangements and the stakeholders who engage in them but also to explore the different types of reciprocal benefits that parties hope to gain from such a partnership and the obstacles to their achievement.

This study offers a new systematic approach to such partnership projects by looking at them, from three angles: from a local private sector development perspective, from a socio-economic-community development perspective, and by using value chain analysis and assessing the critical success factors of the partnerships.

In the assessment of the socio-economic community partnership and conservation performance three aspects were analyzed: financial performance, non-financial performance and conservation performance. It has been found that if more than one village will be compensated the financial benefits become insufficient to compensate for the cost of living with wildlife. Moreover, conservation can never be financially sustainable without assistance from outside the community. The research provides lessons for more focused and effective community based natural resources management.

In assessing private sector development I found at least five elements of tourism development that are impacted by existing partnerships. Successively I make mention of access to capital, access to
technology/skills/knowledge, access to markets, access to infrastructure and access to land. It was found that tourism partnerships contribute positively to the access of land of communities and improved in certain cases the access of infrastructure and markets. The investigated cases, however, showed that an appropriate transfer of entrepreneurship knowledge and capital have been inadequate so far.

Finally, 12 critical success factors were analyzed to find out to what extent they are critical. It has been found that there is a clear link between the level of meeting internal success factors and the performance of the partnerships in reaching local economic development objectives. Interestingly trust, clear roles, commitment and mutual benefits are mentioned as the most critical aspects in the perception interviews. When assessing to what extent success factors were met in relation to reaching their objectives I observed the same aspects (factors) returning for the development of successful business initiated partnerships. Trust pre-eminently is an aspect that seems to be a critical success factor of special importance for business initiated community business partnerships. Technical aspects such as accountability and planning (which are mentioned as of critical importance for National partnerships) are secondary and of less importance for the success of local partnerships.

Overall it can be concluded that business community partnerships can be an interesting instrument for business and policy makers in achieving their goals. Conservation and the avoidance of conflicts are defined as business goals whereas local and private sector development are defined as community goals. This instrument will be more successful according as businesses pays more attention to local private sector development inputs, the government is not putting too many villages in one partnership and communities (and businesses) are organized in such a way that commitment, trust and win-win can be provided to the partnership stakeholders. Finally, we observed that it is the national government’s duty to provide for the framework for a partnership; the partnership, however, will be functioning at its best without the national or district government participating in it.
Samenvatting

Lokale duurzame ontwikkeling en natuurbehoud? Onderzoek naar drie typen partnerschappen in de toerisme sector in Tanzania

Samenwerkingsverbanden tussen bedrijven en lokale gemeenschappen zijn onderdeel van de ontwikkeling van de private sector. Dit onderzoek richt zich op deze samenwerkingsverbanden tussen bedrijven en lokale gemeenschappen. Hierbij wordt nagegaan in hoeverre lokale samenwerkingsverbanden bijdragen aan een duurzame omgeving voor lokale sociale- en economische ontwikkeling en ontwikkeling van de private sector. Daarnaast is beoordeeld welke factoren bepalend zijn voor het succes van samenwerkingsverbanden tussen bedrijven en lokale gemeenschappen.

Dit onderzoek richt zich op negen samenwerkingsverbanden op het gebied van toerisme en natuurbehoud in Tanzania. Generaliseren op grond van enkele casestudies in één bepaalde sector is problematisch, maar Tanzania is een goed uitgangspunt voor onderzoek naar samenwerkingsverbanden op het gebied van toerisme en natuurbehoud. Duurzaamheidsaspecten en commerciële activiteiten op het gebied van toerisme zijn van belang en hebben met elkaar te maken. Als er geen aandacht is voor natuurbehoud en bescherming van het ecosysteem, leidt het ecotoerisme daaronder. Door bevolkingsdruk, milieu- en commerciële overwegingen ontstaat er echter een spanningsveld dat vraagt om samenwerkingsverbanden. Tot de uitdagingen op dit gebied behoren afname van de wildstand en van de natuurlijke soortenrijkdom, en vervuiling van het ecosysteem door overbegrazing in mogelijke en bestaande ecosystemen. De ontwikkeling van de commerciële kant brengt ook de nodige uitdagingen met zich mee omdat de private sector op veel plaatsen nog nauwelijks ontwikkeld is.

Er is nog weinig bekend over wat wel en niet werkt op het gebied van toerisme en natuurbehoud omdat er nog slechts weinig beleidsinstrumenten zijn toegepast. Dit is jammer omdat er in de toerismesector behoefte is aan effectieve beleidsinstrumenten. De centrale onderzoeksvraag is: Onder welke voorwaarden (en in welke modellen) leveren samenwerkingsverbanden tussen lokale
gemeenschappen en bedrijven uit de toerismesector een bijdrage aan duurzame lokale ontwikkeling en duurzame ontwikkeling van de private sector?

In het analytische deel van dit onderzoek zijn de geselecteerde casestudy’s uitvoerig bestudeerd en wordt beschreven onder welke omstandigheden samenwerkingsverbanden de meeste kans bieden op het bereiken van duurzame lokale ontwikkeling. Dit is het geval wanneer de samenwerkingsverbanden gericht zijn op sociaaleconomische ontwikkeling, ontwikkeling van de lokale private sector en natuurbehoud.

Er zijn verschillende vormen van samenwerkingsverbanden tussen bedrijven en lokale gemeenschappen. Er kunnen bijvoorbeeld een of meerdere (drie tot tien) lokale gemeenschappen bij betrokken zijn en er zijn verschillende combinaties mogelijk. Er kunnen verschillende partijen aan deelnemen zoals de nationale overheid, de regionale overheid, grote of kleine bedrijven uit de toeristische sector, maatschappelijke organisaties en/of grotere internationale ngo’s. De voorwaarden waaronder de verschillende samenwerkingsverbanden gesloten worden kunnen ook verschillen. In de Tanzaniaanse context bestaan er drie mogelijkheden:

- Door bedrijven geïnitieerde overeenkomsten
- Door ngo’s geïnitieerde overeenkomsten
- Door de nationale overheid geïnitieerde overeenkomsten

De cases voor het onderzoek zijn geselecteerd om inzicht te krijgen in de verscheidenheid van de samenwerkingsvormen en de deelnemende belanghebbenden, maar ook om de verschillende soorten wederzijdse voordelen die partijen van de samenwerking zouden kunnen hebben en de belemmeringen voor het profiteren van deze voordelen te onderzoeken.

In dit onderzoek worden dergelijke samenwerkingsprojecten op een nieuwe, systematische manier benaderd door er vanuit drie gezichtspunten naar te kijken. Ten eerste vanuit het perspectief van de ontwikkeling van de lokale private sector; ten tweede vanuit het perspectief van de ontwikkeling van de sociaaleconomische gemeenschap; en ten slotte door middel van waardeketenanalyse en
door het beoordelen van de factoren die bepalend zijn voor het succes van de samenwerkingsverbanden.

Bij het beoordelen van de samenwerking vanuit het perspectief van de sociaaleconomische gemeenschap en natuurbehoud zijn drie aspecten geanalyseerd: financiële resultaten, niet-financiële resultaten en resultaten met betrekking tot natuurbehoud. Als meer dan één dorp gecompenseerd wordt, blijken de financiële voordelen niet op te wegen tegen de kosten van het leven met dieren in het wild. Bovendien is natuurbehoud nooit financieel haalbaar zonder hulp van buiten de gemeenschap. Het onderzoek biedt lessen om binnen gemeenschappen gerichter en effectiever om te gaan met natuurlijke hulpbronnen.

Bij het beoordelen van de ontwikkeling van de private sector werden ten minste vijf elementen van toerismeontwikkeling gevonden die beïnvloed worden door bestaande samenwerkingsverbanden. Dit zijn toegang tot kapitaal, toegang tot technologie, kennis en vaardigheden, toegang tot markten, tot infrastructuur en tot grond. Samenwerkingsverbanden op het gebied van toerisme bleken bij te dragen aan de toegang tot grond en bevorderden in bepaalde gevallen de toegang tot infrastructuur en markten. Er bleek echter in de onderzochte cases tot nu toe onvoldoende overdracht van kennis op het gebied van ondernemen en kapitaal te zijn geweest.

Ten slotte werd van 12 factoren geanalyseerd in hoeverre deze bepalend zijn voor het succes van samenwerkingsverbanden. Er blijkt een duidelijk verband te zijn tussen de aanwezigheid van interne succesfactoren en de mate waarin lokale economische ontwikkelingsdoelen bereikt worden binnen de samenwerkingsverbanden. Het is interessant dat vertrouwen, duidelijke rollen, betrokkenheid en wederzijdse voordelen door respondenten genoemd worden als de belangrijkste aspecten. Bij het beoordelen van de mate waarin succesfactoren bijdragen aan het behalen van het beoogde resultaat, komen dezelfde aspecten (factoren) naar voren als het gaat om de ontwikkeling van succesvolle door bedrijven geïnitieerde samenwerkingsverbanden. Vooral vertrouwen lijkt een cruciale succesfactor te zijn voor door bedrijven geïnitieerde samenwerkingsverbanden tussen bedrijfsleven en lokale gemeenschappen. Technische aspecten die van groot belang worden geacht
voor nationale samenwerkingsverbanden, zoals verantwoording moeten afleggen en planning, zijn secundair en van minder belang voor het welslagen van lokale samenwerkingsverbanden.

De algemene conclusie is dat samenwerkingsverbanden tussen bedrijven en lokale gemeenschappen voor het bedrijfsleven en beleidsmakers een interessant instrument kunnen zijn om hun doelen te bereiken. Natuurbehoud en het vermijden van conflicten worden gedefinieerd als bedrijfsdoelen en lokale ontwikkeling en ontwikkeling van de private sector worden gedefinieerd als gemeenschapsdoelen. Deze samenwerkingsverbanden zijn een effectiever instrument naarmate bedrijven meer aandacht besteden aan de ontwikkeling van de lokale private sector, naarmate de overheid niet te veel dorpen in één samenwerkingsverband plaatst en naarmate gemeenschappen (en bedrijven) zodanig georganiseerd worden dat er betrokkenheid, vertrouwen en een win-winsituatie ontstaat voor de belanghebbenden binnen het samenwerkingsverband. Ten slotte wordt opgemerkt dat de nationale overheid het kader voor een samenwerkingsverband moet bieden, maar dat het samenwerkingsverband het beste functioneert zonder deelname van de nationale of regionale overheid.
Chapter 1. Introduction

1.1 Prelude

A large hotel chain wants to start a hotel-business in a rich wildlife area in Africa. They are looking to open a hotel close to the Tarangire National Park in Tanzania. The area is known for its wildlife and this could possibly attract tourists who would like to stay in their hotel. The land is owned by a village, Minjingu that is seeing more and more investors coming to their area to set-up a business. Conservation of the area is required to maintain wildlife levels. This will be in the investors’ interest. As they understand that their land has a value (people will require money from the land they provide for to investors) the community will benefit from its development. The
national government, finally, will foster wildlife-tourism as it contributes to the economy, to its own budget and, moreover, it will contribute to local development in case of the benefits being distributed to the village members. Therefore conservation efforts and local development need to be provided for whereby Business Community Partnership (BCP) agreements are developed in which both the conservation and the development goals are spelled out. However, many models of tourism business community partnerships exist. In this study I will examine three kinds of models of tourism community business partnerships in Northern Tanzania, i.e.: business initiated BCPs, government initiated BCPs and NGO initiated BCPs.

1.2. Why Business Community Partnerships?

Economic development in Africa is increasing with 4 to 7 % GDP growth figures over the last 7 years and prospects are good\(^1\). International mining companies, flower companies and tourism companies are flourishing in rural Africa. This trend is also eminent in the tourism sector most noticeably in Tanzania where the number of tourists has increased from 400.000 in 2000 to 1.000.000 in 2012\(^2\) and the Tourism sector together with Mining are the leading recipients of investments\(^3\). These investments are mainly targeting wildlife tourism whereby they often have their focus on the establishment of hotels and camps in rural settings bordering wildlife areas. However, the increase of investments has not been equally distributed. Still 70% of the Tanzanian population is living in rural areas (URT, 2007). For example, in Northern Tanzania, where wildlife tourism is concentrated, the GDP per capita is about 1.6 USD per day while the living standards of the tourists and the investors are much higher\(^4\). Investments in the tourism, mining and horticulture sectors are often clearly bringing to the forefront the difference in terms of living-standards. More and more the rural population is getting the impression that it is left out of these developments and doesn’t participate in the global economy. This leads to an increasing number of


\(^{4}\) Update from National accounts of Tanzania Mainland, 2000-2010, figure is for year 2011 received from National Bureau of statistics Tanzania, September 2012 by Trias Tanzania. Total GDP is 1,573,945 M Tsh, population is 1,665,000 people, exchange rate 2000Tsh = 1 euro
Conflicts as a result of the increasing gap between the rich and the poor and the urge to add value from investors to the local economy, are in need of governments and investors alike to look for ways to narrow down this gap. Governments are establishing policies to do so, but these are still in their infancy stage. The question remains how the African society can possibly be more linked to the global economy? How can foreign investments play a role in the linking of these two worlds? Business - community partnerships are a way of linking them up. Pre-eminently in the wildlife tourism sector, businesses and communities by nature have to work with each other. Wildlife tourism cannot do without conservation and communities are looking for ways to develop their socio-economic infrastructure and to stimulate private sector development.

Now, the issue is how private sector development in developing countries is best brought about. Private sector actors, especially local SME’s can be seen as the engines of society. In Europe 93 % of all enterprises have less than 10 employees. In Europe there are 20.5 million enterprises, providing employment for 122 million people of which two thirds form part of the SME sector (Lukacs, 2005). Given these statistics an important issue is how to stimulate local private sector development. A large number of publications, projects and programs have focused on this topic over the past decades without much result (WB, 2007). One compelling reason for this is the lack of effective partnerships to stimulate local private sector development. One way of encouraging private sector development is through the analysis of value chains and the respective partnerships. Analysis of high performing organizations and respective value chains in emerging countries should provide some insights into new opportunities. Ideally local government policy makers must know and understand the high performing value chains and partnerships, with their gaps and opportunities, in order to develop appropriate policies, donor-support plans or investment driven projects.

The government, donors or investors – focusing on the development of a more suitable environment for local private sector actors – can benefit from several advantages brought about by a proper sustainable value chain and partnership analysis. One important advantage is that environmental and social issues can be addressed in addition to economic factors. Sustainability, in other words, can become an integrated part of the governance context for the development of the private sector in emerging countries.

Important in this reasoning is the environment in which local private sectors have to flourish: the communities. How do communities provide an environment for local private sector development? In addition it is important to assess how the international companies in developing countries can contribute to local private sector development. For, governments in developing countries are stimulating partnerships between these companies and the communities in order to provide for a sustainable environment for private sector development. These business community partnerships are looked upon as an important tool for local private sector development.

Business - community partnerships are a way of linking communities and businesses. Especially in the wildlife tourism sector, businesses and communities by nature have to work together. Wildlife tourism cannot do without conservation and communities are looking for ways leading to their development focusing on socio-economic and private sector development. As a result business community partnerships in the tourism sector exist. The business community partnership consists of a hotel/lodge business which offers tourists the possibility to see wildlife in the area conjunct to the lodge. This land belongs to a community. In order to keep wildlife levels, the community doesn’t roam with cattle nor grows crops in this area because this will destroy the wildlife levels and as a result tourism will go down. At the same time, the community is looking for ways to increase its development level. Business investors are providing this by paying to the community an amount of money per tourist per night (bed-night fees). In exchange the community is conserving the area by having game-scouts who monitor and control wildlife levels. This leads to the establishment of business community partnerships.

Three models of business community partnerships can be distinguished:
- Business initiated partnerships
- Government initiated partnerships
- NGO initiated partnerships

All three models have a common denominator i.e. the fact that conservation is required and local development wanted. However, the difference between the three models is the number of communities participating in the partnership as well as the level of formal arrangements between the communities and the business involved.

In the business initiated partnership there is a partnership between one business and one community whereby the arrangement between the business and the community is formalized. In the government initiated partnership there is a partnership between the national government, the business and often one community whereby the arrangement between the business and the community is not formalized. The last-mentioned model is a partnership between one business and three or more communities whereby also the arrangement is formalized.

This study will examine, compare and evaluate three models of business community partnership in terms of their socio-economic development performance, conservation performance and business development performance. At the same time the success factors of local partnership models are assessed and validated.

1.3 Introduction to the theories used

During the last decade local private sector development was being researched from three different perspectives (Mandal, 2008, Raufflet et al., 2008) i.e. the social enterprise business model (Bornstein, 2004), the base of the Pyramid (BOP) (Prahalad, 2002) and the partnership for development approach (Glasbergen et al., 2007). This study will further assess various forms of
local partnership models and will assess their impact on local private sector development and on other factors such as local economic development, conservation and on critical success factors.

Partnerships are increasingly promoted as vehicles for addressing development challenges. The underlying idea of partnerships is that by generating additional knowledge and resources, results can be achieved that benefit all parties, which could not have been achieved on an individual basis (Kolk et al., 2008). It is assumed that partnerships contribute to economic development when they are working within a framework that initiates and contributes to broader processes (Van Dijk, 2012). However, partnership-evaluation studies have provided contradictory results. Some studies report positive examples (Fiszbein and Lowden, 1999), while other studies are more critical about the effectiveness of partnerships (Visseren-Hamakers et al., 2007). Obviously, we still need a better understanding to what effect partnerships contribute to private sector development at the local level.

There is need for further investigation on the outcomes and impacts of partnerships. It is only recently that empirical evidence for the effectiveness of partnerships in the field of development became a research focus. There is need for further research which pays more attention to the link between inter-sectoral partnerships and sustainable development on empirical grounds instead of reasoned grounds (Van Huijstee et al., 2007).

Sustainable Local Development (SLD) is the central focus of this research in which special attention is paid to the role of the local private sector. Local economic development is a process in which partnerships between local governments, community and civic groups and the private sector are established to manage existing resources to create jobs and stimulate the economy of a well defined area (Helmsing, 2003). It emphasizes local control, using the potentials of human, institutional, physical and natural resources (Rylance, 2008). However, literature on development emphasizes the need to consider the sustainability of these development initiatives. Sustainable development is development that meets the needs of the present while allowing future generations to also meet their needs (WCED, 1987). Sustainability includes the concepts of intra- and inter-

---

1 In this study I often use the term partnership agreement or arrangement, meaning the same.
generational equity and quality of life (Warhurst, 2005). Social impacts such as equitable access to quality education and healthcare, as well as a positive contribution to the environment such that future generations can benefit from the available resources must be taken into account in any model of development willing to be sustainable.

Nature-based tourism activities are in the focus of the analysis of the business-community partnerships studied in this research. 'Business' in this study refers to a private sector company or investor. 'Community' has been defined in literature as a physical location, such as a municipality or local district (Provan and Milward, 2001), or as a group of people which are bonded by similar interests (Babiak, 2009). The term 'community' in Tanzania refers to the village members who are formally represented by their Village Council, owning the land where a tourism activity takes place. Nature-based tourism may incorporate natural attractions including scenery, topography, waterways, vegetation, wildlife and cultural heritage; and activities like hunting (Ceballos-Lascurain, 1996).

The challenge for Tanzania is to increase the impact from tourism on development in a sustainable way without jeopardizing the tourism business itself. In most developing countries, relations between the district, the community and the tourist company are not resulting in mutual benefits (De Boer et al., 2011). There is often an unequal distribution of power and wealth, with the firms and higher ranking government officials having the upper hand (Eweje, 2007). Tanzania is experimenting with various sorts of partnerships between communities, tourism businesses, and district governments, as well as between the national government and NGOs. It is the challenge of this study to see what pros and cons of the different partnership models exist in relation to sustainable development of the local economy and the private sector.

Tourism is a fast growing industry worldwide and an important sector in Tanzania contributing 25% to its GDP of which Nature based tourism is most prominent in Tanzania. That is why Nature based tourism in Tanzania has been chosen as the sector in which partnerships will be researched. However, the gap between the international tourism companies and lodges and the local communities in Tanzania is big in terms of resources and available knowledge. Without examining
models to bridge this gap local communities and their economy will not benefit from this growing industry. So the question is how the (often) international business venture will be able to cater for a high end market and at the same time create a more "inclusive" environment for private sector development at the local level?

Conservation aspects and commercial efforts in the area of wild-life tourism are of great importance and do relate to each other. Without the conservation of wildlife and the existing ecosystem, there will be less nature based tourism. However, population pressure and the subsequent search for new pastures and agricultural fields in these areas create environmental challenges and requires for partnerships. These challenges include loss of natural wildlife levels, loss of biological diversity, and pollution of off-farm ecosystem in terms of the overgrazing of cattle in possible and existing ecosystems. Even on the development of the commercial side also many challenges arise as the private sector environment is in many places still very poorly developed (URT, 2002).

Pro-poor tourism is an important focus often used by donors and governments to analyse the financial and non financial benefits of the tourism sector that go to the local population. In this study I will focus on the local population often also “the poor” but not exclusively. A typical safari value chain consists of five steps: outbound tour-operator, international travel, inbound tour-operator, in-country regional services and finally community services (see figure 1.1). A typical safari holiday according to Mitchel et al., (2009) in Tanzania consist of 7 in country components: Accommodation, Park fees, Tour operators Margins, Transport, Wages, Cultural goods and services and Food and Beverages and amounts to 1826 USD per trip of six days and five nights. The largest cost component of the Northern Circuit safari tourists is accommodation – averaging US$141 per tourist per night (J. Mitchell et al., 2009). Part of this contribution to accommodation is going to community fees, local wages and sourcing of local food. It is at this stage at the bottom of the value chain that the communities are coming in the picture. The focus of this research is on the linkage between the communities and the hotel-business. It is at this level that the partnership

---

between the community and the business is assessed. The level of contribution to the community varies per business – community partnership. Moreover, the partnership focuses not only on financial value additions, but also on issues which are non financial such as contributions to the socio-economic environment and conservation. These issues are assessed by using a partnership approach. The question is if communities can become more integrated in this global tourism value chain and if so, how this can be done. It is also a question to what extent partnerships create a framework for this and, finally, which partnerships can provide an input for policy advice.

![Diagram of a standard Safari holiday value chain]

*Figure 1.1 A standard Safari holiday value chain*

In this study the assumption is that communities wish to be incorporated in the global value chain as the market shows that communities do show interest in providing tourists with all kinds of goods and services but often do not know how to do so, or do not have the capital to do so. The value chain is used to assess the level of upgrading of the private sector in the fields of capital, markets, infrastructure, knowledge and land.
Finally the Bottom of the Pyramid literature is used as it provides elements for further analysis of these partnership such as the development of local businesses within the communities in the slipstream of “high performing” businesses. Particularly this theory was chosen as provides insights in the level of the transfer of technology to local entrepreneurs.

So far, only a limited number of policy instruments stimulating local community business development have been implemented by the Tanzanian Government such as the establishment of Wildlife Management Areas whereby a community based organization is representing a number of villages vis-à-vis the tourism enterprise in catering for conservation and local economic development. However, the knowledge of what works and what doesn't work in terms of local private sector development in the tourism conservation context remains very poor. This is unfortunate as the tourism sector is in dire need of successful policy instruments. The central question of this study will be: under which conditions do business community partnerships contribute to sustainable local economic development?

1.4 Objectives of the study

My main objective is to study the partnership between tourism businesses and local communities in the context of the global tourism value chain. Accordingly the next step will be to investigate how business-community partnerships (BCPs) will be able to enhance the community’s participation in the global tourism value chain and bring about sustainable local development.

The first objective is to study the contribution of BCPs to sustainable local development, specifically focusing on private sector development. Moreover, the extent to which BCPs provide conditions for the upgrading of local businesses leading to improved local products and services within the tourism value chain will be determined. This will be further discussed in chapter 5.

The second objective is to examine the interaction between companies and local communities paying special attention to achieving local socio-economic development. This will be further discussed in chapter 6.
The third objective is to study conditions which enable BCPs to contribute to sustainable local development. The level of meeting internal success factors for partnership by each BCP will be studied, and related to the partnership’s success in contributing to development. This will be further discussed in chapter 7.

1.5 Research Questions

The main research question is: Under which conditions (and in which models) sustainable local and private sector development will be optimized by community and tourism company partnerships? The following sub-questions are provided:

1. What are the different kinds of relations or partnerships that exist between tourism businesses and the community?
2. What is the performance of BCP’s in contributing to Local Community Development?
3. What is the performance of BCP’s in contributing to Local Business Development?
4. To what extent do internal success factors in business-community partnerships influence their performance in terms of sustainable local development?
5. In what ways do tourism partnerships improve conditions for local socio-economic development and local business development within the global tourism value chain?
6. Within a BCP model what competences would be needed by the three social (societal) actors in order to create a suitable environment for sustainable development?

1.6 The organization of the study

This study will assess nine tourism conservation partnerships in one country, Tanzania. There is a risk of generalizing from case studies in one particular sector. But Tanzania is a good place to embark on research of local economic development and conservation partnerships as it is one of the countries in Africa where tourism, conservation and local development are being put together as objectives in partnerships, in particular in the so-called Wildlife Management Areas (WMAs).
The analytical part of the study will draw on the selected case studies and will assess under which circumstances these partnerships are most likely to be successful in achieving sustainable local development goals.

The cases were selected in order to explore the diversity of the partnership arrangements and the range of stakeholders who engage in them but also to explore different types of reciprocal benefits that parties hope to gain from such a partnership and the obstacles to their achievement. This study offers a new systematic approach to such partnership projects by looking at them, from both a local private sector development perspective as well as from a community development perspective, using value chain analysis. The results of the study can generate an input for a further development of a policy framework for business community agreements for the tourism sector. Businesses in the mining and horticulture sector in Tanzania and other countries with a substantial difference in development of the rural population and the companies involved could benefit from the results of this study as well.

**Box 1 A Business Community Partnership**

A typical Business Community partnership works based on tourism bed night fees which are checked almost on a daily basis by community members. Based on the occupied beds, communities receive depending on the negotiations between 5 to 10 USD per bed-night. The tourism lodges, often located in nice “wilderness” areas, close to a lake or on a hill-top, have on average about 15 so called “bandas”, huts within each hut two beds. With an average of about 10 bed nights per day the total amount collected per year by the community is about $10 \times 5 \times 30 = 1500 \times 12 = 11,000$ USD per year. The business manager and the chief of the community are sitting on an average once a month with each other to discuss the conservation of the area. Cattle of the community are not allowed in the designated conservation area. In times of drought, this becomes difficult and it is possible that the arrangements are then becoming more flexible. The allocation of the community money depends per village and depends often on the integrity and the processes in-stead of the councils and their leaders.
1.7 Outline of the book

The outline of this study reads as follows: in chapter 2, the research design and the research method used will be explained. In chapter 3, the nine different cases will be described and chapter 4 is a theoretical chapter on private sector development, which text has been published yet as: *Global Value Chains, Linking the producers from developing countries to International Markets* (pp. 51-68). In this chapter also the relevant value chain literature is discussed. The chapters 5 till 7 are the empirical chapters which were published earlier as articles in different journals. In all empirical chapters propositions are derived from a focused literature review. In chapter 5 the role of private sector development in the tourism sector in Tanzania is assessed. It is assessed to what extent business-community partnerships can be helpful for the benefit of sustainable local tourism development in this country. In this chapter the literature on partnerships is discussed and is linked to value chain analysis. Chapter 6 discusses the interconnection of conservation and local economic development. The literature on local economic development is here being discussed as well. In chapter 7 the critical success factors of community business partnerships in the tourism sector in Tanzania are being discussed. Chapter 8, finally, presents overall conclusions and recommendations this study yielded.

---

Chapter 2. Research design and Method

2.1 Introduction

The influence of the type of BCP on the dependent variable: “Sustainable Local Development Performance” is assessed. Sustainable local development is split into a part what we call “Socio-economic development” and a local business part, which zooms in on “Local Business Upgrading” (see figure 2.1). The Socio-economic development variables are operationalized by using and the framework of Spenceley (2008) which is adjusted in the sense that also conservation is incorporated in the framework. This is discussed in chapter 6. Local business upgrading is being operationalized by using the value chain literature and is discussed in chapter 5. Sustainability as mentioned above is based on the “Triple bottom line” of Elkington (1997), which combines
economic performance with environmentally and socially sound business practices and is operationalized for the socio-economic development and local business upgrading variables. In the annexes 1 – 5 more details on the research are provided.

Under socio-economic development, financial impacts, non-financial impacts and conservation impacts of the partnership are assessed. Under local business development, the performance of the partnership in improving access to capital, markets, knowledge, technology, land and infrastructure for local enterprises as well as the partnering business to enable their upgrading within the tourism value chain is examined.

The independent variables are the internal success factors for partnerships which are being assessed on the basis of to what extent they are critical criteria for the performance of the nine partnership-cases assessed. This is discussed in chapter 7.

Based on the literature review, which is discussed in the different empirical chapters in which also the specific methodology is discussed, three propositions are distilled:

a. Business-Community Partnerships enable local businesses to upgrade their activities if they improve access to capital knowledge and infrastructure, land and markets.
b. Business-Community Partnerships enable sustainable local socio-economic development if they contribute financially, improve access to social services and promote conservation efforts in the community.
c. The success factors for local BCP’s are most significant for the business initiated BCP’s.
Figure 2.1 The conceptual framework

On the basis of the literature research these variables will be operationalized in chapter 7.
2.2 Research Design

An explanatory multiple-case study design (Yin 2003) is used to study the relevance of community business partnerships in contributing to sustainable local development. This is in line with the research objective of contributing to the existing partnership literature in defining priority internal success factors for community business partnerships for development as well as in providing a contribution to the value chain literature on upgrading aspects at the local level. Purposive sampling is used in order to isolate the community members in the business community partnership models and to extend relationships and logic among constructs in the study (Eisenhardt and Graebner, 2007), allow replication (Eisenhardt, 1991), enrich cross-region comparison, create more robust theory to augment external validity, guard against researcher bias, add confidence to findings (Miles and Hubberman, 1994) and provide a stronger base for theory building, (Yin, 2003). Two distinct processes will be assessed: the local socio-economic development process as well as the performance of the BCP models on making possible value chain upgrading for local businesses. Likert scale semi-structured interviews were conducted with key-stakeholders being community members, company owners, the government relevant policy officers and the NGO managers. The unit of analysis is the business-community partnership.

2.3 Case selection

A clear partnership has a sharing of goals, benefits, risks, resources and responsibilities as described in chapter 5. All selected cases are focusing on sustainable tourism development consisting of a conservation part and a local development part. Because without conservation there is no wildlife and without local development there is no incentive for the villagers to protect wildlife. The benefits of a partnership would relate to more tourist and more local development. The risk is related to diminishing levels of wildlife and the absent of local development. The resources brought into the partnership are ‘land’, knowledge and ‘capital’.
In order to assess the performance of the BCP models in the tourism sector in Northern Tanzania the study initially focused on the NGO-initiated BCP models. All the NGO-initiated BCP models which are in existence for more than three years were considered. In total there are three NGO-initiated partnerships in Northern Tanzania, which are in existence for four years or more, which are operating in three different districts. It has been decided to assess all three NGO-initiated BCP models. In order to compare the performance of the NGO-initiated BCP model the study looked also at the business-initiated BCP models, and the government-initiated BCP models. Studying the cases in the three districts provides a means of comparison and an opportunity to identify factors that influence the performance of partnerships which have not previously been considered in empirical studies for the region.

The identified districts are Longido bordering west Kilimanjaro and covering a corridor area linking Kilimanjaro National Park with Amboseli National Park in Kenya. The second district is Babati, located around Tarangire National Park in Tanzania and the third district is the, Serengeti district in Mara region bordering Serengeti National Park. The cases are further explained in Chapter 3.

2.4 Data Collection and compilation

Data collection took place during several visits between 2009 to 2011. Data required for this study are based on the theoretical framework outlined, related to the framework of each business-community partnership, the level of fulfillment of critical success factors for collaboration, and the subsequent impact on sustainable local development at the communal or public sector level and in terms of local business upgrading. Data will be collected using semi-structured in-depth interviews. For each case-study key-stakeholders were selected. Stakeholders interviewed include the investor in the business (tour operator), members of the village government council, village members, district government representatives, central government representatives and NGOs in order to gain their perspectives on the partnership under study.
Based on the conceptual framework outlined above, the data collection was related to information on the type of business-community agreement existing in the villages and the extent to which the agreement provided conditions for upgrading in the tourism value chain. Sixty two different actors involved in business-community agreements were interviewed. At each case the key-stakeholders were selected. Stakeholders interviewed included the investor (tour operator), members of the village government council, village members, district government representatives, NGO representatives, and central government representatives in order to gain their perspectives on the tourism ventures under study.

A total of 62 stakeholders were interviewed in the various categories as depicted in chart 2.1. Visits to the research sites further facilitated access to information on the partnerships while also providing access to visual evidence of their day to day management and outcomes (see annex 7 for detailed data). For each agreement case a ranking of HIGH, MEDIUM or LOW was given for all the variables tested according to the respondents’ perception of the agreement’s performance and on the basis of the researcher’s team assessment of the performance of each agreement case relative to the performance of other cases studied. Language barrier was not an issue as the research team consisting of the author and two research assistants, spoke Swahili and English and these are languages used by the communities investigated.

![Chart 2.1 Stakeholders interviewed](source: own data)
2.5 Challenges

Low education levels of individuals living in the margins of society make it sometimes difficult to explain certain concepts, and often information documented was contributed by the elite members of the community e.g. village leaders, community based organization leaders, leaders of producer groups, wildlife authorities in the district and central government as well as some NGO officials. However, the research makes an effort to obtain the views of the poorest members of the community whenever possible through local interpreters.

An additional challenge is the collection of quantitative data over time. Record keeping at the village level was often not very well developed, and obtaining quantitative data older than five years was a challenge.
Chapter 3. District and Case Descriptions

3.1 Case selection

As outlined in chapter 1 three districts are identified. In each district three business community partnerships can be found. In this chapter the researched cases will be described. In 3.2 the Babati district is discussed. Babati district is located around Tarangire National Park. The second district is Longido (3.3) bordering west Kilimanjaro and covering a corridor area linking Kilimanjaro National Park with Amboseli National Park in Kenya. The third district is the Serengeti district (3.4) in Mara region bordering Serengeti National Park.
3.2 The Babati District / Tarangire National Park case

Babati District is located close to Tarangire National Park in Northern Tanzania, 172 km south of Arusha town. It has a population of 303,013 according to the 2002 Tanzania census. The main economic activity in Babati is agriculture, with 67% of its arable land under cultivation (Manyara regional social economic profile). Crops grown include rice, maize, onions, vegetables and bananas. There is also a phosphate fertilizer plant in the district, which has been in operation since 2006 as a private sector company after its liquidation as a state company in 2001. The plant has the capacity to produce 100,000 tonnes of fertilizer and is an important source of employment for the local people – of up to 300 workers (Arusha Times, 9 May, 2009). Other economic activities include mining and tourism. Several lodges and tented camps have been established in the Burunge area, due to its convenient location next to Tarangire National park which receives a large number of tourists.

The Burunge area is of considerable conservation value because it occupies the land and migration corridors between Tarangire National Park, Lake Manyara National Park, and the adjacent Manyara Ranch (URT, 2007), see map 3.2. But increasing human populations have had a negative impact in the area. Unsustainable harvest of wildlife in the corridors between Lake Manyara and Tarangire and pressure from human activities has depleted the area’s large mammals. Wildlife in the Tarangire ecosystem, for example, is undergoing a population crash with respect to species such as wildebeest, zebra, hartebeest and oryx (Rodgers et al., 2003). The Tanzania portion of the Amboseli-Longido ecosystem has been particularly impacted by bushmeat exploitation (Rodgers et al., 2003).

In an attempt to respond to these issues, and to engage communities in conservation, a Wildlife Management Area was established in 2006. The Burunge WMA covers an extensive area, but the main corridor between Lake Manyara and Tarangire National Parks, which contains some of the best wildlife land and most important conservation area in the WMA falls within Minjingu and Vilima Vitatu villages (Nelson et al., 2006).
Map 3.2 Babati District and the ecosystem surrounding Tarangire
Source: Rodgers et al., 2003
3.2.1 The business-initiated partnership case
In this case the company signed an agreement with Minjingu village in 2003 to establish a lodge in Minjingu village land. Relations between the investor and the village were well developed. The investor made bed night payments according to the number of tourist arrivals directly to the village, and also contributed to local infrastructure development. In 2007 the village signed an agreement to join Burunge Wildlife Management Area, and the company was required to make payments via the central government. This ended the direct relations between the investor and the village. The village in this partnership case received between $30 000 and $50 000 per year from tourism activities on average.

3.2.2 The NGO-initiated partnership case
Burunge WMA currently has ten villages participating in it: Minjingu, Olasiti, Kakoi, Mwada, Sangaiwe, Manyara, Vilima vitatu, Maweni, Magara and Ngole. The WMA was established with facilitation by the African Wildlife Foundation (AWF) and Babati District Land Area Management Programme (LAMP). It was gazette in 2006 (URT, 2007). The WMA’s Authorized Association earned approximately US$ 53,075 between 2008 and 2009, and US $ 57,890 between 2007 and 2008 from tourism activities within the WMA (2008-2009, Annual Report). Anti-poaching activities are coordinated by a total of 18 village game scouts in collaboration with park wardens from Tarangire National Park. There is some opposition to the establishment of the WMA by one village, where the sentiment was that previous rights to use the village land for grazing and agriculture have been compromised since joining the WMA (see also box 1). Moreover the village claims that it was receiving more revenues from tourism when they were in single and direct agreement with the tourism investor without the involvement of other villages and the Wildlife Division. Interviews were held with people from Kakoi and Minjingu village.

3.2.3 The government-initiated partnership case
There is one hunting block located in Burunge Game Controlled Area within Babati District with a single hunting tourism business investor. The hunting block is located in Kakoi village, a recently
established village with a population of 2360, which branched off from Minjingu village in October 2009. The village has only received one payment from tourism activities in their area and these were from the WMA of some US$10,000 in 2010. A portion of this payment was to be from hunting tourism, but it is unclear what this amount was. Based on past district statistics on hunting revenues, this would not exceed US$1000. Apart from the official purchase of hunting rights from central government, the investor has not established any other agreements with the village. Relations between the investor and the village are not yet well developed.

3.3 The Longido District Case

Longido district is located in Northern Tanzania, between the Western slope of Kilimanjaro, Amboseli National Park to the North and Lake Natron to the East. The district has a population of 96,172 with a population growth rate of around 4% (Tanzania National Census, 2002). The district was previously part of Monduli district but became a district on its own in 2007 (see also figure 3.2).

The main economic activities in the district are agriculture and livestock keeping, with main crops grown being maize, beans, wheat, groundnuts and sunflower. 95% of households in Longido are believed to own livestock (Homewood et al.). However, climatic conditions have recently posed risks to the reliance on livestock as an economic activity. In 2009, at least 350,000 cattle died following a severe drought (Daily News, November 30, 2009).

Longido district also consists of the Kitendeni wildlife corridor between Amboseli National Park in Kenya and Kilimanjaro National Park in Tanzania. Kitendeni is the only remaining corridor that links Kilimanjaro and other ecosystems after the blockage of the former corridors to Tsavo West National Park, Arusha National Park, Meru forest and Mkomazi Game Reserve (Noe, 2003). The area has an abundant population of large mammals such as elephant, giraffe, zebra, wildebeest,
impala, and gazelle, much of which moves back and forth between the Sinya plains and Amboseli National Park in Kenya (URT, 2007).

The corridor area is currently in a fragile state due to the expansion of agriculture and human settlement. The size of the corridor decreased from 21 km$^2$ in 1952 to approximately 5km$^2$ in 2001 (Noe, 2003). While the average number of herders who engaged in farming activities was only 27.8% of the population in 1970s, the number of those engaged in farming increased to about 88.25% by the year 2001 (Noe, 2003). Because the grazing areas available for both livestock and wild animals decreased, and the areas of settlement and agriculture increased, the Human Wildlife Conflict (HWC) has been on the rise in the Amboseli-Kilimanjaro ecosystem (Noe, 2003). Wildlife-related costs (WRC) to rural communities include crop damage, livestock depredation, destruction of infrastructure, disease transmission to livestock and the damage of being killed or wounded by wild animals (Noe, 2003, Kideghesho, 2001).

Tourism has started to increase in importance as an alternative source of livelihood. A cultural tourism program was started in Longido village in 1996, and the village saw its tourist numbers grow from only 25 in 1995 to nearly 600 in 2000, when the village earned over US$11,000 from these activities (Matungwa, 2001). Tourist numbers to the village have since increased to 1682 tourists in 2008 with total earnings from tourism exceeding US$ 35,000 in the same year (Longido Cultural Tourism Program records). In an effort to prevent the further loss of wildlife habitats in Kitendeni corridor and adjacent areas, the process of initiating Enduimet WMA in the district started in 1997 as a conservation strategy which would involve local communities in preserving wildlife habitats, while at the same time allowing them to gain economic benefits through tourism (see map 3.3).
3.3.1 The business-initiated partnership case

For the private sector case in Longido district, a local investment in a nature-based and cultural tourism program was selected. The program was initiated in 1996 by a Tanzanian investor in collaboration with Longido village and the Tanzania Tourism Board. The case was selected on the basis of being the longest running partnership case in the village of some 15 years, as it allows an assessment of impact over time.

3.3.1.1 Sinya village—indicated as being outside of the WMA on the map has since joined and contributed an area of their land towards the WMA in 2010.
The investor provides accommodation services, mountain climbing and local cultural tours. 19 guides are employed per tourist season on average. In 2009 the village received 1386 tourists and total earnings of around US$ 38,000 (Longido Cultural Tourism Program records). Over the period of time during which the program was in force several small shops and guest houses have been established to cater for the incoming tourists. A local NGO is also supporting Maasai women in creating and selling jewelry to tourists. On the whole the program has had visible local business development effects in the village.

3.3.2 The NGO-initiated partnership case

Enduimet WMA lies in Ol Molog and Tinga Tinga Wards in the West Kilimanjaro Basin of Longindo District. The WMA contains nine villages: Elerai, Ngereani, Tingatinga, Olmolog, Lerang’ua, Kitende, Irkaswa, Kamwanga and Sinya – see map 3.4. The process of establishing the WMA has been ongoing since 1997 through facilitation by the African Wildlife Foundation (AWF). However implementation came much later and it only received its WMA status and user rights in 2007 (Minwary, 2009).

Tourism activities in the WMA include photography, camping, walking safaris, specialized bird watching and wildlife viewing (see also box 1). In 2009 the WMA received approximately US$ 88,000 from tourism activities in the area (treasurer and acting secretary of Enduimet CBO, personal communication). A project is also ongoing to set up a community-managed accommodation facility in partnership with a private sector investor, with the support of AWF, however the project is in its very early stages.

Anti-poaching in the WMA is managed through the use of over 30 village game scouts with each village contributing four game scouts (personal communication, chairman, Elerai village), some of whom have received training with the help of AWF.
3.3.3 The government-initiated case

Longido district has a total of 4 hunting blocks, with five tourism investors holding leases to the use of these hunting blocks. The case selected for this study is a hunting company which started establishing links with villages in the area since 2003. The company has two hunting blocks in Longido district, an area which encompasses a total of 19 villages (Community Development coordinator of this company). The company voluntarily makes contributions of $10 per bed night to villages in which their lodges are located - in 2009 they had a total of 480 bed nights. In addition the company pays trophy fees, camp fees, landing fees, conservation fees, and a conservation incentive to the villages. Company B has also been contributing to anti-poaching patrols by providing human resources and vehicles. This case is exceptional for the government-initiated partnership case, as contributions to local development are higher than average. These contributions are driven by a strong company policy that emphasizes contributions to community development and conservation. The village, Mairowa, selected for this case received approximately US $2800 from the investor in 2009.
Box 1. Wildlife Management Areas

Wildlife Management Areas (WMA’s) were first established with the objective of involving local communities in conservation of wildlife areas. WMAs bring together the following partners: Central government, or the Tanzania Ministry of Natural Resources and Tourism through the Wildlife Division (WD). The government drafts regulations that monitor tourism activities which are carried out outside of National Park areas, and it is also the agency which collects revenues generated from tourism in these areas. The WD is generally responsible for the conservation of wildlife in these areas, and is expected to provide vehicles and human resources for anti-poaching activities.

Villages voluntarily enter into WMA agreements, and are required to give up certain uses of a particular area of their land e.g. cultivation, residential housing, herding for the purpose of wildlife protection and conservation. In return villages receive a share of revenues obtained from tourism activities carried out in their village area. Tour operators make an agreement with the Community Based Organization (CBO) of a WMA to use a portion of land to set up a tented lodge for tourists. They invest in physical property, and are involved in promoting the area for tourism activities. They offer compensation to villages, usually based on a bed night fee recommended by the WD.

District governments are involved in an advisory role through a conservation advisory committee of the WMA. The District in collaboration with the WD also plays a role in controlling poaching. Non-governmental organizations (NGOs) such as the African Wildlife foundation (AWF) and SNV – a Netherlands Development Organization, play a facilitation role in building human and technical capacities for the villagers in areas such as resource management planning.

3.4 The Serengeti National Park / Serengeti District case

Serengeti District is located in Northern Tanzania bordering Musoma rural and Bunda districts and has a population of 176,609, according to the 2002 Tanzania census.
The residents of the Western Serengeti are predominantly smallholder agriculturalists. Food crops including cassava, maize, millet, sorghum, vegetables and beans dominate production, while cotton and rice are sometimes grown for sale. Livestock are also important to the household economy, providing food and income (Emerton and Mfunda, 1999).

The area covered by the district is a key border zone to the Serengeti National Park, and much of the Serengeti-Mara wildebeest migration passes through the area in June-July on its way from southern Serengeti to the Maasai-Mara in Kenya (URT, 2007) – see map 3.4. The western side of Serengeti National Park in the last decades has become subject to intense human pressure, with high rates of illegal resource utilization and poaching (Emerton and Mfunda, 1999). Local off-farm income and employment opportunities are limited, and both charcoal production and hunting commonly provide supplements to farm income. The area is also known for historically high levels of bush meat hunting (Nelson et al., 2006). As conflicts between park authorities and adjacent communities intensified it was recognized that any attempt to conserve wildlife was unlikely to succeed unless it engaged the active support of local populations (Emerton and Mfunda, 1999).

In 1999 initiatives were made towards the establishment of a Wildlife Management Area in the region as a conservation measure. Tourism would feature as an alternative source of livelihood in this conservation framework.

Tourism has indeed grown as an industry in the region in recent years. It is a significant source of income for the villages sharing an immediate border with Serengeti National Park. Robanda village, for instance has over a dozen tented camps established in its village land, and had received an income of over US $200,000 per year in some years (village chairperson, personal communication).
3.4.1 The business-initiated partnership case

Robanda village in Serengeti is an example of a village that managed to procure several contracts with private investors prior to the establishment of the WMA. In some years the village had agreements with more than five separate tourism operations. As a case example only one of these agreements will be studied. The company has been operating in Tanzania since 1998, and started relations with Robanda village in 2000. The tour operator has two campsites in the village and had been contributing up to $30,000 per year to the village from tourism bed nights and land lease payments until 2009. In 2009, Robanda village was required to make agreements with the company via the WMAs authorized association and share earnings with four other villages as single agreements between companies and villages were no longer recognized by the wildlife authorities. Some friction arose between the company and the village when the company started to
make payments to central authorities. The village claims that some of the payments to the village expected for part of 2009 according to the previous contract with the company had not been paid.

3.4.2 The NGO-initiated partnership case

Ikoma WMA covers an area of land adjacent to Serengeti National Park in the Fort Ikoma area, and located between Ikorongol and Grumeti Game Reserves. The WMA comprises five villages: Robanda, Park Nyigoti, Nyichoka, Nyakiton-Makundusi, and Natta-Mbisso. The Ikona WMA was facilitated by Frankfurt Zoological Society (FZS), in collaboration with Serengeti District Council. It has been under development since 1999 (URT, 2007). Earnings to the WMA per year in 2009 were more than US$ 200,000 (Ikona CBO Annual Report). Conservation and anti-poaching efforts have been enhanced in the WMA with the support from a fund initiated by the biggest tourism investor in the area. Data collected by the investor’s researchers have indicated an increase in wildlife by 60% in the area in 2010 since 2006.

3.4.3 The government-initiated partnership case

The hunting block allocation in Serengeti district shows a unique scenario of the hunting tourism investor choosing to focus efforts on conservation. The company started its activities in 2006, a lodge was constructed, and relations established with several villages in the area.

The volume of tourists received by the company per year is not high, at only 24% occupancy on average in 74 rooms for 10 months of the year (100% occupancy for two months). However, the scale of the tourism investment is huge – an estimated US$ 180 million (Company staff member, personal communication). The company employs over 600 people, with over 40% recruited from the surrounding villages.

Payments for the hunting block are made directly to the central government. However, in addition, the investor has made separate agreements with Serengeti district and with several villages in the area. In 2009 the village selected for this case earned approximately $30,000 from the agreement.
Significant contributions have been made towards developing local infrastructures since the company’s establishment. 57 bore holes have been dug in neighboring villages within Serengeti and Bunda districts (Company community relations officer, personal communication). 65 students from the villages are sponsored annually to attend primary, secondary and tertiary education. Moreover the company has constructed centers for local farmers and traders to sell their produce, and has encouraged them to form an association to enable the villages to reliably supply products to the lodge.
4.1 Introduction

The global debate on poverty alleviation is increasingly framed in terms of enabling economic opportunities for the poor, in order to create sustainable economic growth in developing countries (WRI, 2007). Perhaps the most significant consequence of this shift is the increasing conviction that the private sector should be engaged in the challenge to create economic growth in developing
countries. Economic and political developments, in particular, globalization and the increased influence of markets and private investments worldwide, have added to the belief that mobilizing existing private sector financial and intellectual resources is vital in order to achieve sustainable development, reduce poverty and reach ambitious development targets such as the Millennium Development Goals (MDGs)\(^\text{12}\) (Dicken, 2003, Wheeler & McKague, 2002).

This conviction, however, is not new, nor is it based on idealism. In the 1994 World Investment Report for example, MNCs are described as the main vehicle for the achievement of economic stability and prosperity in developing nations, as they stimulate growth and improve the host countries’ international competitiveness (UNCTAD, 1994). A relevant indicator of the importance of the private sector for developing countries is the fact that private sector investment in these countries has been growing for decades. In recent years, FDI by multinational companies (MNCs) in developing countries has increased rapidly. For example, it increased from $20 billion in 1990 to $240 billion in 2000. In the years that followed FDI declined until 2003, but is currently on the rise again. In contrast, Official Development Assistance (ODA) to developing countries today totals about $55 billion annually, and has been declining slightly over the last decade. In the mid 1990s, FDI surpassed ODA, and today the sheer scale of foreign direct investment versus ODA has demanded that the role of MNCs in development be taken seriously (Wheeler & McKague, 2002, Dicken, 2003).

Private sector in development has merited further action for a long time. However, a catalyzing moment did not occur until the World Summit on Sustainable Development in Johannesburg in 2002, when emphasis was placed on the role of the private and public sectors as key partners in solving problems on a global scale and improving the standard of living of the world’s poor. One of the most noticeable outcomes of the Summit in Johannesburg in 2002 was the focus on multi-sectoral partnerships as the principle means to pursue sustainable development. Since the Summit, there has been a noticeable increase in multi-sectoral partnerships among various levels of local and regional governments, UN agencies, small and large companies, academic institutions, NGOs and other civil society organizations. This includes Public-Private Partnerships (PPPs) and

partnerships between civil society organizations and private sector organizations. Since then, ‘development’ is no longer seen as the exclusive territory of governments, traditional development actors such as the World Bank and the United Nations’ development agencies, or civil society organizations; the private sector is increasingly involved (Wheeler & McKague, 2002, World Bank, 2005, UNDP, 2006).

4.2 The Bottom (Base) of the Pyramid (BOP)

With their 2002 seminal article The Fortune at the Bottom of the Pyramid two scholars, C.K. Prahalad and Stuart L. Hart, have focused the attention of the business world on the large socio-economic segment at the bottom of the global economic pyramid, which they argue consists of 4 billion people worldwide that have an annual per capita income below $1500 at purchasing power parity. A growing body of theory is being created in the wake of their work and an increasing interest in the BoP has been spawned, as evidenced by the creation of research centers, conferences, wide-spread media attention, BoP initiatives by corporations, and renewed interest by industries such as banking and technology. In the business world, the interest in the BoP can be seen as a logical outcome of the increasing interest and stake of the corporate world in Corporate Social Responsibility (CSR). Several MNCs have even made serving the BoP a strategic priority and are now working on their BoP strategies. Examples range from fast moving consumer goods firms such as Unilever PLC to consumer electronics firms such as Philips Electronics. In the United States, some early initiatives came from such companies as Procter & Gamble, Du Pont, Hewlett-Packard, SC Johnson, Nike, IBM, Ford, Dow, Coke and Tetrapak (Hart, 2007).

The principal argument of BoP theory - which is aimed at the corporate world in general and at Multinational Companies (MNCs) in particular - is that the world’s poor can be served profitably while at the same time alleviating poverty. The BoP represents a vast, unexploited, multitrillion dollar marketplace, with high demographic and economic growth rates. Whereas Western markets are becoming saturated and unprofitable, this new market shows unprecedented market potential. MNCs have to ‘identify’ and ‘tap’ into these markets. Putting their competencies to work in order
to serve the poor will allow these companies to achieve sustainable competitive advantages while improving the developmental paths of many poor people, by facilitating their access to the market place and mainstream economic activity, and addressing their needs. This will lead to increased engagement of the poor in the global economy, increasing their self-esteem and dignity and reducing poverty. In short, BoP theory is about the creation of win-win situations (Prahalad & Hart, 2002, Prahalad, 2006, Hart, 2007).

Tapping into BoP markets requires that companies reconfigure their business assumptions, models and practices. New competitive business designs need to be created that involve developing unique products, services or technologies appropriate to BoP needs. BoP theory emphasizes that for most companies this requires re-imagining their business. A good way to achieve this is unconventional partnering, with Governments, NGOs, or multiple stakeholders to combine the right capabilities and effectively use local knowledge. Another important element of BoP theory is innovation on what Hart (2007) terms disruptive technology: The BoP provides a space for experimenting with high technology and environmentally sound products. MNCs aiming to serve the BoP could ‘leapfrog’ to make use of the newest available clean technologies for their products and services aimed at the BoP. When these technologies have been incubated and developed, they can be fed back into companies’ existing markets.

Despite its apparent success, however, BoP theory has received its fair share of criticism. Until now, the majority of companies engaging in BoP initiatives have used arms-length strategies to quickly tap into the ‘new’ BoP markets without understanding the needs and aspirations of those living there. As Hart acknowledges this has created “a growing backlash among academics, civil society and even local partners” (2007: 197). Some critics even argue that BoP theory is a veiled attempt at selling products and services to people who can questionably afford it, which will lead to more, instead of less poverty (e.g. Karnani, 2006). Also, critics question the claim that BoP initiatives by MNCs will lead to poverty alleviation. In particular, they doubt whether the ‘bottom billion’ of the BoP can be reached using the strategies outlined in BoP theory (Collier, 2007). These critiques and a further evolution of BoP theory has resulted in what Hart (2007) terms the ‘next level’ of BoP strategies and methodologies, which move away from the unidirectional view
espoused in early BoP literature. People at the BoP should be seen as innovators, entrepreneurs, producers, researchers and market creators as well. Hart (2007) emphasizes that “producing in rather than extracting wealth from these communities will be the guiding principle. The objective is indigenous enterprise, co-creating technologies, products and services to meet local needs and building local business from the bottom up” (Hart, 2007: 194).

The relevance of the BOP approach for MNCs remains to be seen. However, it is obvious that many MNC’s have been stimulated by Práhalad’s BOP approach as the many cases of successful BOP cases in his book on “the fortune at the Bottom of the Pyramid” reveals (2006, 2009).

4.3 Role of the private sector at the BOP in development

Participation of the private sector in the sustainable development agenda\(^{13}\) has been led primarily by MNCs. Increasingly, these companies are embedding concepts such as ‘Sustainability’ and ‘Corporate Social Responsibility’ (CSR) in their visions, strategies, business practices and operations. Although the terminology around sustainability and CSR is the source of much debate, there is agreement on the fact that these concepts imply combining economic performance with environmentally and socially sound business practices (Elkington, 1997). Despite the fact that results achieved in the ‘social’ and ‘environmental’ arenas are difficult to quantify, MNCs trouble themselves to communicate to the public the efforts that are made to improve quality of life in the markets in which they operate, as well as their environmental performance. The emergence of a World Business Council on Sustainable Development\(^{14}\) symbolizes the increasing commitment of MNCs to sustainability.

The mechanisms behind the private sectors’ interest in sustainability are rooted in economic globalization. Perhaps the strongest incentive for MNCs to become more sustainable is public opinion: As a consequence of predominantly negative reporting on their role in globalization,

\(^{13}\) Sustainable development has been defined by the Brundtland Commission as “meeting the needs of the present generation without compromising the ability of future generations to meet their own needs” (WCED, 1987).

\(^{14}\) See www.wbcsd.org/
MNCs have become the focal point of anti-globalization sentiments, ranging from scepticism to outright societal distrust. Opportunistic behaviour by MNCs - especially in developing countries - has increasingly resulted in public outcries. This watchdog role of civil society vis-à-vis MNCs has been simplified by the increased power and sophistication of the media, ironically also an outgrowth of globalization. At present, the perception of a companies’ social and ecological performance has come to act as a societal ‘license to operate’. Those companies that improve their practices and are successful not only in the market place but also in the arena of public opinion will have the greatest freedom to conduct their business. Therefore, more and more MNCs are increasing their social and ecological commitment in their ‘enlightened self-interest’ (Dicken, 2003, Leisinger, 2003).

Sustainable business development at the BoP encompasses all business activities that create sustainable economic value for people at the BoP, whether on the consumption or the production side of (international) markets. The private sector – ranging from small entrepreneurs to MNCs – plays an important role as initiator and catalyst of these activities. However, the two other forces in society – the public sector and civil society - are also very relevant for sustainable business development at the BoP. Whereas the public sector is the creator of an enabling environment for business, civil society can act as a business development partner, connecting people at the BoP with companies and their initiatives, but also acting as a ‘watchdog’ with regard to these initiatives. In this Value Chain Research Framework, the complementary nature of the roles of the private and public sectors as well as civil society in sustainable business development are acknowledged. The three forces in society, the private and public sector and civil society, can be seen as three relevant sets of actors in sustainable business development (van Tulder et al., 2004).

In the case of the private sector these include:
- Multinational Corporations (MNCs)
- Small and Medium Enterprises (SMEs)
- Micro-enterprises

In the case of the public sector these include:
- Developed country Governments
- Developing country Governments
- Development agencies and bilateral institutions

In the case of Civil Society these include:
- NGOs (national and international)
- Foundations
- Universities

These sets of actors can be represented in a *triangle*, as illustrated in figure 4.1 below. Actors in the private sector, public sector and civil society increasingly cooperate in multi-sector partnerships to achieve sustainable business development at the BOP in emerging markets. This is represented in figure 4.1.
In order to discuss the role of the private sector in sustainable business development, it should be taken into account that the private sector is comprised of a very broad range of organizations, ranging from micro-entrepreneurs through small and medium-sized enterprises (SMEs) to MNCs. In development literature, ‘the private sector’ generally refers to the institution associated with MNCs. The Commission on the Private Sector and Development (2004) uses the term ‘existing private sector’ to denote this, as opposed to the local private sector. Clearly, the existing private sector can help address the challenge of enabling the economic opportunities of people at the BoP. It has a role to play in including them in the (global) market place and in making markets more efficient, competitive and above all inclusive (WRI, 2007). It can do so both by improving the consumption as well as the production-related business activities of people at the BoP. The former involves empowering people at the BoP by providing them with services and consumer products, increasing choices and reducing prices, as BoP theory envisages. The latter involves developing the local private sector and ‘unleashing’ entrepreneurship in developing countries. This is an element not explicitly included in BoP theory, but which is included in this approach based on value chains.

The key to the potential contribution of the private sector to production-related sustainable business development lies in the role it plays in business ecosystems, networks of foreign and local companies, in emerging market countries. As the Commission on the Private Sector and Development (2004) argues, the existing private sector can develop and strengthen the capabilities of local SMEs and micro-enterprises through the business ecosystem of which it is a part. More specifically, it can enhance the transfer of skills, technology and quality, enhance positive
spillovers from FDI, and bring companies into the formal sector, open markets and supply of inputs to smaller firms. Further, it would improve the ability of SMEs and micro-enterprises to get financing, and increase wages, productivity and standards of local companies. As SMEs and micro-enterprises are the source of income of the vast majority at the BoP, developing these forms of business is a good way to increase employment and create wealth at the BoP and thus to alleviate poverty (Wheeler & McKague, 2002, Commission on the Private Sector and Development, 2004, World Bank, 2005).

An interesting issue, however, is whether the existing private sector necessarily has to be involved in sustainable business development. Wheeler et al. (2005), for example, in their article on Sustainable Local Enterprise Networks (SLENs), have argued that emphasis should be placed on the role of smaller indigenous SMEs and their local networks in business ecosystems, as they form the vast majority of businesses around the world and as such contribute greatly to new employment and the maintenance of livelihoods. In this light, Wheeler et al point to a striking omission in the BoP discourse. Given that a local perspective does not necessarily link to international markets, builds on indigenous rather than Western knowledge, and focuses on local value creation, there is potential, they argue, for “self-reliant, sustainable enterprise to emerge in the developing world with or without the involvement of external actors and large domestic firms” (Wheeler et al., 2005: 35).

It is in this context important to point at two key-elements of BOP partnerships: level of commitment, and mutual benefits (see also Hailey (2000), van Dijk (2008) van Tulder and Pfisterer (2008), van Huijstee et al. (2007). BOP strategies naturally do face power differences between the local SME and the MNC as well as a risk of rent appropriation by the MNC. This can jeopardize the collaboration as the actors feel that there is no real commitment nor that there are real mutual benefits (see chapter 7).

The private sector – both ‘existing’ and ‘local’ – should, thus, be fully considered when researching sustainable business development at the BoP in emerging market countries. An issue that merits further investigation is the role of MNCs and large domestic businesses: they can
contribute to the potential of the local private sector to create sustainable economic value for people at the BoP. As Wheeler et al (2005) argue, MNCs should “help create a more bottom-up, networked approach to the role of business and entrepreneurship in developing economies” (2005: 40). This involves re-conceptualizing their role from that of a pinnacle of the supply chain to that of a player in and a facilitator of a value-creating network.

Wheeler is in this sense idealistic as MNC’s are per definition the pinnacle of the supply chain. However, more attention to a bottom-up involvement is becoming more recognized as an important aspect of the BOP approach by MNC’s (Prahalad, 2009).

4.4 Value Chain Research Approach

Value chain analysis is an analytical approach that can be used to understand the nature of ties between local firms and global markets, and to analyze links in global trade and production. It provides insights into the way producers – firms, regions or countries - are connected with global markets, which influences their ability to gain from participating in the global economy. Furthermore, it helps to explain the distribution of benefits, particularly income, to actors that are participating in the global economy. This allows identification of policies, which can be implemented to enable producers to increase their share of the gains that globalization, can result in (Kaplinsky & Morris, 2002).

One of the main advantages of value chain analysis is that it provides insight into the mode of insertion of producers in global value chains. To understand the value of this potential of value chain analysis, it needs to be taken into account that currently, the gains of globalization are not distributed equally. There is a disparity between global economic integration and the extent to which people and countries actually benefit from globalization. An important explanation for this fact is found in the inappropriate insertion of firms, regions and countries in global value chains. This is the case when a producer specializes in particular links in the value chain that are subject to intense competition, resulting in a decline in terms of trade. When producers fail to insert themselves in an appropriate way into global markets, this may lead to a ‘race to the bottom’, in
which they enter a path of immiserising growth locking them into ever-greater competition and reducing incomes. Kaplinsky and Morris (2002) describe immiserising growth as a situation where there is increasing economic activity (implying more output and more employment) but falling economic returns. Tropical commodities such as coffee and cotton provide an example of inappropriate insertion. Despite an increase in consumption, most farmers have not benefited from the increasing demand, as this increase has been coupled with an even greater decrease in the price of these commodities. Primarily the level of oversupply in many markets has caused this deterioration in the terms of trade, which, in turn, is a consequence of low barriers to entry (Singer, 2003).

Another advantage of value chain analysis is that it addresses the nature and determinants of competitiveness, and shows that the determinants of income distribution are dynamic. This implies that competitiveness at a single point in time may not provide for sustained economic growth. Value chains allow for a systemic focus and analysis, which is better suited to the dynamic nature of value creation and goes beyond the focus on a single firm or sector in an economy. Rather, by virtue of this analysis, all the links in the chain and all activities in each link are examined, to identify which of these are subject to increasing returns, and which of these are subject to decreasing returns.

By being able to make these distinctions, policy makers can decide which actions to take to facilitate upgrading of links in the value chain to generate better returns. An important example of a policy, which has been formulated as a result of value chains analysis, is forward integration. Its aim is to increase the level of value added in the producing country, for example by processing commodities in the producing country rather than just selling them as inputs. By analyzing economic activity from a value chain perspective, the opportunities in a chain as well as the obstacles to operating sustainable profitable chains become apparent. Obstacles are numerous. The lack of adjusted banking products, the non-existence of sound (industrial) policies, the absence of organized farmers, high trade tariffs, lack of technology and knowledge of consumer requirements and market demand, etc are just a few examples. Understanding these opportunities and obstacles in specific chains allows value chain development: identifying where, how and by what actor
interventions can or should be made in order to overcome obstacles and increase the value that is created in the chain.

Organizations within the triangle of private sector, public sector and civil society each play a role in value chains, either as a *chain actor* or as an *actor in the context of the chain*. In each value chain, a different combination of actors is involved. By taking a value chain as the unit of analysis, insight can be gained into the opportunities and challenges which the triangle actors face in sustainable business development at the BoP in emerging markets. The goal of sustainable business development at the BoP is to create sustainable, closed loop chains, in which all actors benefit from the value that is created in the chain.
4.5 Conclusions

Value chains can include different numbers and types of triangle actors and can be found in emerging or developed markets or both. Figure 4.2 represents these various scenarios, indicated by the semi-transparent triangles. To illustrate, the extractive industry sector in South Africa includes the sub-sector of gold mining. Within the sub-sector of gold mining an example of a value chain would be the gold value chain in Pretoria, South Africa. This gold chain exemplifies a global value chain. The final product of the chain, after various stages of value-adding, is jewelry which is sold...
in a jewelry shop in London. Another example of a value chain would be the tomato chain in Iringa, Tanzania. In this case, tomatoes are produced and consumed locally, a clear example of a local or regional value chain.

Value Chain analysis as a research approach to BOP theory overcomes some of the weaknesses raised in early discussions of BOP theory. The Value Chain approach focuses on both the supply and demand side and adds to the analysis the various links in the business systems. Understanding of the strongest and weakest links in the system may result in a more effective approach to increase economic development in BOP markets.

To date most BOP research has focused on the link of Western MNCs to BOP markets. However, it is clear that in the context of economic development local, or “Southern”, private sector companies also play an important role and ultimately will have an essential role since in most economies SMEs play such a role in local employment and economic growth.

However, MNC’s at the BOP have self-interest and local SME firms do not always gain from the collaboration. But, BOP Partnerships can address the interest of the local private sector. And often these partnerships are strengthened by CSR strategies driven by public opinion. Value Chain analysis can facilitate this process by addressing more equally both the interest of the MNC as well as the local private sector actor.

BOP research should, therefore, include a multi-perspective approach. Providing insights from public and private sectors and civil society, Western and Southern companies, various intermediaries within the value chain, and a consumer and production perspective, the Value Chain Research Approach to BOP is a comprehensive tool for further BOP Theory development and practice.
Chapter 5. Private sector development in the Tourism sector in Tanzania, Business-community partnerships: The link for sustainable local tourism development in Tanzania?

This chapter was first published by De Boer, D., Van Dijk, M.P., Tarimo, L. (2011). Business-community partnerships: The link with sustainable local tourism development in Tanzania? Tourism and Management Studies 7, 75-90;

5.1 Introduction

Governments in African countries are struggling how to advance sustainable local private sector development. How can communities benefit more from community resources as well as from
investments by outsiders? What can the government do to promote linkages between business and communities, and how can communities themselves contribute in order to benefit more from locally available resources?

Partnerships are increasingly promoted as vehicles for addressing development challenges also at the local level. It is assumed that partnerships contribute to economic development when they are working within a framework that initiates and contributes to broader processes (Pfisterer et al., 2009). However, partnership-evaluation studies have provided contradictory results. Some studies concerned positive examples (Fiszbein and Lowden, 1999), while other studies are more critical about the effectiveness of partnerships (Visseren-Hamakers et al., 2007). How partnerships contribute to private sector development at the local level needs to be better understood.

Achieving Sustainable Local Development (SLD) is the focus of this research. Local economic development is defined as ‘a process in which partnerships between local governments, community and civic groups and the private sector are established to manage existing resources to create jobs and stimulate the economy of a well defined area’ (Helmsing, 2003). Local private sector development in this study refers to the upgrading of local businesses at the community level, to allow them to become better integrated in the relevant global value chains.

The analysis concerns business-community partnerships, whose economic basis is nature-based tourism activities. ‘Business’ in this study refers to a private sector company or an investor. The term ‘community’ will refer to the village members who are formally represented by their Village Council, owning the land where a tourism activity takes place. Nature-based tourism incorporates natural attractions including scenery, topography, waterways, vegetation, wildlife and cultural heritage; and activities like hunting (Ceballos-Lascurain, 1996).

The challenge is to increase local private sector development without jeopardising the tourism business itself. In Tanzania, communities and businesses are experimenting with various sorts of partnerships, often involving district governments as well as the national government and NGOs.
What are the pros and cons of these different partnership formulas in relation to local private sector development?

Nature based tourism in Tanzania has been chosen as the sector to study partnerships. Tourism is a fast growing industry worldwide and an important sector in Tanzania, contributing to 17.5% of its GDP. However, the gap between the international tourism companies and lodges and the local communities in Tanzania is big in terms of resources and knowledge available. Without examining models to bridge this gap local communities and the local economy will not benefit from this growing industry and conflicts might occur. How can international business ventures cater for a high end market and at the same time create a more “inclusive” environment for private sector development at the local level?

This study draws on nine selected case studies which all focus on achieving sustainable local private sector development. There are three possible partnership models in the Tanzania context:

- Business - Local Government
- NGO- Business - Government (local and national)
- National Government - Business

5.2. Tourism Development in Tanzania

Tanzania is a good place to study tourism conservation partnerships as it is one of the countries in Africa where tourism, conservation and local development as objectives are being put together in partnership through the framework of recently established Wildlife Management Areas (WMA’s). The cases were selected in order to explore the diversity of the partnership formulas and the stakeholders who engage in them but also to explore the different types of reciprocal benefits that parties hope to gain from such a partnership and the obstacles to their achievement.

15 World Travel and Tourism Council Report 2010
Tourism is an important sector in countries which are rich in natural resources, but are economically not very developed. In 2008 Tanzania received 770,376 tourists what amounts to US $1,288.7 million of earnings (Ministry of Natural Resources and Tourism, 2010). Tourism accounts for about 17.5% of its GDP, and of 25% to the country's foreign exchange earnings. However, the impact of tourism on improving rural livelihoods is not really analysed, because the link between tourism and the improvement of rural livelihoods is complex. Research in this area is lagging behind (Rogerson, 2006; Hall, 2007; Simpson, 2008). Recently some districts and villages in Tanzania have benefited from tourism by developing collaborative arrangements with tour companies. Tourism companies choose to locate their lodges outside official National Parks in Game Controlled Areas (GCAs), Protected Areas (PAs) or Wildlife Management Areas (WMAs), which also have communities living in them. These locations are usually cheaper for both the tourists and the tour company. Tourists can enjoy exclusive game viewing, far from the congestion that is to be found in the National Parks. Moreover, tourists have an opportunity to experience the culture of the communities living there.

Villages allow tour companies to use an area of communal land for tourism activities and receive economic and social benefits for the village members. In turn, villagers have the responsibility of looking after the environment and wildlife but have to limit activities such as cultivation, livestock grazing, tree cutting and illegal hunting within the wildlife areas located in their village land. In exchange, communities receive compensation from the tour companies, ranging from USD 10,000 to 80,000 per year, which is often used for building schools, clinics, and providing other facilities and social services in the village (Nelson, 2008). These kinds of agreements are currently widely practiced in areas such as Ngorongoro, Longido, Simanjiro, Babati, Mbulu, and Karatu Districts in Northern Tanzania. These activities provide a new source of communal income and employment and create a limited market for local goods. Seven villages in Loliondo Division have earned for example over US$100,000 in 2002 from several ecotourism joint ventures carried out on their lands. These figures show the potential for such arrangements between villages and tourism businesses to contribute to the economic development of resident communities in these areas.
However, not all relations between investors and communities have been positive. In the same Loliondo Division, a conflict arose in 2009 between a tourism investor and the community when the resident Maasai pastoralists were evicted from their land to use it as a game hunting concession for a foreign tourism investor. The investor restricted the Maasai’s access to grazing areas for their cattle, resulting in tension and conflicts. Some of the community members’ homesteads and food reserves were set on fire by Tanzania’s riot police force, leading to significant economic losses (Daily News, Sept 10, 2009). In this case, hunting activities led the villagers to face significant costs, as the economic activities on which they depend for their livelihood were negatively affected.

5.3 Barriers preventing rural communities from being included in tourism value chains

Major tourism enterprises in the private sector in developing countries tend to be owned by established businesses operating from urban centers, with many having a significant foreign ownership (Rylance, 2008; Massyn, 2008). The question is what obstacles do rural communities face to link up with international value chains? Value chain analysis will be used to understand the nature of ties between local firms and global markets, and to analyze links in global trade and production. It provides insights into the different way producers – firms, regions or countries - are connected to global markets, and how they benefit from these markets. Value chain analysis can show the distribution of benefits, particularly income, to actors participating in the global economy. It also allows identification of policies, which can be implemented to enable producers to increase their share of the benefits of globalization (Kaplinsky & Morris, 2002). Policy makers can also decide which actions to take to upgrade links in the value chain or the whole value chain to generate better returns. An important example of a policy, which has been formulated as a result of value chain analysis, is backward integration. Its aim is to increase the level of value added in the producing country, for example by processing commodities in the country of origin rather than just selling them as inputs.
Several factors have been identified in the literature why rural communities in Africa fail to actively take part in the tourism industry. A crucial factor appears to be the lack of access to capital for investment. Costs of borrowing from banks are very high in Tanzania. A lack of access to capital also prevents entrepreneurs in rural communities from benefiting from economies of scale (Ashley & Haysom, 2008), as they are not able to supply tourism products in large enough quantities to make the activity economically viable. In this research, access to capital is defined in the most literally meaning of capital, either through bank-loans or through cash payments. As communities are often involved in barter trade, any capital entering the community is seen as a required missing link in becoming part of the tourism value chain.

Rural community members also often tend to lack access to skills that allow them to participate effectively and successfully in the tourism industry. Rylance (2008) argues that government should play a greater role in the training of local community members so that they can access the tourist market. Responsibility to promote the potential of the community-based tourism market in Mozambique, for instance, has mostly been left to foreign organizations such as the Netherlands Development Organization (SNV), and a German organization, Techno-serve. Skills required by rural community members range from basic entrepreneurial skills to foreign language skills, as language has also been identified as a constraint to local economies accessing the tourism marketplace (Mbaiwa, 2008; Rylance, 2008).

Another problem is a lack of access to the tourism market networks (Ashley & Haysom, 2008). Means of global information sharing in rural areas are often limited, and villagers have no clear picture of the status of demand for tourism activities, or other products in their area. They also often lack means of reaching this market to promote products from their locality.

Access to poor infrastructure is another obstacle. Poor roads have been identified as a persistent barrier to development for local economies that exist outside of major cities (Rylance, 2008). Poor road systems mean that rural communities are restricted by the lack of mobility of tourists and also the lack of transfer of knowledge and skills between communities (Rylance, 2008). Mobility of tourists is also limited because tourists tend to rely on transportation provided by the tour-
operator which brings them to a specific accommodation or safari location. There is usually little opportunity for the tourists to explore local communities. This makes it difficult for communities to establish economic linkages with the global tourism chain, even when they are located in the vicinity of a popular tourism destination.

The issue of access to land rights is also important as many individual residents, and even entire villages in rural areas still do not possess title documents to prove ownership of their land/property (Rylance, 2008). This prevents individual entrepreneurs and communities from having security in the use and lease of this resource, and moreover without formal ownership, land cannot be used as collateral to obtain loans.

5.4 Partnerships for upgrading strategies and creating sustainable inclusive value chains

To integrate local communities to supply products to the tourism sector, there is a need to combine demand, supply and market intervention (Ashley & Haysom, 2008). Some initiatives have failed because they focused either on supply by working with farmers, or on demand, by working with chefs but not on both together (Torres 2003). To enhance employment and business gains from the tourism chain, intervention is required on the supply-side, such as creating a positive business environment and supporting micro enterprises. Intervention is also required on the demand-side – e.g. in influencing hotels to buy locally.

Partnerships are one way to link communities with tourism activities. In Botswana, for example community trusts have been established in joint-partnership between communities and international safari companies who have the skills and experience in tourism development (Mbaiwa, 2008). Large-scale development is the precursor of small-scale development (Carter, 1991) hence as tourism development proceeds, indigenous firms, industries and locals gain knowledge and experience (Mbaiwa, 2008). Through interaction with longer-established ‘global’ firms, local enterprises gain access to technology, capital, markets, and organization which enable them to improve their production processes, attain consistent and high quality, and increase the
speed of response (Gereffi et al., 2005). A basic requirement for upgrading is the strategic intent of the firms involved. Government also has a role to play in fostering upgrading and competitiveness. Market dynamics alone is not sufficient to achieve competitiveness through upgrading; rather the development and rapid diffusion of knowledge can be fostered by policy networks of public and private actors (Scott, 1996).

Since the end of the 1990s, the role of Public-Private Partnerships (PPPs) in sustainable development in general and in alleviating poverty in developing countries in particular is increasingly recognized. At the World Summit on Sustainable Development (WSSD) in Johannesburg (2002) governments were encouraged to launch new partnerships between state, business and civil society. Partnerships between the public and the private sector in the ‘western developed’ context are not a new phenomenon. PPPs constituted an element in the broader process of privatization, accelerated by the Thatcher government in the 1980s. “Broadly speaking, privatization does not refer merely to the transfer of state-owned enterprises to private investors, but also to a shift of public sector activities to the private sector” (Sadka 2006, p.2).

The underlying idea of partnerships is that by generating additional knowledge and resources, results can be achieved that benefit all parties, which could not have been achieved on an individual basis (Kolk et al., 2008). Societal actors working together can avoid a future with fragmented policies and dysfunctional initiatives that are incapable of fully meeting societal expectations (Warhurst, 2005). Moreover, partnerships are not only seen as ways of delivering positive development outcomes, but also as new governance mechanisms (Glasbergen et al., 2007).

The typical ‘western developed’ PPP is an undertaking which involves a sizable initial investment in a certain facility (a road, a bridge, an airport, a prison) or utility (such as water and electricity supply), and then the delivery of the services from this facility or utility. Since these activities have some public good features, they are not privatized once for all; “rather, the state continues to be involved in some way or another” (Sadka 2006, p. 3). The Dutch Ministry of Foreign Affairs defines partnerships as: “voluntary agreements between government and non government to reach
a common objective or to carry out a specific task in which parties share risk, responsibilities, means, competencies and profits” (Ministry of Development Cooperation, 2003).

The ‘Partnering Initiative’ defines partnerships as a cross sector collaboration in which organizations work together in a transparent, equitable, and mutually beneficial way towards a sustainable development goal and where those defined as partners agree to commit resources and share the risks as well as the benefits associated with the partnership. For PPPs in developing countries the efficient sharing of risks, responsibilities and benefits is of particular importance in this paper. The objective of these PPPs is to accelerate sustainable growth in developing countries by working in tandem both with the public and private sector whereby the public sector focuses on developmental benefits and the private sector focuses on profitability within a Corporate Social Responsibility (CSR) framework.

From a holistic, multi-stakeholder point of view, partnerships should preferably involve a range of significant actors, including governments, non-governmental actors, international organizations and the private sector. However, this research focuses primarily on PPPs between the private and the public sector in developing countries where the exchange of financial and non-financial resources is important. We define PPPs in developing countries according to the OECD guidelines where partnerships are: arrangements that share benefits and risks among partners and combine and leverage the financial and non financial resources of partners towards the achievement for specific goals (OECD, 2006).

5.5 Business-community partnerships

During the last decade local private sector development got attention from several perspectives. According to Raufflet et al. (2008) there are three business models addressing poverty alleviation and promoting local private sector development: the social enterprise business model (Bornstein

16 http://www.theparnteringinitiative.org/whatisonpartnership.jsp as a 14-12-08
(2004), the base of the Pyramid (BOP) (Prahalad, 2006) and the partnership for development model. Business-community partnerships are becoming important phenomena within developing countries. Especially in the oil and mining sector business-community relations are critical. Both in the mining and in the oil sector foreign investors earn relatively an enormous amount of money compared to what community members are earning. This causes friction between the companies and the community and a source for conflict. It is through a tri-sector partnership approach to development and conflict resolution that the needs of all stakeholders can be addressed and conflict can be avoided (Idemudia and Ite, 2006).

According to Loza (2004) the goal of business-community partnerships is to help build the capacity of communities and to provide greater opportunities for active participation in the social and economic arena by those who are historically disadvantaged. Besides there is the aim to build CSR capacity and other social capital (Moon, 2001), which can produce outcomes that would otherwise be difficult to obtain. Raufflet et al. (2008) assessed the impact of local enterprise and global investment models on poverty alleviation and bio-diversity conservation. Although the angle was not addressing local private sector development the findings show that the local enterprise models caters for local empowerment while the global investment models provides for financial resource and markets.

5.6 BCPs and value chain upgrading

Linking the theory of BCPs with the theory of value chain upgrading, it is observed that PPPs potentially have a role to play in providing enabling conditions for local businesses to upgrade their services and products. By enabling contact with globally linked companies, PPPs may allow local enterprises to overcome obstacles to value chain upgrading by allowing access to transfers of capital, skills, technology, infrastructure etc.

Based on preliminary studies which indicated the main areas of contribution to local business upgrading by BCPs in Tanzania, the five areas of capital, knowledge / skills, markets,
infrastructure and land will be examined more closely in this paper. From the partnerships and value chain literature review the following proposition arises:

**Proposition:** Business-Community Partnerships enable local businesses to overcome obstacles to integration in global value chains if they provide conditions for upgrading by improving access to capital, knowledge, skills, markets, infrastructure and/or land.

5.7 Partnership cases in Tanzania

In this study three types of business-community partnership agreements are studied:

a. Business-initiated (bilateral) agreements
b. NGO-initiated (multilateral) agreements
c. Government-initiated agreements

a. **Business-initiated agreements**

In this model the tour operator proposes to a community that an area of land is provided for tourism activities and in return the village receives compensation in the form of a leasing fee and/or an agreed upon fee per tourist bed night. The village is responsible for ensuring that the visiting tourists and their property are safe and that no activities are carried out that are harmful to the environment and incompatible with tourism activities, e.g. tree-cutting, cultivation and livestock grazing. These agreements typically involve a private sector investor and a village government, with village members being the direct beneficiaries of the partnership.

b. **NGO-initiated agreements**

Wildlife Management Areas (WMAs) are considered under this category of partnerships. WMAs were initiated and continue to be facilitated by international non-governmental organizations concerned with wildlife conservation, specifically World Wildlife Fund (WWF), and African Wildlife Fund (AWF). The agreements typically involve a private sector investor, central and local
governments, the village members as beneficiaries, as well as a civil society organization as follows:

Tour operators make an agreement with the Community Based Organization (CBO) of a WMA to use a portion of land to set up a tented lodge for tourists. They invest in physical property, and are involved in promoting the area for tourism activities. They offer compensation to villages, usually based on a bed night fee recommended by the WD.

Villages voluntarily enter into WMA agreements and form a CBO. Sections of land are contributed by member villages of the CBO for wildlife conservation purposes. Cultivation, herding and residential housing are prohibited in these areas. The CBO in return receives a share of revenues obtained from tourism activities carried out within their area.

Central government, or the Tanzania Ministry of Natural Resources and Tourism through the Wildlife Division (WD) are part of the WMA. The government drafts regulations that monitor tourism activities which are carried out outside of National Park areas, and it is also the agency which collects revenues generated from tourism in these areas. The WD is generally responsible for the conservation of wildlife in these areas, and is expected to provide vehicles and human resources for anti-poaching activities.

District governments are involved in an advisory role through a conservation advisory committee for the WMA. The District in collaboration with the WD also plays a role in coordinating anti-poaching activities.

Non-governmental organizations (NGOs) such as AWF and WWF facilitate the process, and play a role in building human and technical capacities for conservation in areas such as resource management planning. They also contribute funds to enable the process of WMA establishment of the WMA and CBOs.

c. The Government-initiated agreement
In the Government initiated case, agreements are made between the central government and a tourism hunting company. The tour operator makes payment for the use of a hunting concession directly to central authorities, and a portion of the revenues is delivered to the district government. Some of these funds are intended for local development purposes, but amounts received by villages have been reported to be small. The district is expected to assist in anti-poaching, in collaboration with game rangers from the relevant National Park authority.

5.8 Research Design and Case selection

In this study we investigate for different types of partnerships to what extent the conditions for upgrading have been shaped for local private sector development (see figure 5.1: conceptual framework).

**Figure 5.1: Conceptual framework**

- Access to capital
- Access to technology
- Access to markets
- Access to infrastructure
- Access to land rights

BCP Model
- Business initiated
- NGO initiated
- Government initiated

Local private sector development
An explanatory multiple-case study design (Yin, 2003) is used to study the relevance of community business partnerships in contributing to local private sector development. This is in line with the research objective of contributing to the value chain literature on upgrading aspects at the local level. Purposive sampling is used in order to isolate the community members in the business community partnership models and to extend relationships and logic among constructs in the study (Eisenhardt and Graebner, 2007), allow replication (Eisenhardt, 1991), enrich cross-region comparison, create more robust theory to augment external validity, guard against researcher bias, add confidence to findings (Miles and Hubberman, 1994) and to provide a stronger base for theory building (Yin, 2003).

The performance of business-community partnership in relation to sustainable local development will be assessed by comparing the three BCP models with each other. Opinion based semi-structured interviews were conducted with the key-stakeholders. The unit of analysis is the business-community partnership.

All selected cases are focusing on sustainable tourism development and particularly on local private sector development as a result of tourism activities. In order to assess the performance of the BCP models in the tourism sector in Northern Tanzania the study initially focused on the NGO-initiated BCP models. All the NGO-initiated BCP models which are in existence for more than three years were considered. In total there are three NGO-initiated partnerships in Northern Tanzania, which are in existence for three years or more, which are operating in three different districts. It has been decided to assess all three NGO-initiated BCP models. In order to compare the performance of the NGO-initiated BCP model the study looked also at the business-initiated BCP models and the government-initiated BCP models. Communities are officially not involved in these partnerships. The business-initiated partnership is characterized by the fact that it is a partnership of one business with one village. The involved village often leases the land to the involved business. Both conservation and economic development objectives are equally important in these partnerships. The NGO-initiated BCP models are characterized by the fact that more than one village is involved in the partnership as conservation is the main driver for these partnerships and conservation is best done over a larger area with results in a partnership between a business
and often 3 to 10 villages. Studying the cases in the three districts provides a means of comparison and an opportunity to identify factors that influence the performance of partnerships which have not previously been considered in empirical studies for the region.

The identified districts are Longido bordering west Kilimanjaro and covering a corridor area linking Kilimanjaro National Park with Amboseli National Park in Kenya. The second district is Babati, located around Tarangire National Park in Tanzania and the third district is the, Serengeti district in Mara region bordering Serengeti National Park.

5.9 Data collection

Based on the conceptual framework outlined above, the data required was related to information on the type of business-community partnerships existing in the villages and the extent to which the partnership provided conditions for upgrading in the tourism value chain. Data was collected using semi-structured in-depth interviews with 62 different actors involved in business-community partnerships. Purposive sampling was done to ensure that all stakeholder groups i.e. value chain actors and facilitators are fairly represented. Stakeholders interviewed include the investor (tour operator), members of the village government council, village members, district government representatives, NGO representatives, and central government representatives in order to gain their perspectives on the tourism ventures under study. Visits to the research sites further facilitated access to information on the ventures as they allowed access to visual evidence of the outcomes of the partnership, and getting the perspectives of the different stakeholders.

Respondents were always willing to participate and share information. However, language barriers and the difficulty of explaining concepts to individuals living in the margins of society implied that information documented was often from the elite members of the community e.g. village leaders, community based organization leaders, leaders of producer groups, wildlife authorities in the district and central government as well as some NGO officials. Perspectives from the poorest community members were therefore not always easy to obtain.
Results collected from the interviews are presented in a table showing the performance of each partnership case relative to each other in terms of improving conditions for upgrading. Rankings were made based on stakeholder perceptions of the level of improving conditions for upgrading. For each partnership case a ranking of HIGH, MEDIUM or LOW was given for all the variables tested according to the respondents’ opinion/perception of the partnership’s performance, and on the basis of the researcher’s assessment of the performance of each partnership case relative to the performance of other cases studied.

5.10 The performance of BCPs in improving value chain upgrading for local businesses

An assessment was made of the contribution of the partnership cases in providing conditions for local business upgrading. Specifically, an assessment was made of the partnership’s contribution to enable local enterprises to access capital, markets, knowledge / skills, infrastructure and land-use rights. Table 5.1 shows the findings from the study.
<table>
<thead>
<tr>
<th>Access to capital</th>
<th>Mode I (Bus.-init.)</th>
<th>Mode II (NGO-init.)</th>
<th>Mode III (Gov-init.)</th>
<th>Mode I (Bus.-init.)</th>
<th>Mode II (NGO-init.)</th>
<th>Mode III (Gov-init.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>LONGIDO District</td>
<td>Med</td>
<td>Low</td>
<td>Low</td>
<td>Med</td>
<td>Low</td>
<td>Med</td>
</tr>
<tr>
<td>BABATI District</td>
<td>Med</td>
<td>Low</td>
<td>Low</td>
<td>Med</td>
<td>Med</td>
<td>Med</td>
</tr>
<tr>
<td>SERENGETI District</td>
<td>Med</td>
<td>Low</td>
<td>Low</td>
<td>Med</td>
<td>Med</td>
<td>Med</td>
</tr>
<tr>
<td>Access to knowledge / skills</td>
<td>Low/ Med</td>
<td>Low</td>
<td>Low</td>
<td>Low</td>
<td>Non e</td>
<td>Low</td>
</tr>
<tr>
<td>Access to land rights</td>
<td>Low</td>
<td>Med</td>
<td>Low</td>
<td>Med</td>
<td>Low</td>
<td>Med</td>
</tr>
</tbody>
</table>

*Table 5.1 Conditions for local business upgrading*

Table 1 shows the performance of each partnership case in providing conditions for value chain upgrading. Table 5.2 provides the key to table 5.1.
### Table 5.2 Key for table 5.1

<table>
<thead>
<tr>
<th>Access to capital</th>
<th>Low</th>
<th>Medium</th>
<th>High</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>through credit facilities or increased savings to less than 3</td>
<td>through credit facilities or increased savings to 3 - 9</td>
<td>through credit facilities or increased savings to more than 9</td>
</tr>
<tr>
<td></td>
<td>individuals / enterprises investing in enterprises</td>
<td>individuals / enterprises investing in enterprises</td>
<td>individuals / enterprises investing in enterprises</td>
</tr>
<tr>
<td>Access to markets</td>
<td>was enabled for less than 3 individuals focusing on enterprise</td>
<td>was enabled for 3 – 9 individuals focusing on enterprise</td>
<td>was enabled for more than 9 individuals focusing on enterprise</td>
</tr>
<tr>
<td></td>
<td>development in the community</td>
<td>development in the community</td>
<td>development in the community</td>
</tr>
<tr>
<td>Access to knowledge/skills</td>
<td>access to training / new business knowledge was enabled for less</td>
<td>access to training / new business knowledge was enabled for 3 – 9</td>
<td>access to training / new business knowledge was enabled for more than</td>
</tr>
<tr>
<td></td>
<td>than 3 individuals / enterprises in the community focusing on</td>
<td>individuals / enterprises in the community focusing on enterprise</td>
<td>9 individuals / enterprises in the community focusing on enterprise</td>
</tr>
<tr>
<td></td>
<td>enterprise development</td>
<td>development</td>
<td>development</td>
</tr>
<tr>
<td>Access to infrastructure</td>
<td>hardly no access to roads or other structures e.g. water wells and</td>
<td>access was enabled to a classroom or a better road to the village</td>
<td>access was enabled to a classroom, a road and other structures e.g.</td>
</tr>
<tr>
<td></td>
<td>pipes was enabled by the partnership</td>
<td></td>
<td>village office, a water well and pipes, a telephone network</td>
</tr>
<tr>
<td>Access to land rights</td>
<td>use was enabled by the partnership to less than two businesses</td>
<td>use was enabled to 2 - 3 businesses</td>
<td>use was enabled to the community and to two businesses or more</td>
</tr>
</tbody>
</table>

5.11 Analysis

We will now summarize the evidence of the partnership case studies in providing possible upgrading effects for local private sector development. **Access to capital** by local entrepreneurs in terms of access to bank loans is in all the studied cases absent. However, some substantial savings were made in the business-initiated partnership cases with the community. Capital provided to the communities in all three business initiated cases in the form of money payments per tourist bed nights often amounted to US$50,000 to 90,000 per year (Serengeti District), excluding donations from philanthropic tourists. As these communities had no direct access to banks the partnership agreement provided them with capital which could be used for value chain upgrading. The less investment of the tourism business is involved the more chance there is for new entrepreneurs to enter the market as well. For example the business-initiated partnership case in Longido shows that links were established with local businesses in terms of the establishment of more guesthouses run
by different entrepreneurs as the main entrepreneur had not the means to build more luxury accommodations themselves. In the business-initiated partnership case in Serengeti, access to capital was also relatively high due to a good number of people being employed in tourism. Savings by those employed was converted into capital allowing some local people to start small businesses through informal loans. It was reported that the number of small business had doubled over the past ten years as a result of local spending by people employed by tourism businesses in the village\textsuperscript{17}. These partnership agreements provided means to obtain access to capital which led to a stage of Medium. In all the other cases access to capital was low. The reason for low capital transfers is that the NGO-initiated partnerships involved 3-10 communities providing little earning per community while in the business-initiated partnerships the earnings had not to be shared with other communities. The government initiated partnerships did not involve communities much, except for the case in the Serengeti, leaving also in these cases the community with no access to capital.

Access to capital is of crucial importance for local private sector development. Partnerships can be an instrument in transferring some money into the local markets. However if the money provided by the tourism business has to be divided over many communities the capital becomes too little to make any significant impact. Although the business-initiated partnerships improved access to savings it did not provide for an access to credit nor that links with banks or micro finance institutions were established.

\begin{flushleft}
Access to markets remains a difficult issue and is related to access to capital and access to knowledge. Access to markets is in this context defined as getting tourist to buy local products or services. In general, the higher the investments the higher value can be created. Having knowledge over what the tourist wants gives tourism investors an added advantage over local investors who often lack this knowledge and in addition often lack the capital for investment. A first entry level to this tourism market can be created by having tourist buying handicraft directly at the community. The second entry level would be the sourcing by the tourism investor of buying locally vegetables, meat and construction material. Higher up on the value chain ladder is the
\end{flushleft}

\textsuperscript{17} Robanda Village chairman (Serengeti district), pers. communication
catering as a restaurant or hotel for the tourism sector and in a way starting to compete directly with the more experienced often foreign tourism investor.

In the researched cases, the access to markets was often related to the first level of entering the tourism market or not related at all. All government initiated partnerships showed that no community or entrepreneur was entering the tourism market yet. When we observed the business-initiated BC partnership and the NGO-initiated BC partnership we found that both do provide a first or second level entry to the tourism market and in one case in the business initiated case in Longido we saw even one entrepreneur developed a small guesthouse. A good example of a second access to market entry level is provided by the Business-initiated partnership in the Serengeti where the tourism investor encourage local sourcing of vegetables, dairy and meat for their staff and sometimes for their clients as well. Also in the business – initiated case in Longido the tourism investor encouraged tourist of buying local made handicrafts.

It can be concluded that Business or NGO initiated partnerships do provide a linkage to the tourism markets already through the nature of the agreement which is a direct agreement in these two partnership-models. However, these linkages were more intensive in the Business initiated partnership than in the NGO – initiated partnership as the linkage between the mainstream business and the one community was more direct and intensive than in the NGO-initiated partnerships were there relations of the mainstream business had to be shared with sometimes 10 communities such as in Longido. However, knowledge alone is not sufficient for communities to understand the market. Knowledge and capital are equally important. We found therefore that business initiated partnerships provided the best entrance to the tourism market as also in the case of access to capital and to a certain extent the access to knowledge scored higher than the other partnership cases.

Some of the business-initiated partnership cases were able to facilitate access to knowledge or skills necessary to establish a tourism related venture. However, this never exceeded entrepreneurship training to more than three enterprises. The partnerships did provide a framework for linkages. In Longido district for example a good level of linkage between the mainstream
tourism business and the local businesses exists. Meetings between the community and the mainstream tourism business were done on a twice monthly basis and the mainstream business actively tried to involve the community and contacts with the tourist were high. Some training was provided by the mainstream business. With such linkages and knowledge local businesses came into contact with tourists and saw what tourists demanded, and looked for ways to supply these products. The same was observed in the business-initiated partnership case in Serengeti, there was also a good level of contact with tourists. However, to translate this interaction in business development knowledge leading to new ventures remained very difficult. Only very few businesses were finally established.

In the NGO-initiated partnership cases there were fewer contacts between the mainstream business and the community. However, opportunities for training and acquisition of skills were made possible by having community staff working in the business. Particularly in the management, administration areas and in conservation areas there was some form of training. In this partnership model each village was required to engage village game scouts to monitor the environment, and a handful of these would receive training for the job using funds obtained from tourism activities. In Longido, an accountant and a manager were undergoing training in order to take on tasks in the management of their Community Based Organisation (CBO) which is responsible for the management of the NGO-initiated partnerships. However, the training was not business oriented and did not result in the development of more enterprises in the community.

In the Government initiated partnership case transfers of knowledge and skills in tourism were low often due to a low level of employment, and exposure to tourism per village because of the low numbers of hunting tourists in general. An exception was seen in the Serengeti case, where the company placed a strong emphasis on local hiring, and had a clear training and career advancement policy. This system enabled the workers to learn and apply new skills quickly.

In general the business-initiated partnerships showed the highest level of linking and provided often for training on the job for staff working in management or conservation jobs. However, very
little training was provided on entrepreneurship, and on establishing local businesses catering for the larger tourism value chain.

In most partnership models and cases access to infrastructure was made possible because of tourism activities in the area. In the business-initiated cases access to infrastructure was enabled through land-lease and/or tourist bed-night payments from the tourism investor to the village, which allowed the village to develop infrastructure such as classrooms for a school, or a village office as was the case in Longido district. In the NGO-initiated partnership case in Serengeti the business had dug 54 water wells in the surrounding villages. Some access to infrastructure was enabled even in Government initiated partnerships, as central authorities required the tourism investor to invest a minimum of 1000 USD onto the hunting concession, which usually went into building and maintaining of roads. In the Government initiated partnership case in Babati, it was observed that the tourism business, which had its lodge located in a remote area constructed a local road, which resulted in the community benefiting as well. In some cases, e.g. Babati and Serengeti, the communities benefited from tourism more generally because of their location near internationally famous National Parks, which ensured that the quality of roads leading to them was of a fairly good standard.

Access to infrastructure improved due to the partnership agreements although it can be concluded that the more tourist entering the area the more attention is being given by the government to improve infrastructure but also the more chance communities have in receiving philanthropic aid from well doing tourist. Partnerships itself are not the main instrument in creating better access to infrastructure although it is a good tool to air needs which can be turned into better roads, or the satisfaction of other priorities within the community.

Tourism partnerships have also generally improved access to land rights in rural areas. Especially in the NGO-initiated agreements the partnership regulations stipulated that each village obtains a land title deed before it was allowed to invite tourism investors to their village under the WMA agreement. This pushed the villages to obtain a title which formalized the ownership rights to their

18 Community relations coordinator of the company, pers. communication
land and a first step to individual ownership. However, the further distribution of official registered village land to individual families is not yet done. In the business – initiated partnerships access to land rights was less an issue of importance in the sense that partnership agreements were signed without clearly having official land right what made the legal rights of the communities weaker. In the Government initiated partnership case no such regulations were in place at all. Moreover, because the tourism business received the permit to use an area of the village land for hunting through central authorities, the village had effectively less say over uses of their land; hence the community’s access to land rights was low.

Access to land rights for the rural population is in times when land is becoming scarce an important issue in the many countries in Africa. Partnerships are clearly a stimulus for the local community in obtaining land rights, but not for more individual families. From the point of view of the partnering business, the NGO initiated BCP allowed the business user rights to a section of village land for tourism purposes. These agreements were crucial in order for the business to be established and operate.

5.12 Conclusions

These cases highlight the importance of building positive relations between communities and businesses, and the need to ensure that both parties see the benefits of tourism. Conservation of wildlife resources is only possible when villagers see tourism as a real and viable economic opportunity. If wildlife does not generate benefits, or the benefits do not reach the rural population, people are unlikely to conserve nature and wildlife (Arntzen, 2003).

Business-Community Partnerships should enable local businesses to overcome obstacles to integration in global value chains by providing conditions for upgrading by improving access to capital, knowledge / skills, markets, infrastructure or land. This study reveals that partnerships provide conditions for local enterprises to upgrade their activities. Business-initiated partnership cases especially, showed moderate success in areas such as allowing the local community access to
the tourist market, access to financial resources and access to infrastructure and access to land rights. In Longido district, some local businesses experienced upgrading. For example, through the support of a local NGO a business venture was established for local women to start to produce jewelry of a standard that could be sold to tourists and also a local guest houses was pushed to improve their standard of service in order to cater to tourists – however, more training and support was required in this area as the standard was still not reaching international levels.

The Government initiated partnership case in Longido and Babati districts had no effect in terms of product upgrading. One of the reasons was the absence of formal and often informal contact between the company and the community, as this was not required in the contract between the company and central government. These cases however, did show some transfers of skills or access to markets were a result of the voluntary initiatives of the company, which started these relations on the basis of strong company ethos on social responsibility.

The NGO-initiated partnership cases provided access to land rights as this was a requirement prior to the village entering the partnership. These partnerships were also contributing towards wildlife management in the villages, which will ensure access to the tourist market in the future, if wildlife numbers are maintained as a result of this partnership in these areas.

All partnership cases showed a moderate contribution to local infrastructure development – from physical infrastructure such as roads, to social infrastructure such as classrooms for schools, village office buildings, and clinics. These improvements were seen even in government initiated partnerships as the investors in hunting tourism companies were required by central authorities to put some investment – of a minimum of 1000 USD per season within their hunting concession, which was used in areas such as maintaining roads.

A noticeable gap for all partnership cases was in enabling access to knowledge on enterprise development. None of the partnerships studied, provided entrepreneurship skills to the community. In addition, none of the partnerships provided facilities to access to capital in a direct way, and in the cases where some access was facilitated it was through a high level of local employment or
high cash transfers because of a high number of tourists providing for a sizeable amount of bed-night fees.

It was observed that in cases which were more successful in providing conditions for upgrading, the tourism investor had put in an extra investment to support local enterprises. Examples of such cases were seen in the Longido business-initiated partnership case where the investor actively encouraged their clients to buy local products and in the Serengeti NGO-initiated case where the lodge encouraged the local association to sell more of their produce to the lodge. Hence a conclusion here is that in order for the partnership to be effective in contributing to local value chain upgrading an extra investment of finances, resources and entrepreneurship skills is required, which may be provided by the investor or by government.

In all partnership cases studied there is a gap, and an opportunity for government – both central and local, to become more actively involved in providing enabling conditions and support that would make it possible for local enterprises to benefit from the presence of an investor linked to international markets in their village. Such support could be in the form of establishing local lending facilities, training and information centers, small business development workshops – all of which would quicken the pace at which local entrepreneurs link together with the globally linked companies.

As discussed, some instances of upgrading were observed as the result of these local partnerships. More support is needed from the Tanzanian government and from globally-linked investors, and perhaps also from NGOs in order to see other types of upgrading take place. If local entrepreneurs acquire new business and tourism-related skills, and are able to acquire new functions within the global tourism value chain, which they currently are not able to fully access, more benefits would be passed on to local communities from tourism. Opportunities for local people to become more directly involved in tourism activities and to start their own accommodation or tourism operations remain untapped if the local people do not acquire capacities to do so.
Overall it can be concluded that the higher the level of engagement in the sense of formal or informal contacts the more chance there is for local private sector development to be linked to the global tourism market. BCP’s stimulate this engagement. From a local private sector development point of view it is therefore important not to have too many communities being involved in the partnership as this might resolve in evaporation of the required inputs for local private sector development as skills, resources and finances are scare anyhow. However, engagement alone is not enough also the transfer of entrepreneurship knowledge and a provision of access to formal networks for capital are required in future designs of partnerships stimulating local businesses.
Chapter 6. The relation between conservation and local economic development.

This chapter is an adjusted version of a published article in the annals of tourism research, forthcoming: De Boer, D.P. and Van Dijk, M.P. Are conservation and local economic development aligned? The experience with Business – community wildlife-tourism agreements in Northern Tanzania.

6.1 Introduction

African countries are performing relative good since 2000 and Tanzania has sustained economic growth of about six percent per year over the last decade (AfDB, 2012). The population in
Tanzania has doubled over the last 20 years, while the number of wildlife such as elephant and lion declined substantially over the last 20 years (Brandt & Dyer, 2011). The issue is to what extent these developments also affect local communities. One instrument of bringing about local economic development (LED), Business-Community Agreements, will be studied to find out which factors determine the success of such initiatives to develop sustainable tourism in Tanzania's rural areas.

Helmsing (2003) pointed to the 'new generation of actors' that influences local economic development and Rylance (2008) indicated a number of factors which determine the success of such agreements. In our theoretical section we will review the literature on local development and link it to the agreement literature. In the methodological section an operationalization of the success factors will be suggested and in the analysis we will not only relate to the contribution of these factors to the success of the undertaking, but also to the issue of sustainability. To what extent do these Business-Community Agreements contribute to local development as well as to conservation?

Important is the trade-off of local economic development versus conservation. In this chapter we will reflect on this issue. Does local economic development in wildlife areas have a negative impact on conservation? Or is it the other way round and has conservation a negative impact on local economic development? And are business-community agreements an instrument to bring these two aspects together? Conservation aspects and commercial efforts in the area of wild-life tourism are of importance and do relate to each other. Without the conservation of wildlife in the existing ecosystem there will be no nature based tourism. However, population pressure in these areas, environmental challenges as well as the willingness to become more commercially oriented cause frictions. The challenges include decline of natural wildlife levels, loss of biological diversity, and pollution of the off-farm ecosystem in terms of overgrazing of cattle. On the commercial side also many challenges arise as the private sector environment is in many places poorly developed (URT, 2002). The challenge is to increase local economic development without jeopardising conservation and the tourism business itself. In Tanzania, communities and businesses sign agreements in the framework of Public Private Partnerships, often involving district governments as well as the national government and Non Governmental Organizations...
(NGOs). What are the results of these different agreements in relation to local socio-economic development and conservation?

Only a small number of policy instruments stimulating local community business development have been employed by African Governments. So the knowledge of what works and what doesn't work in terms of local development in the tourism conservation context remains very poor. This is unfortunate as the tourism sector is in dire need of successful policy instruments. The central question will be: *under which conditions do business community agreements optimize sustainable local development both from a local-economic development and from a conservation point of view?* This study draws on nine selected case studies which all focus on achieving sustainable local development. There are three agreement models practiced in Tanzania: Business (tourism) initiated community agreements, NGO initiated-community agreements and National government initiated community agreements.

6.2 Tourism in Africa

According to World Tourism Organization (2012), tourism is for many African countries one of the most important economic sectors. It’s expected that around 50 million people will spend their holidays in Africa in 2012. That’s a mere 4% of all international travel, but this low figure does not reflect the huge role tourism plays in many African economies. One out of every 14 jobs in Africa is in the tourism industry (World Travel and Tourism Council, 2012). According to the World Bank (2011), tourist arrivals in Africa were growing at 6.6% in 2010 compared to 2009. The tourism industry brings benefits. The government in Rwanda has managed for example to turn its 200 mountain gorillas into a US$ 200 million industry a year. The gorilla tourism industry has helped to build schools, road, hospitals, and secured jobs and conserves the gorilla habitat (Nielsen & Spenceley, 2010).

Despite being one of the most important economic sectors in terms of importance for the GDP for many countries in Africa, the impact of tourism on improving rural livelihoods is not adequately
implemented and analysed. It is argued that the link between tourism and the improvement of rural livelihoods is complex, and requires further debate. Research in this area is lagging behind (Rogerson, 2006; Hall, 2007; Simpson, 2008). In this light, the focus on pro-poor tourism is of importance. Especially in Africa Tourism has the potential to contribute to pro-poor tourism. Tourism offers a wide scope for participation in the informal sector. According to Spenceley (2003), pro-poor tourism (PPT) is defined as tourism that generates net benefits for the poor. It enhances the linkages between tourism businesses and poor people; so that tourism's contribution to poverty reduction is increased and poor people are able to participate more effectively in product development (Ashley et al. 2001). It is interesting to see that in Ghana, Akyeampong (2011) found that community members gained more from associated interventions such as souvenir shops, local restaurants than from tourism itself.

6.2.1 Tourism arrangements in Tanzania

Recently some districts and villages in Tanzania have benefited from tourism by developing collaborative arrangements with tour companies. Tourism companies choose to locate their lodges outside official National Parks in Game Controlled Areas (GCAs), Protected Areas (PAs) or Wildlife Management Areas (WMAs) which also have communities living in them. These locations are usually cheaper for both the tourist and the tour company, and tourists can enjoy exclusive game viewing far from the congestion that is to be found within the National Parks. Moreover, tourists have an opportunity to experience the culture of communities living there. Villages allow tour companies to use an area of communal land for tourism activities and receive economic and social benefits for the village members. In turn, the villagers have the responsibility of looking after the environment and the wildlife by limiting activities such as cultivation, livestock grazing, tree cutting and illegal hunting within the wildlife areas located in their village land (villages are the basic unit of local governance and administration in Tanzania). In exchange, communities receive compensation from the tour companies, ranging from US$ 10,000 to 200,000 per year, which village governments often use for building schools, clinics, and providing other facilities and social services in the village (Nelson, 2008). These kinds of agreements are currently widely practiced in areas such as Longido, Babati, Simanjiro, Karatu and Serengeti Districts within
Northern Tanzania. These activities provide a new source of communal income as well as a source of employment and a limited market for local goods.

Overall these cases highlight the importance of ensuring that positive relations are established between business and communities, and that both parties benefit from investment in tourism. Conservation of wildlife resources is only possible when villagers see tourism as a real and viable economic opportunity. If wildlife does not generate benefits or the benefits do not reach the rural population (for example due to a skewed distribution of the direct use value), people are unlikely to appreciate and conserve it (Arntzen, 2003).

6.3 Relations between local economic development and conservation
6.3.1 Tourism trade-offs
A number of trade-offs of tourism development in relation to local economic development and conservation can be identified (table 6.1). To analyse the trade-offs we use the model of Kolk & Pinkse (2011). A first trade off is the fact that a focus on local economic development could have a negative impact on conservation as livestock keeping or agricultural production could be more beneficial. In other words the struggle for life pushes people in the direction of keeping livestock possibly in areas habituated by wildlife. Livestock is pushing wildlife out of the area and as a result has a negative impact on conservation. Vice versa, more conservation efforts might be a problem for people keeping livestock. Where should they go if all land is being used for conservation purpose, which does not allow for livestock to roam around?

The second trade-off concerns the question how can we mainstream local economic developmental aspects in conservation development? Or should it be the other way round and should all conservation efforts contribute to local development? Should these topics be mainstreamed within curricula taught at universities in developing countries? Both conservation and local economic development are issues on its own but within the conservation literature, local economic development is slowly gaining ground (Arntzen, 2003). Mainstreaming conservation within local economic development can go at the expense of conservation as the priority will be with local...
economic development, i.e. with commercial aspects and less with environmental related issues. For example slash and burn practices can have a serious effect on conservation efforts (Pawliczek & Mehta, 2008). The other way round – integration of local economic development within conservation – can go at the expense of other aspects of local economic development such as the development of entrepreneurship skills and could therefore hamper local economic development (Mbaiwa, 2008).

Two other trade-offs are important as well: efficiency versus effectiveness and long term versus short term. Linking conservation with local economic development creates a win-win situation which will reduce cost and will create winners among a selected number of communities and as such will go at the expense of the majority of communities. Only a few communities can be assisted in this win-win approach (efficiency). This will go at the expense of other communities and conservation efforts in other areas and as such has an impact on effectiveness and on long term development goals. However, if the effectiveness of conservation gets priority, more communities will be engaged but often too many and as such the attention for local economic development and benefit per community member becomes so little that there is hardly any local economic development noticeable (de Boer et al., 2011, 2012b). And last but not least, communities are looking for short terms gains to pay for schooling, health and other consumptive and investment needs. These might all be provided by local economic development for example in terms of herding cattle also on potential conservation grounds while conservation is in need of long-lasting protection and conservation with a view on future generations.

<table>
<thead>
<tr>
<th>Local economic development</th>
<th>Conservation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eradicate poverty (social economic impact)</td>
<td>Prevent conservation (Environmental impact)</td>
</tr>
<tr>
<td>Integrate conservation into local economic development (mainstreaming)</td>
<td>Integrate local economic development into conservation (development dividend)</td>
</tr>
<tr>
<td>Win-Win (efficiency)</td>
<td>Sustainable development benefits (effectiveness)</td>
</tr>
<tr>
<td>Intra-generational equity (short term)</td>
<td>Intergenerational equity (Long term)</td>
</tr>
</tbody>
</table>

Table 6.1 The trade offs of local economic development and conservation
6.3.2 Local Economic Development

LED can be defined as a process in which agreements between local governments, community based groups and the private sector are established to manage existing resources to create jobs and stimulate the economy of a well defined territory (Helmsing, 2001). According to Nel & Humphrys (1999), LED can be defined as a process in which locally based individuals or organizations use resources to modify or expand local economic activity to the benefit of the majority of the community. It should be clear that local economic development can be framed by national policy but can by no means be solely depend on national policies alone. Theoretically this is highlighted by the attention on clustering whereby next to government support interconnected companies, specialized suppliers, service providers, and associated institutions in a particular field and geographical area are addressed (Porter, 1998). There are a variety of actors playing a role in local economic development. According to Helmsing (2003) we can list the following actors: governments (national, regional), Community Based Organizations (CBOs) often linked to NGOs, and Private enterprises. These actors play an important role in the tourism community agreements researched.

According to Rogerson (1995) there are three strategies to bring local economic development: (a) attempts to encourage inward investment, (b) a small firm industrial district model and (c) local level economic initiatives and survival strategies. Helmsing (2000) distinguishes three categories of local economic development: (a) community based economic development, (b) enterprise and business development and (c) locality development. In this study we will address community based economic development as locality development. Enterprise development is more urban in nature. Community based economic development focuses on the rural country side and according to Blakely (1994) community-based economic development include the following aims: (a) to stimulate a sense of community, (b) to promote self-help and empowerment, (c) to contribute to the generation of (self) employment; (d) to improve living and working conditions in settlements; and (e) to create public and community services. However, general policy prescriptions cannot be provided as the context per country differs tremendously. A focus on one region and one sector is therefore more appropriate.
Wildlife in many communities in Northern Tanzania is an important resource in relation to tourism for local communities. In order to integrate local communities to supply products to the tourism sector, there is a need to attune demand, supply and market intervention to each other (Ashley & Haysom, 2008). Some initiatives have failed because they focused either on supply by working with farmers, or on demand, by working with chiefs but not on both together (Torres 2003). To enhance employment and business gains from the tourism chain, intervention is required on the supply-side, such as creating a positive business environment. Intervention is also required on the demand-side – e.g. in stimulating hotels to buy locally.

Some scholars assessed the linkage between conservation and local economic development. Walpole et al, (2000) argue that revenue generation for the local communities is negatively influenced by the lack of capital, the lack of skills and the absence of having a linkage with the traditional production sectors of the economy. Jones & Munday (2001) argue that the link between conservation and local economic development needs “rigorous consultation and information-dissemination procedures and the involvement of existing business in development and operation”.

According to Rogerson & Rogerson (2010), there is much more research available for South Africa than for the other Sub-Saharan African countries on LED. In Sub-Saharan Africa, (Rodriquez – Pose & Tijmstra (2007), indicate that the likelihood of success depends mostly on place-specific conditions: ‘Less favorable resource endowments, poor accessibility, and relatively weak civil societies can undermine the viability of LED outside the wealthier and most prosperous areas’. But LED as an alternative development approach is taking root in much of Africa and this study contributes in that respect to this debate.

6.3.3 Business Community Agreements for conservation and Local Economic Development

Business-Community Agreements are expected to contribute to Local Economic Development and Conservation (Loza, 2004) but when are these agreements successful? Agreements for
conservation or environmental agreements are those most likely to be successful in achieving both economic and environmental goals (Gunningham, 2007). Trends in environment and natural resources policy in developing countries show that there is little emphasis on control-oriented policies, with exclusive reliance on centralized regulation and prescriptive policies towards a broader array of incentives, including market-based regulation. A second trend is increased participation of resource users in policy decisions and resource management, reflected in devolved agreements that share environment and natural resource responsibilities between central and local levels (Brinkerhoff et al., 2007). Gunnigham notes that a high coincidence between public and private profit is an important aspect of a successful environmental agreement (Gunningham, 2007).

Scale is also important, developing agreements on a limited scale - relating to a single business enterprise will be far less challenging than doing so on a regional or national level. Multi-party agreements and those on a larger scale will typically give rise to free-riding, rather than simple and small-scale agreements (Gunningham, 2007).

An interesting model to take into consideration is the Community-Based Natural Resource Management Programme (CBNRM). The model is used throughout various parts of South Africa. The programme delegates their rights on the use and management of natural resources to the communities (Mbaiwa et al., 2011). The model is based on the common property theory that states that the degradation of resources can be overcome by granting rights to the use of natural resources to the communities (Mbaiwa et al., 2011). This study examines to what extent the NGO initiated agreement model fits into this CNNR model and to what extent it is different. Therefore the focus is on comparing the success of conservation agreements by assessing a business initiated agreement model involving business and communities, a NGO initiated model involving, NGOs, business, government and communities and a government initiated model involving government, business and communities.
6.4 Research framework
6.4.1 The impact of local economic development
The impact of local economic development is identified by Ashley & Elliott (2003) and analyzed by Spenceley (2008). It includes financial activities consisting of waged jobs, sales of goods and services and shares of collective income and non-financial activities such as improved access to infrastructure, communications, water supply, health, education, security services and transportation services. In this study, improved practices in conservation will also be considered, since the sustainability of any local economic venture based on tourism depends on the continued presence of wildlife over time (Tsaur, Lin & Lin, 2006). Therefore a third factor, conservation impacts will also be measured. We also take into account the by Ashley & Elliott (2003) introduced factors of empowerment impact and opportunities for institutional development. These will be examined from the point of view of improving institutions specifically to achieve conservation outcomes.

The three factors above mentioned embrace Elkington’s (1997) ‘triple bottom line’/ sustainability approach looking at development from a social, environmental and economical point of view with three objectives: to create longer term economic or business impact (Profit through financial and non-financial impact), to advance the less favoured groups in society or in the world (People-the community) and to nourish the environment (Planet-conservation). From these observations the following proposition is put forward. Business-Community Agreements enable local development if they generate income, improve access to the social and physical infrastructure and promote conservation efforts in the community.

6.4.2 Three different agreement models analyzed in Tanzania
Three types of business-community agreements are studied: Business-initiated agreements, NGO-initiated agreements and Government-initiated agreements.

a. Business-initiated Agreements
In this model the tour operator proposes to a community that an area of land is provided for tourism activities and in return the community receives compensation in the form of a leasing fee and/or an agreed upon fee per tourist bed night. The community is responsible for ensuring that the visiting tourists and their property are safe and that no activities are carried out that are harmful to the environment and incompatible with tourism activities, e.g. tree-cutting, cultivation and livestock grazing. These agreements typically involve a private sector investor and a village government, with village members being the direct beneficiaries of the agreement.

b. NGO-initiated Agreements

Wildlife Management Areas (WMAs) are considered under this category of agreements. WMAs were initiated and continue to be facilitated by international non-governmental organizations concerned with wildlife conservation, specifically World Wildlife Fund (WWF), and African Wildlife Fund (AWF). The agreements typically involve a private sector investor, central and local governments, the village members as beneficiaries, as well as a civil society organization as follows:

Tour operators reach an agreement with the Community Based Organization (CBO) of a WMA to use a portion of land to set up a tented lodge for tourists. They invest in physical property, and are involved in promoting the area for tourism activities. They offer compensation to villages, usually based on a bed night fee.

Villages voluntarily enter into WMA agreements and form a CBO. Sections of land are contributed by member villages of the CBO for wildlife conservation purposes. Cultivation, herding and residential housing are prohibited in these areas. The CBO in return receives a share of revenues obtained from tourism activities carried out within their area.

The central government, or the Tanzania Ministry of Natural Resources and Tourism through the Wildlife Division drafts regulations that monitor tourism activities which are carried out outside of National Park areas. It is also this agency which collects revenues generated from tourism in these areas. The Wildlife Division is generally responsible for the conservation of wildlife in these areas, and is expected to provide vehicles and human resources for anti-poaching activities.
District governments are involved in an advisory role through a conservation advisory committee for the WMA. The District in collaboration with the Wildlife Division also plays a role in coordinating anti-poaching activities and finally Non-governmental organizations (NGOs) such as the African Wildlife Fund and the World Wildlife Foundation facilitate the process, and play a role in building human and technical capacities for conservation in areas such as resource management planning. They also contribute funds to enable the process of WMA establishment of the WMA and CBOs.

c. The Government-initiated Agreement

Government-initiated agreements are reached between the central government and a tourism hunting company. The tour operator pays for the hunting concession directly to central authorities, but a portion of the revenues is delivered to the district government. Some of these funds are intended for local development purposes, but the amounts received by villages have been reported to be small. The district is expected to assist in anti-poaching, in collaboration with game rangers from the relevant National Park authority.
6.5 Research Design

6.5.1. The conceptual framework

In this study we investigate for different types of agreements to what extent the local economic development and conservation aspects are met (figure 6.1: conceptual framework).

The following sub-indicators are defined as measurement instruments in the conceptual framework:

a. Financial
   i) amount of income earned from the agreement by the community
   ii) level of local employment
   iii) level of local sourcing of goods / services

b. Non-financial, through contributions to improving schools, health centers, water supply, roads
c. Conservation

i) is there a land-use plan?,
ii) employment of village game scouts
iii) environmental education
iv) perceived changes in numbers of wildlife in the area

An explanatory multiple-case study design (Yin, 2003) is used to study the relevance of community business agreements in contributing to local economic development and conservation. Purposive sampling is used in order to identify the community members in the business community agreement models and to extend relationships and logic among constructs in the study (Eisenhardt & Graebner, 2007), allow replication (Eisenhardt, 1991), enrich cross-region comparison, create more robust theory to augment external validity, guard against researcher bias, add confidence to findings (Miles & Hubberman, 1994) and to provide a stronger base for theory building (Yin, 2003). The performance of business-community agreements in relation to local economic development and conservation will be assessed by comparing the three BCP models with each other. Likert scale semi-structured interviews were conducted with key-stakeholders being the company owners, the government relevant policy officers and the NGO managers.

6.5.2 The nine selected cases and the stakeholders

All selected cases are focusing on sustainable local development. In order to assess the performance of the BCP models in the tourism sector in Northern Tanzania the study initially focused on the NGO-initiated BCP models. All the NGO-initiated BCP models which are in existence for more than three years were considered. In total there are three NGO-initiated agreements in Northern Tanzania, which are in existence for three years or more, which are operating in three different districts. In order to compare the performance of the NGO-initiated BCP model the study looked also at the business-initiated BCP models and the government-initiated BCP models in these three districts. The business-initiated agreement is characterized by the fact that it is an agreement of one business with one village. The involved village often leases the land to the partner business. The conservation and economic development objectives are
equally important in these agreements. The NGO-initiated BCP models are characterized by the fact that more than one village is involved in the agreement as conservation is the main driver for these agreements and conservation is best done over a larger area with results in a agreement between a business and often three to ten villages. Studying the cases in the three districts provides a means of comparison and an opportunity to identify factors that influence the performance of agreements which have not previously been considered in empirical studies in the region. Government initiated agreements are characterized by the fact that these concern mainly hunting concessions between a tour operator and the government in which the operator is not obliged to deal with local communities.

The identified cases are located in three districts (see the map in annex 6.1) of which the majority of the population is Maasai. All three districts are located next to important natural resources, i.e. The Kilimanjaro, the Serengeti and Tarangire National Park. The first three cases are located in Longido district bordering west Kilimanjaro and covering a corridor area linking Kilimanjaro National Park with Amboseli National Park in Kenya. We examined nine villages within the NGO-initiated agreement, one (different) village for the business initiated agreement and one (different) village for the government initiated agreement.

The second district is Babati, located around Tarangire National Park in Tanzania. We examined 10 villages within the NGO-initiated agreement and one village for the business initiated agreement and one village for the government initiated agreement.

The third district is the, Serengeti district in Mara region bordering Serengeti National Park. We examined five villages belonging to the NGO initiated agreement and one village for the business initiated agreement and one for the government initiated agreement.

6.5.3 Data collection

Based on the conceptual framework outlined above, the data required for this study bear upon information on the type of business-community agreement existing in the villages and the extent to
which the agreement provided conditions for upgrading in the tourism value chain. Sixty-two different actors involved in business-community agreements were interviewed. For each case we selected the key-stakeholders. Stakeholders interviewed include the investor (tour operator), members of the village government council, village members, district government representatives, NGO representatives, and central government representatives in order to gain their perspectives on the tourism ventures under study. Visits to the research sites further facilitated access to information on the ventures as they allowed access to visual evidence of the outcomes of the agreement, and getting the perspectives of the different stakeholders. Rankings were made by the researcher team based on stakeholder’s opinion of the level of improving conditions for upgrading. For each agreement case a ranking of HIGH, MEDIUM or LOW was given for all the variables tested according to the respondents’ perception of the agreement’s performance, and on the basis of the researcher’s team assessment of the performance of each agreement case relative to the performance of other cases studied. Language barrier was not an issue as the research team spoke Swahili and English and these are languages used by the communities researched. Respondents were always willing to participate and share information. However, constraint included for example the difficulty of explaining concepts to individuals living in the margins of society. This implied that information documented was often coming from the elite members of the community e.g. village leaders, leaders of producer groups, wildlife authorities in the district and central government as well as some NGO officials. Perspectives from the poorest community members were therefore not always easy to obtain. Results collected from the interviews are presented in table 6.2 showing the performance of each agreement case relative to each other in terms of improving conditions for upgrading.

6.6 Findings

6.6.1 Impact of Business-Community Agreement on Local Economic Development and Conservation

The performance of each model in contributing to local economic development and conservation was assessed. Table 6.2 presents the findings. In the following some general conclusions are presented derived from this table. The impact on local economic development in all cases assessed
is classified as medium or low. *Business initiated agreements* on the whole brought higher financial benefits to villages as the contracts were on a one investor one village basis. In Babati district the income from tourism ranged from US$30,000 to US$ 50,000 for the village per year derived from the presence of one tourism investor. In the business-initiated case in Serengeti the company reported payments of between US$ 20,000 and US$ 30,000 per year to the village. In the Longido business-initiated case came to over US$12,000 from 1386 tourists to be shared between two villages (Longido Cultural Tourism Programme, CTP, 2009, personal communication 10 December 2010). In addition, local guides earned US$ 6000 and local farmers, medicine men and story tellers earned nearly US$ 7000 in the same year. Accommodation in home-stays brought nearly US$ 1000 to families in the village (Longido CTP, 2009).
<table>
<thead>
<tr>
<th>Model</th>
<th>LOW</th>
<th>MEDIUM</th>
<th>HIGH</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>LONGIDO District</strong></td>
<td>Med</td>
<td>Med</td>
<td>Low</td>
</tr>
<tr>
<td>Model I</td>
<td>Med</td>
<td>Med</td>
<td>Low</td>
</tr>
<tr>
<td>Model II</td>
<td>Med</td>
<td>Med</td>
<td>Low</td>
</tr>
<tr>
<td>Model III</td>
<td>Med</td>
<td>Med</td>
<td>Low</td>
</tr>
<tr>
<td><strong>BABATI District</strong></td>
<td>Med</td>
<td>Med</td>
<td>Low</td>
</tr>
<tr>
<td>Model I</td>
<td>Med</td>
<td>Med</td>
<td>Low</td>
</tr>
<tr>
<td>Model II</td>
<td>Med</td>
<td>Med</td>
<td>Low</td>
</tr>
<tr>
<td>Model III</td>
<td>Med</td>
<td>Med</td>
<td>Low</td>
</tr>
<tr>
<td><strong>SERENGETI District</strong></td>
<td>Med</td>
<td>Med</td>
<td>Low</td>
</tr>
<tr>
<td>Model I</td>
<td>Med</td>
<td>Med</td>
<td>Low</td>
</tr>
<tr>
<td>Model II</td>
<td>Med</td>
<td>Med</td>
<td>Low</td>
</tr>
<tr>
<td>Model III</td>
<td>Med</td>
<td>Med</td>
<td>Low</td>
</tr>
</tbody>
</table>

Table 6.2 Local economic development and conservation Outcomes

<table>
<thead>
<tr>
<th>Income</th>
<th>LOW</th>
<th>MEDIUM</th>
<th>HIGH</th>
</tr>
</thead>
<tbody>
<tr>
<td>US$ 3000 per year</td>
<td>Med</td>
<td>Med</td>
<td>Low</td>
</tr>
<tr>
<td>US$ 3000 – US$ 15 000 per year</td>
<td>Med</td>
<td>Med</td>
<td>Low</td>
</tr>
<tr>
<td>Over US$ 15 000 per year</td>
<td>Med</td>
<td>Med</td>
<td>Low</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Employment</th>
<th>LOW</th>
<th>MEDIUM</th>
<th>HIGH</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 5 people employed</td>
<td>Med</td>
<td>Med</td>
<td>Low</td>
</tr>
<tr>
<td>5-15 people employed</td>
<td>Med</td>
<td>Med</td>
<td>Low</td>
</tr>
<tr>
<td>Over 15 people employed, including in managerial positions</td>
<td>Med</td>
<td>Med</td>
<td>Low</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Local sourcing</th>
<th>LOW</th>
<th>MEDIUM</th>
<th>HIGH</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hardly no local sourcing</td>
<td>Med</td>
<td>Med</td>
<td>Low</td>
</tr>
<tr>
<td>Sourcing e.g. of meat and vegetables for staff</td>
<td>Med</td>
<td>Med</td>
<td>Low</td>
</tr>
<tr>
<td>Sourcing of food produce for staff and clients in the lodge</td>
<td>Med</td>
<td>Med</td>
<td>Low</td>
</tr>
</tbody>
</table>

110
Access to social services and infrastructure

<table>
<thead>
<tr>
<th>Hardly no contribution to the provision of social services</th>
<th>contribution to the provision of services in one sector e.g. education</th>
<th>contribution to the provision of services in more than one sector e.g. education, health, water, electricity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conservation</td>
<td>some contribution to conservation through the use of village game scouts</td>
<td>significant contribution to conservation through the use of village game scouts, anti-poaching patrols, environmental education and land use planning</td>
</tr>
</tbody>
</table>

Key to table 6.2

Income obtained from tourism was usually used for social infrastructure development. In Longido the income was used for education purposes – sponsoring secondary school students, and building of a watering hole for cattle. Some of the costs for running the village office were also covered by these funds (personal communications, July 22, 2010 and June 5, 2011). In Babati, money obtained from the agreement was used to support education services – contributions were made towards building the ward secondary school, and some 20 secondary school students were sponsored per year. A fund was also established for supporting economically disadvantaged groups such as orphans. In Serengeti, some of the income from tourism was also used to improve access to social services e.g. construction of classrooms for a secondary school, teachers’ classrooms, a health clinic, and sponsoring 10 secondary school students and 10 students in universities or technical colleges using funds obtained from tourism. However, the village received extra income from tourist of between US $ 50,000 and US $ 200,000 every year for nearly ten years, and although there was some social infrastructure development, this was not much higher compared to that of neighboring villages. Hence the issue of transparency and accountability on the use of earnings from tourism arises.

Conservation impact is best achieved by NGO-initiated agreements. Conservation efforts were strengthened in this agreement model as several villages were required to collaborate in patrolling the surroundings using village game scouts to prevent tree-cutting as well as wildlife poaching.
Each village was required to have a land use plan which sets aside an area of land for wildlife. In Longido nine villages had set aside land for the WMA with 36 Village Game Scouts responsible for patrolling the area, nine villages in Babati with over 30 VGS, and five villages in Serengeti with 20-25 VGS. However in all cases there was a need for better conservation planning and capacity building for the VGS, as well as management of CBOs. A sharper business approach also needed to be integrated into the model, for example more effective marketing of the WMAs to attract investors so that financial and economic development outcomes from this agreement model are improved. Currently financial and social-infrastructure benefits from the NGO-initiated agreement model are low. In Longido, income to each village once divided amongst nine villages, were minimal – not exceeding US$ 3000 per year. In Babati, income per individual village was also around US$ 3000 per village per year. In Serengeti, the village under focus received payments of nearly US $ 10,000 in 2009, and a payment of nearly US $ 15,000 is expected for the year 2010 - this level of income is higher compared to other cases in this model due to a higher investor ratio relative to the number of villages in the agreement – nine investors to five villages (compared to two investors to nine villages in both the Longido and Babati cases).

In the government-initiated agreement cases where the tourism investor had made voluntary agreements with the village, some financial benefits and social infrastructure development, as well as conservation outcomes were passed on to the village. In Longido, the tourism business put money directly into areas such as scholarship funds for secondary school students, digging water wells and supporting local beekeepers. In 2010 some 40 secondary school students were sponsored by the company. In addition, to the amounts paid to central government for a hunting concession (US$ 27,000 per hunting concession per season), the company contributed an additional US$2800 to the village for development purposes (personal communication, March 3, 2010). To promote conservation, the tourism company invested a significant amount of funds into tree-planting, raising environmental awareness through a movie and into anti-poaching patrols. However, there was no formal organization to achieve conservation goals at the village level in this model. In the government-initiated agreement in the Serengeti the village received between US $ 20,000 and US $ 30,000 income on land-leasing agreements with the company. These and other funds from tourism contributed to building an office, two teachers’ houses, classrooms for the ward secondary
school, and 120 desks. The company also assisted in projects such as sinking bore holes and installing a water pump for village use. The contribution towards conservation by the company was also high as over 100 anti-poaching scouts have been employed, equipped with vehicles and other facilities to enable them to effectively patrol the area. The company is also involved in research and monitoring of wildlife. It was found that the amount of poaching has decreased, and the number of wildlife has increased 60% in 2010 since the company was established four years earlier. In both government initiated agreement cases where contributions to local economic development and to conservation were treated as medium and high respectively the companies had a strong CSR ethos, and due to their strong financial position, they were able to invest a significant amount of resources towards these goals. Interestingly, the Serengeti and Longido government initiated agreement cases made their own agreements with the communities. In the case where the company did not initiate agreements with the village, the agreement had a low level of success in terms of contributing to local economic development and in contributing to conservation.

It can be concluded that business-community agreements have an impact on local economic development by being a structure that emphasizes conservation and local economic development. Even the government initiated agreement cases are looking for ways to have a relation with communities. However the priorities per agreement are different. NGO-initiated agreements are focusing on conservancy while Business initiated models are putting emphasis on some aspects of local economic development namely jobs and income provision. To what extent the community members are satisfied with the income earned per agreement was assessed in an opinions test. The perceived income per agreement per person was assessed and was set off against the level of satisfaction with the agreement by the villagers. In this way the issue of scaling could be assessed. The level of satisfaction with the earnings, and with the agreement in general varied between the cases studied.

A computation of the total income earned from the agreement divided by the village population is shown in table 6.3, compared to the general level of satisfaction with the agreement by the villagers.
<table>
<thead>
<tr>
<th>Case</th>
<th>Income from the partnership per person (i.e. total income divided by the village population)</th>
<th>General level of satisfaction with the partnership by the villagers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Longido Business-initiated</td>
<td>$3</td>
<td>High</td>
</tr>
<tr>
<td>Longido NGO-initiated</td>
<td>$1.3</td>
<td>Medium</td>
</tr>
<tr>
<td>Longido Government-initiated</td>
<td>$0.88</td>
<td>Low</td>
</tr>
<tr>
<td>Babati Business-initated</td>
<td>$10.4</td>
<td>High</td>
</tr>
<tr>
<td>Babati NGO-initiated</td>
<td>$0.78</td>
<td>Medium</td>
</tr>
<tr>
<td>Babati Government-initiated</td>
<td>$0.40</td>
<td>Low</td>
</tr>
<tr>
<td>Serengeti Business-initiated</td>
<td>$8.3</td>
<td>High</td>
</tr>
<tr>
<td>Serengeti NGO-initated</td>
<td>$5.9</td>
<td>Medium</td>
</tr>
<tr>
<td>Serengeti Government-initiated</td>
<td>$16.5</td>
<td>High</td>
</tr>
</tbody>
</table>

**Table 6.3 Tourism income per person compared to the villagers’ level of satisfaction with the partnership agreement (see also annex 5).**

The table shows that the level of satisfaction with the agreement corresponds to a certain extent with the amount of income earned from the agreement. This is particularly in cases of very low earnings. The village members felt unsatisfied with the agreement because the financial earnings were too low. In those cases where earnings were high but the level of satisfaction was medium this was caused by the villagers’ opinion that the terms of the agreement were still not fair. In their opinion benefits were not mutual - one side was benefiting more than the other and in the Serengeti government initiated case agreement there was a feeling of a lack of equal engagement. In the Serengeti NGO-initiated case the general population was yet to see the income been distributed to the community.

19 Calculations based on their own population statistics in the village 2010
20 The empirical results are based on the interviews of key stakeholders and of three families in each village, selected through a random procedure.
It is interesting to note that there is no direct correlation between the high level of satisfaction and the high level of conservation (table 6.3 and 6.4). A low level of satisfaction is not automatic related to conservation and local economic development (see for example the Serengeti government initiated case). If we are now looking at the best cases in terms of local economic development, then we find five cases which do score medium. All three business-initiated agreements score medium on LED indicators. However, all three business-initiated cases score medium on conservation. On average the NGO cases score higher on conservation.

<table>
<thead>
<tr>
<th>Case</th>
<th>Local Economic Development</th>
<th>Conservation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Longido Business-initiated</td>
<td>Med</td>
<td>Med</td>
</tr>
<tr>
<td>Longido NGO-initiated</td>
<td>Low</td>
<td>High</td>
</tr>
<tr>
<td>Longido Government-initiated</td>
<td>Low/Med</td>
<td>Low</td>
</tr>
<tr>
<td>Babati Business-initiated</td>
<td>Med</td>
<td>Med</td>
</tr>
<tr>
<td>Babati NGO-initiated</td>
<td>Low</td>
<td>Med</td>
</tr>
<tr>
<td>Babati Government-initiated</td>
<td>Low</td>
<td>Low</td>
</tr>
<tr>
<td>Serengeti Business-initiated</td>
<td>Med</td>
<td>Med</td>
</tr>
<tr>
<td>Serengeti NGO-initiated</td>
<td>Med</td>
<td>High</td>
</tr>
<tr>
<td>Serengeti Government- initiated</td>
<td>Med+</td>
<td>High</td>
</tr>
</tbody>
</table>

Table 6.4 Scoring Conservation and Local Economic Development

Interestingly there is one case that is an example of the way conservation and economic development can go together. In the government initiated agreement case in the Serengeti the company put in substantial own resources to protect wildlife with their own anti-poaching units and hired as a result many local staff, which provided income to the local people. Moreover, the company attempted local sourcing. Remarkable is their linking to NGOs that provide agricultural expertise to the local community in order to facilitate the production of quality and quantity agricultural products in their venture. Local farmers and entrepreneurs benefit under this.
However, this system is subsidized by a billionaire and the hiring of 300 staff for anti-poaching is not something to be repeated easily.

6.7 Conclusions
6.7.1 Linking conservation and local economic development
Can local economic development and conservation go along? In the nine cases studied we see that either conservation is leading in terms of impact, headed by the NGO initiated agreements, or local economic development is leading and then it is often business initiated. It is interesting to note that the NGO initiated agreements have public funding earmarked for conservation. The business initiated agreements use private money for conservation. The business initiated agreements deal with one single community while the NGO initiated agreements deal with 5 to 10 communities, which give them the possibility to focus on a wider area. This favors conservation. In the business initiated case conservation is important, but is limited to a much smaller geographical area for animals. The risk that they are being poached in an area not included in the business agreement is much higher than when 10 communities are involved. Moreover, the primary focus of these two agreements is also different. The main objective of the NGO initiated agreements is conservation or wild-life management while the business initiated agreements are focused on establishing good relations with the communities in order to address also conservation. Only in one government initiated agreement we found a medium to high score on the impact on both local economic development and conservation respectively. It was noted in this case that the company involved put in a lot of money to address both conservation and local economic development equally.

What does this tell us about the linking of local economic development and conservation? Is there conservation without local development or vice versa? Apparently both ways are possible. If we dig deeper we see that if there is a focus on conservation, the provision for local economic development is low as in the NGO-initiated case in Babati which focuses on 10 communities. In this case the benefits from an agreement with a business need to be shared with too many communities. As a result both conservation and local economic development are hampered. The relation between conservation and local economic development is an important one. At the same
time the business agreement with one community, as is the case in business initiated agreements, hampers a priori conservation. Agreements should ideally focus on a wider area. The more communities involved the better for conservation, provided there are sufficient funds.

The trade-off has to do with the number of communities, but also with the amount of money involved. The amount of money involved depends on the number of tourists, which on its turn depends on the attractiveness of the area in terms of the density of wildlife. It was found that in a high density wildlife area, a company could assist about three to five communities but this number lowers in proportion to lower densities of wildlife. The question is to what extent conservation can be paid out of the bed-night fees of the visiting tourist? This is not always possible as there are many areas with wildlife but with only a few tourists, due to the remoteness or the lack of marketing of the area. Conservation needs to be provided for a much wider area than the one where tourist are coming to and additional funds for the other areas are therefore urgently needed. The agreements described do not detail these conservation needs sufficiently.

6.7.2 Final conclusion and recommendations

In terms of Elkington (1997) what should come first: the planet, the people or the profit? It was often argued that without profit there is no assistance for the people and no possibility to protect the planet. However, recent sustainability thinking gives our earth and its people more priority (Fisk, 2010). We have to conserve what we have and economic development should follow. But conservation is often a long-term affair. The crux for future policy lies in this dichotomy and also the answer to the need of some sort of agreement between a company and a community. A partnership between a business and a community needs to cater for both conservation and local economic development. Tourism is an important source of income for countries with a lot of wildlife like Tanzania. It is the second biggest foreign income earner after the mining sector. Policy makers should address conservation and local economic development in these areas in parallel. Partnership agreements as researched can be a model to address the trade-offs and provide for development. Interestingly no single agreement researched is functioning in such a way that both local economic development and conservation are served in a balanced way. In all cases
assessed however, the overriding variable is funding as came to the forefront in the government initiated case in the Serengeti. Only if a large investor is prepared to work on local economic development and conservation at the same time, outside funding for conservation and local economic development is not required. Local development and conservation in wildlife areas as such cannot be captured in a self-financing mechanism. If the community tax for tourist becomes too high, less tourists will come to the area as we found in the Longido NGO initiated case. It is important to have a framework for communities and companies in which local economic development and conservation are addressed. The government initiated agreements were often the ones with the least specific rules but had (except for one case) also the worst results in terms of promoting local economic development and conservation.

These cases highlight the importance of building positive relations between communities and companies, and the need to ensure that both parties see the benefits of tourism. Conservation of wildlife resources is only possible when villagers see tourism as a real and viable economic opportunity. If wildlife does not generate benefits, or the benefits do not reach the rural population, people are unlikely to conserve nature and wildlife (Arntzen, 2003, Walpole & Goodwin, 2000). Conservation should play an integral part in local economic development in relation to wildlife tourism, but conservation can never become self-sustaining in the sense that tourism per bed night fee can fully subsidize all conservation efforts. Either the government or the businesses are required to put in extra knowledge and resources to guarantee this balanced growth of both conservation and local economic development.

In all agreement cases studied there is an opportunity for government – both central and local, to become more actively involved in providing these regulations but also to support efforts for more conservation at one hand and for more stimulation of income generation activities at the other. It is crucial for the government to make better use of its natural resources both for tourism as well as for agricultural purposes and livestock. Communities are still growing rapidly and without alternative income generating activities, conservation will be at risk. Fortunately, business community agreements are an interesting policy mechanism to stimulate conservation and local socio-economic development at the same time.
Annex 6.1: The case areas studied in Northern Tanzania (given in red).
Chapter 7. Success Factors For Community Tourism
Business Partnerships in Tanzania

This chapter is an adjusted version of an article that is submitted to the European Journal of Development Research by Diederik de Boer, Maastricht school of Management, The Netherlands and Meine Pieter van Dijk, UNESCO-IHE, The Netherlands

7.1 Introduction

Good relations between companies and local communities in developing countries are increasingly a matter of concern for company boards. This is even more articulated in areas, where the
differences between the rich and the poor are big. Here, modern businesses linked to a global economy using the latest technologies are operating in an environment where local communities are often still living of less than two dollars a day. These circumstances are causing potential risks and conflicts because these communities demand a piece of the cake. This research analyzes community business relations in the tourism sector in Tanzania. How are Tanzanian and foreign companies dealing with these discrepancies? An in-depth study of community business relationships in Africa is critical because of a rapidly growing rural population who also want to benefit from these investments. So the government is promoting local economic development but with limited success so far. Finally investors want to avoid conflicts with local communities and are looking for good relations. In certain cases NGO’s are involved and the initiators of partnerships but in other cases the business or the government are the main initiators of the partnership. The research objective is to explore whether and how the success levels of the three different types of business community partnerships (NGO, government or business initiated) are related to a list literature reviewed Success Factors for partnerships.

The research question is which type of partnership in a local setting is most successful? The main Success Factors (SFs) of local business community partnerships (BCPs) in the tourism sector are assessed. The research builds on the partnership literature. It makes use of a validated list of Success Factors for national partnerships (van Dijk, 2012) and will determine the importance of these factors studying nine different community tourism business cases in Tanzania and to what extent partnerships contribute to sustainable local development in the area of nature tourism. External success factors such as the macro-economy, politics and technological innovations were not taken into consideration.

7.2 The Tanzanian context

Tanzania is blessed with the largest number of national parks in the world. About 14% of the land is reserved for conservation. This is attracting tourism businesses. The number of formal tourism businesses in or just outside the national parks is about 1200 of which around 70% are foreign
But Tanzania is also a poor country. The per capita income is one of the lowest in the world with 529 USD per year\textsuperscript{iii}. On the one hand, Tanzania is one of the poorest countries in terms of per capita income\textsuperscript{iv}. On the other hand Tanzania is home to some of the largest industries in the world in the field of mining\textsuperscript{v} (diamonds) and tourism. Some of the most luxury tourist resorts are located in Tanzania\textsuperscript{vi}. In these tourism areas 'western' style businesses meet rural Tanzania. The differences between these two worlds are enormous because many villagers are living below the poverty line.

Big income differences create envy, misunderstanding and conflict. On the 20th of June 2012, for example a gang entered a lodge in Rubanda village in Western Serengeti killing two and robbing 40 foreign tourists\textsuperscript{vii}. On the 20th of April 2012 three large horticultural estates in North Arusha have been invaded by local communities requesting land\textsuperscript{viii}. In January 2012, three horticulture plantations in the Babati region were burnt down by villagers, also having a row about land\textsuperscript{x}. Finally in 2009, Maasai communities burnt down a tourism lodge in Loliondo because of a conflict over land (Daily News, 2009).

At the same time national statistics are showing a strong substantial population growth. The population census in 2010 counted 45 million people, but the Population reference bureau is predicting that Tanzania will have 140 million people by 2050\textsuperscript{x}. This population growth is asking for more development and economic growth. A growth rate of about 6\% during the last five years\textsuperscript{xi} might not be enough leave alone that wealth will be distributed more equally without adequate policies\textsuperscript{xii}. Business-community partnerships could help to distribute wealth more equally. The role of partnerships will be discussed in the next paragraph.

7.3 Partnership typologies

In a review of partnership typologies, Hailey (2000) identifies a ‘spectrum of partnerships’ with one extreme having ‘resource’, ‘dependent’, or ‘conventional’ partnerships, commonly defined by simple contracting relations between partners, while at the other end of the spectrum are
‘authentic’, ‘active’, or ‘reciprocal’ partnerships which are marked by mutuality, trust and shared governance, dialogue and learning. Conventional partnerships are commonly short term, bureaucratic, one way and unequal, with the Northern agency driving the agenda, whereas reciprocal partnerships attempt to change the traditional way of working by creating two-way, horizontal relationships based on solidarity and equality (Hately, 1997). ‘Authentic partnerships’ are based on trust and commitment; shared beliefs, values or culture; accepted standards of legitimacy, transparency and accountability; and common approach to gender issues (Fowler, 1997). Active partnerships are those based on a negotiated process, with common purpose, shared risks, marked by debate, learning and information exchange; whereas dependent partnerships are based on fixed-term blueprints with rigid roles and static assumptions, poor communication, and are commonly motivated by access to funds and individual interests (Hailey, 2000).

7.4 Partnerships for sustainable local development

In the last decade there has been significant interest in the role that Public Private Partnerships (PPPs) can play in contributing to poverty reduction and sustainable economic development in developing countries. Partnerships generate additional knowledge and resources and the results benefit all parties and could not have been achieved alone. Inherent to the partnership model is that knowledge, risks, responsibilities and benefits are shared, which is particularly important in a developing country context.

Partnerships are considered important tools for local private sector development. Local private sector development is “a process in which partnerships between local governments, community and civic groups and the private sector are established to manage existing resources to create jobs and stimulate the economy of a well-defined area (Helmsing, 2003)”. The environment in which the local private sector has to flourish is the local communities.

The call for improved Corporate Social Responsibility (CSR) is inducing businesses to seek a balance between their profit generating activities and their potentially broader role in society.
Lastly, it should be assessed how governments and civil society actors in developing countries stimulate partnerships between these companies and the communities in order to provide for a sustainable environment for private sector development.

Partnerships are increasingly being promoted as vehicles for addressing development challenges. They have been defined as: “agreements between government and non-government to reach a common objective or to carry out a specific task in which parties share risk, responsibilities, means, competencies and profits” (Dutch Ministry of Development Cooperation, 2003). An important part of the partnership is the legal or informal agreement reached between the partner, which is the unit of analysis in this study. It is assumed that partnerships contribute to economic development because they are working towards a set of policies, programs, and activities which initiate and contribute to broader processes that help to establish economic development (Kolk et al., 2008). Societal actors working together can avoid a future with fragmented policies and dysfunctional initiatives that are incapable of fully meeting societal expectations (Warhurst, 2005). Moreover, partnerships are not only seen as ways of delivering positive development outcomes, but also as new governance mechanisms (Glasbergen et al., 2007).

From the sustainable partnership literature and from empirical research conducted within the tourism sector in Tanzania we learned that the performance of sustainable partnership models depends on a number of factors. These factors contribute positively or negatively to sustainable local development through social and environmental development and local business upgrading. Success Factors are defined as: “limited number of factors being the result of which, if they are satisfactory, will ensure successful performance for the partnerships. They are the few key areas where ‘things must go right’ for the partnership to flourish” (Pfisterer, 2011). Table 7.1 provides an overview of the main success factors for partnerships based on a literature study on partnerships for sustainable development (e.g. Brinkerhoff, 2002; Visseren-Hamakers et al., 2007; OECD, 2006; van Dijk 2012).
Success factors

<table>
<thead>
<tr>
<th>a. Mutual benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>b. Commitment</td>
</tr>
<tr>
<td>c. Informal Relations</td>
</tr>
<tr>
<td>d. Governance arrangements in the partnership: consultative structures</td>
</tr>
<tr>
<td>e. Level of ownership</td>
</tr>
<tr>
<td>f. Transparency</td>
</tr>
<tr>
<td>g. Horizontal and vertical accountability</td>
</tr>
<tr>
<td>h. Inclusiveness of stakeholders</td>
</tr>
<tr>
<td>i. Trust</td>
</tr>
<tr>
<td>j. Clear roles and responsibilities</td>
</tr>
<tr>
<td>k. Good planning</td>
</tr>
<tr>
<td>l. Relevant knowledge &amp; experience</td>
</tr>
</tbody>
</table>

Table 7.1: Success factors

Source: based on van Dijk (2012)

The factors are analyzed in the following way:

a. Mutual benefits

The idea is that each partner should clearly benefit from the partnership. The Canadian Institute for Environmental Law and Policy (CIELAP, 2005) suggests that mutual benefits can be measured by checking whether the activities of the partnership help each participant to achieve part of their mandate (CIELAP, 2005). Benefits from the partnership can be in the form of enhanced access to resources, achieving legitimacy, becoming more efficient through relationships, controlling conflict or asymmetries between organizations in the network, or meeting the requirements of funding agencies (Babiak, 2009). Ashman (2001) proposes that four kinds of benefits accrue to partner organizations in civil society-business collaborations: business or program innovation, positive public relations, net gains in financial and material resources, and organizational capacity-building. Civil society organizations are motivated to become involved in partnerships by the search for financial and other resources, while companies are usually under pressure to comply with legal regulations and social demands (Ashman, 2001). This trend is also observed by Babiak
(2009), who indicates that in measuring effectiveness of inter-organizational relationships, the acquisition of resources was a clear indication of success for some nonprofit partners.

In tourism business-community partnerships two important objectives for partnering are to earn income from tourism, and to build capacities in wildlife-conservation through collaboration. Mutual benefits will be measured by looking at payments and land use received by each partner from tourism activities and results concerning conservation.

b. Commitment
Due to the costs of investing in a partnership in terms of the time and energy devoted to relating to the partner, as well as adapting organizations to meet the needs of the partner, it is suggested that a longer term commitment is more likely to bring net benefits to the organization (or community) involved in a partnership (Ashman, 2001). In a study on cross-sectoral inter-organizational collaboration, informants felt that the length of time as a partner and growth in either financial or in-kind contributions would indicate that the partnership was effective (Babiak, 2009). Indeed, one quality of effective partnerships identified by CIELAP (2005), is that sufficient and appropriate resources are committed from all partners in order to achieve the goals of the partnership. The appropriate level of formality of the partnership has also been proposed as being a quality of effective partnership (CIELAP, 2005). Formality of the commitment in this study will be measured by whether or not there is a signed contract between the partners involved. In addition, the frequency of meetings is also taken to be an indicator of commitment in this study. It is assumed that committed partners will be more willing to put aside time for meetings. Finally commitment will also be measured by the duration of the agreement and whether the resources to be supplied by each partner are actually provided.

c. Informal Relations
Informal relationships, on par with formal contracts and management committees have been noted as being important in ensuring shared control in collaborative ventures, a factor identified as being strongly associated with successful collaboration (Ashman, 2001). Non-governmental organizations particularly, have been known to prefer more informal and open types of
cooperation, for example with other nongovernmental organizations (NGOs) to achieve certain policy goals (Arts, 2002). This study will seek to measure the extent to which informal relations in the partnership context are important for successful business-community partnerships. Informal relations can be measured by the number of informal meetings whereby informal is defined as having meetings which are not recorded but have an ad-hoc character.

d. Governance arrangements in the partnership and consultative structures
Despite the increase in PPPs, inadequate managerial structures and processes, such as a lack of planning and guidelines, unclear roles and reporting channels, difficulties negotiating competing values, and a lack of partnership supervision and evaluation can increase the actual costs of partnering while decreasing the chances of building long-term mutually beneficial relationships (Frisby et al., 2004). To retain valued partners, evaluation mechanisms that provide evidence of success and recognition of partner contributions are required. Building an evaluation component into partner management plans could also provide the criteria needed to terminate the partnership agreements when conditions are not being met (Frisby et al., 2004).

A governance structure for successful partnerships is one that facilitates sufficient communication between partners and one which allows for the contribution of all partners such that imbalances in terms of resources or power are avoided. A study of partnerships for the sustainable development of palm oil value chain in Malaysia indicated that weak governance arrangements led to non-transparency and hindered trust building between the actors (Van Dijk, 2012). This issue will be measured by assessing whether there is an established governance framework in place to discuss the implementation of the collaboration agreement.

e. Level of ownership
A feeling of ownership by the partners is important for successful partnership as it ensures commitment to the partnership process. According to Steger (2009), ownership can be a critical barrier for the partnership ‘progress’. The level of ownership was measured by the signing of a partnership contract and the level of engagement of all partners in the partnership formation process.
f. Transparency
The concept of transparency is linked to openness and is described as being both a relational characteristic as well as an environmental condition for organizational processes (Jahansoozi, 2006). Transparency is a required condition for building trust and commitment in the organizational relationship. Transparency becomes a 'critical' relational characteristic when trust has declined due to a crisis or when it has been eroded over time (Jahansoozi, 2006).

When an organization’s decision-making and operational processes are transparent, accountability is possible – internal and external stakeholders are able to see where the responsibility lies (Jahansoozi, 2006). Transparency is the key requirement that will catalyze the accountability forces of peer pressure, reputation, market incentives and financial or legal commitments (Hamann and Boulogne, 2008). Transparency is a critical condition for (re)building trust (Jahansoozi, 2006). Respondents in a study on business-community relations indicated that transparency meant that there were no secrets, no hidden agendas and that all of the business processes including information sharing, complaints, new developments, and community affairs were transparent. If anybody wanted to know something they could easily find the pertinent information. Meetings were open to the public and were promoted well in advance to encourage community participation (Jahansoozi, 2006). Transparency will be measured by checking whether partners disclose information about the partnership to the public by placing the information in a visible location to the public, and their willingness to share information about the partnership with researchers.

g. Horizontal and vertical accountability
In a partnership, proper accountability mechanisms are important for entrenching the terms of participation (Johnson and Wilson, 2000). Partnership accountability implies finding ways to hold each other to account, be expected to give each other an account of activities and progress, and be expected to take account to each other’s needs or concerns (Caplan, 2003). A measure of how accountable the partners are to each other (horizontal) and within their respective organisations (vertical), as stated by Bovens (2006) is seeing whether there are clear mechanisms in place for reporting progress with respect to the fulfillment of the obligations of each party.
CIELAP (2005) proposed to test whether clear and enforceable lines of accountability are present in the partnership by testing if there are mechanisms for addressing non-fulfillment of responsibilities and if there are mechanisms for monitoring each partner’s progress.

h. Inclusiveness of stakeholders
It has been argued that one of the reasons for partnerships to improve the effectiveness of development interventions would be the fact that they are inclusive processes, where all actors or stakeholders can take a positive stake in their success, and thus avoid problems of exclusion and fragmentation (Johnson and Wilson, 2000). Inclusiveness of stakeholders is therefore an important factor for successful partnerships. This factor is measured by checking if all the PPP stakeholders are present at the PPP meetings and if relevant information distributed to all stakeholders each time a meeting is held.

i. Trust
Trust is about knowledge about what was agreed upon will actually happen and is needed in order for the collaboration to occur (Jahansoozi, 2006). Trust and the mutual recognition that organizations need each other to accomplish their aims and objectives is a key element of mutual partnership (Hailey, 2000). Community members in a study on business-community relations defined trust as having the basic tenets of respect and honesty, and also having to do with communication and transparency. Trust is built when the community knows exactly where the business stands. Without transparency there can be no trust (Jahansoozi, 2006).

A governance structure for successful partnerships is one that facilitates sufficient communication between partners and one that allows for the contribution of all partners such that imbalances in terms of resources or power are avoided. Trust is measured based on the outline of CIELAP (2005) by assessing partner’s willingness to share resources, success, and risk with one another.

j. Clear roles and responsibilities
Confusion regarding responsibilities has been known to contribute managerial and even interpersonal tensions between partner organizations (Babiak, 2009). Confusion about roles and
responsibilities was one of the constraints to efficiency in the management of inter-organizational relationships (Babiak, 2009). Having clear roles in the partnership is important for the fulfillment of the partnership’s objectives. This issue is measured by assessing whether the distribution of roles is clearly described and understood.

k. Good planning
The appropriate selection of partners, diligent planning, and competent relationship management are essential to maintain long-term, productive interaction among organizations (Babiak, 2009). Planning is necessary to ensure that the objectives of the partnership are met over a specified period of time. This issue is measured by assessing if the required outcomes are specified for the different years.

l. Relevant knowledge and experience
Knowledge and experience about partnerships is important, and so is knowledge about the issues to be addressed by the partnership. The input of local expertise and knowledge is a particular advantage (Van Huijstee et al., 2007). Multinational corporations, for instance, can be interested in the knowledge of NGOs on environmental management, or, when operating on an international scale, in the knowledge of local NGOs on habits and customs in a specific region (Heap, 2000; Rondinelli and London, 2003). NGOs, on the other hand, may be interested in the capabilities and resources that businesses have (Eweje, 2007). This issue is measured by assessing the level of managers experience in working together with different societal actors.

7.5 Research framework
7.5.1 Sustainable Local Development
Sustainable Local Development (SLD) is the focus of this research and includes local economic development and conservation. Local economic development has been defined as ‘a process in which partnerships between local governments, community and civic groups and the private sector are established to manage existing resources to create jobs and stimulate the economy of a well-defined area’ (Helmsing, 2003). It emphasizes local control, using the potentials of human,
institutional, physical and natural resources (Rylance, 2008). Literature on development emphasizes the need to consider the sustainability of development initiatives. Sustainability includes the concepts of intra- and inter-generational equity and quality of life (Warhurst, 2005). Sustainable development is development that meets the needs of the present generation while allowing future generations to also meet their needs (WCED, 1987). Social impacts such as equitable access to quality education and healthcare, as well as a positive contribution to the environment such that future generations can benefit from the available resources must be taken into account in any sustainable model of development.

'Business' in this study refers to a private sector company or investor. 'Community' has been defined in literature as a physical location, such as a municipality or local district (Provan and Milward, 2001), or as a group or people who are bonded by similar interests (Babiak, 2009). The term 'community' in this study hereafter refers to the village members who are formally represented by their village council, who own the land where the tourism activity takes place.

The challenge of this study is to see how successful different types of partnerships have been in contributing to sustainable local development. The following proposition is defined as follows: *The success factors for local BCP’s are most significant for the business initiated BCP’s.*

7.5.2 Types of business community agreements

In this study three types of business-community agreements are studied: Business-initiated agreements, NGO-initiated agreements and Government-initiated agreements.

*a. Business-initiated Agreements*

In this model the tour operator proposes to a community that an area of land is provided for tourism activities and in return the village receives compensation in the form of a leasing fee and/or an agreed upon fee per tourist bed night. The village is responsible for ensuring that the visiting tourists and their property are safe and that no activities are carried out that are harmful to the environment and incompatible with tourism activities, e.g. tree-cutting, cultivation and
livestock grazing. These agreements typically involve a private sector investor and a village government, with village members being the direct beneficiaries of the agreement.

b. NGO-initiated Agreements
Wildlife Management Areas (WMAs) are considered under this category of agreements. WMAs were initiated and continue to be facilitated by international non-governmental organizations concerned with wildlife conservation, specifically World Wildlife Fund (WWF), and African Wildlife Fund (AWF). The agreements typically involve a private sector investor, central and local governments, the village members as beneficiaries, as well as a civil society organization as follows:

Tour operators make an agreement with the Community Based Organization (CBO) of a WMA to use a portion of land to set up a tented lodge for tourists. They invest in physical property, and are involved in promoting the area for tourism activities. They offer compensation to villages, usually based on a bed night fee.

Villages voluntarily enter into WMA agreements and form a CBO. Sections of land are contributed by member villages of the CBO for wildlife conservation purposes. Cultivation, herding and residential housing are prohibited in these areas. The CBO in return receives a share of revenues obtained from tourism activities carried out within their area.

The central government, or the Tanzania Ministry of Natural Resources and Tourism through the Wildlife Division (WD) drafts regulations that monitor tourism activities which are carried out outside of National Park areas. It is also this agency which collects revenues generated from tourism in these areas. The WD is generally responsible for the conservation of wildlife in these areas, and is expected to provide vehicles and human resources for anti-poaching activities.

District governments are involved in an advisory role through a conservation advisory committee for the WMA. The District in collaboration with the WD also plays a role in coordinating anti-poaching activities.
NGOs such as AWF and WWF facilitate the process, and play a role in building human and technical capacities for conservation in areas such as resource management planning. They also contribute funds to enable the process of WMA establishment of the WMA and CBOs.

c. Government-initiated Agreements

In this agreement, agreements are made between the central government and a tourism hunting company. The tour operator pays for the use of a hunting concession directly to central authorities, and a portion of the revenues is delivered to the district government. Some of these funds are intended for local development purposes, but amounts received by villages have been reported to be small. The district is expected to assist in anti-poaching, in collaboration with game rangers from the relevant National Park authority.
7.6 Research Design and Case selection

7.6.1 Conceptual framework

In this study we investigate three different types of agreements to determine to what extent success factors were met and which local business and economic development and conservation aspects are met (figure 7.1).

Critical Success Factors for partnerships:
- Mutual benefits
- Commitment
- Informal Relations
- Governance arrangements in the partnership: consultative structures
- Level of ownership
- Transparency
- Horizontal and vertical accountability
- Inclusiveness of stakeholders
- Trust
- Clear roles and responsibilities
- Good planning
- Relevant knowledge & experience

Types of Business-Community Agreements:
- NGO-Initiated
- Business-Initiated
- Government-Initiated

Sustainable Local Development
- Local business development
- Local social economic development
- Conservation development

Figure 7.1. Conceptual framework
The success factors are the independent variables in this chapter. Their score is measured by the performance of sustainable local development. We will turn the moderating variable in chapter 2 into a dependent variable to establish the relation between type of partnership and success factors. This study will assess which type of agreement works best (related to performance) and will also assess which success factor is a critical success factor for local BCPs. Finally we will use Sustainable local development, measured by a, b and c as dependent variable to determine which factors have an impact on Sustainable Local Development.

An explanatory multiple-case study design (Yin, 2003) is used to study the relevance of community business partnerships in contributing to sustainable local development. This is in line with the research objective of contributing to the existing partnership literature in defining priority success factors for community business partnerships for development as well as providing a contribution to the value chain literature on upgrading aspects at the local level. Purposive sampling is used in order to identify three cases per business community partnership and to assure that all stakeholder groups are fairly represented. Stakeholders interviewed include the investor in the business (tour operator), members of the village government council, village members, district government representatives, central government representatives and NGOs in order to gain their perspectives on the partnership under study. A total of 62 stakeholders were interviewed in the various categories, see figure 7.2. Visits to the research sites further facilitated access to information on the partnerships while also providing access to visual evidence of their day to day management and outcomes. A research-team scored the various indicators as indicated before.
This procedure allows replication (Eisenhardt, 1991), enriches cross-region comparison, and helps to create a more robust theory (Miles and Hubberman, 1994). The success factors of the three types of business-community partnership will be assessed by comparing the three BCP models with each other (business-initiated, NGO-initiated, and government-initiated partnerships). The study will assess which of the three types of partnerships were in terms of meeting the success factors most successful. The actual measuring of the success factors is based on the operationalization presented before. Semi-structured interviews were conducted with the key-stakeholders asking to list the most important critical success factors. The unit of analysis is the business-community agreement.

The performance of business-community partnership in relation to sustainable local development will be assessed by comparing the three BCP models with each other (business-initiated, NGO-initiated, and government-initiated partnerships). Semi-structured interviews were conducted with the key-stakeholders but also actual measuring of the factors based on the operationalization presented has taken place as described in chapter 2, 5 and 6. The unit of analysis is the business-community agreement.
7.6.2 Case selection

All selected cases are focusing on sustainable tourism development consisting of a conservation part and a local development part. Without conservation there is no wildlife and without local development there is no incentive for the villagers to protect wildlife. The benefits of a partnership would relate to an increasing number of tourist and more local development. Risks are related to diminishing levels of wildlife and the absent of local development possibly resulting into conflicts. The resources brought into the partnership are ‘land’ and ‘capital’.

In order to assess the performance of the BCP models in the tourism sector in Northern Tanzania the study initially focused on the NGO-initiated BCP models. All the NGO-initiated BCP models which are in existence for more than three years were considered. In total there are three NGO-initiated partnerships in Northern Tanzania, which are in existence for three years or more, which are operating in three different districts. It has been decided to assess all three NGO-initiated BCP models. In order to compare the performance of the NGO-initiated BCP model the study looked also at the business-initiated BCP models, and the government-initiated BCP models. Studying the cases in the three districts provides a means of comparison and an opportunity to identify factors that influence the success of partnerships which have not previously been considered in empirical studies for the region.

The identified districts are Longido bordering west Kilimanjaro and covering a corridor area linking Kilimanjaro National Park with Amboseli National Park in Kenya. The second district is Babati, located around Tarangire National Park in Tanzania and the third district is the, Serengeti district in Mara region bordering Serengeti National Park.

From the data a table showing to what extent the success factors were met relatively to each other was drawn up. Rankings were made by the research team for each partnership on meeting critical success factors. Rankings ranging from low to high were allocated per variable based on the level of meeting the success factors per BCP. Next, these findings were related to the performance of the partnership and are based on data collected and depicted in chapter 5 and 6. This performance is
split into three components: local socio-economic development, local business development and 
conservation.

Local socio economic development was measured based on economic indicators such as income 
for the community, employment for the community and local sourcing at the community and on 
non financial indicators including contributions to social and infrastructural services at the 
communities. Local business development was measured based on access to capital, access to 
knowledge, access to infrastructure, access to land-rights and access to markets while 
conservation was measured based on indicators including the use of village game scouts, anti-
poaching patrols, environmental education and land use planning (de Boer et al. 2011). Based on 
the performance outcome in relation to meeting partnership critical success factors the nine cases 
were classified per objective. Finally the best and worst cases were identified per objective (table 
7.3). Performance is here measured based upon indicators as mentioned in chapter 2.
### 7.7 Data analysis

Table 7.2 shows for 12 success factors to what extent they were met by the nine cases studied.

<table>
<thead>
<tr>
<th></th>
<th>LONGIDO District</th>
<th>BABATI District</th>
<th>SERENGETI District</th>
</tr>
</thead>
<tbody>
<tr>
<td>Majority benefits</td>
<td>High</td>
<td>Medium</td>
<td>Low+</td>
</tr>
<tr>
<td>Commitment</td>
<td>Medium+</td>
<td>Medium</td>
<td>Medium</td>
</tr>
<tr>
<td>Informal relations</td>
<td>Medium+</td>
<td>Medium</td>
<td>Medium</td>
</tr>
<tr>
<td>Consultative structures</td>
<td>Medium</td>
<td>Medium</td>
<td>Medium+</td>
</tr>
<tr>
<td>Ownership</td>
<td>Medium+</td>
<td>Medium</td>
<td>Medium+</td>
</tr>
<tr>
<td>Transparency</td>
<td>Medium+</td>
<td>Medium</td>
<td>Medium+</td>
</tr>
<tr>
<td>Accountability</td>
<td>Medium+</td>
<td>Medium</td>
<td>Medium+</td>
</tr>
<tr>
<td>Inclusiveness</td>
<td>Medium</td>
<td>Medium</td>
<td>Medium+</td>
</tr>
<tr>
<td>Trust</td>
<td>Medium+</td>
<td>Medium</td>
<td>Medium+</td>
</tr>
<tr>
<td>Clear roles and responsibilities</td>
<td>High</td>
<td>Medium</td>
<td>Medium</td>
</tr>
</tbody>
</table>

139
From Table 7.2 it can be concluded that the business-initiated partnerships met success factors at a medium to medium+ level. Mutual benefits ranked medium+ to high by both the village and the company in all three business-initiated cases. Commitment was ranked medium+ to high. Informal relations were ranked high, and the village and company felt that they owned the process of initiating and implementing the partnership. Both parties claim that the level of transparency on partnership issues was medium to high. However, sometimes accountability mechanisms were not present at the village level to ensure funds were used appropriately. For example in the Serengeti business-initiated case there was a lack of clarity concerning the use of all earnings from tourism – sometimes of over US$ 200,000 a year. In this partnership model roles were usually very clear and both parties were more or less satisfied with the other partner’s fulfillment of his role. The level of trust was medium to high.

NGO-initiated partnerships met success factors at a medium to high level. Financial benefits were generally lower for most villages than in the business-initiated cases. However, the level of commitment to these agreements was still generally high. The level of ownership of the process of establishing the WMA was reported to be medium by most villages, but in many cases it was observed that the majority of village members were yet to fully understand the purpose and benefits of the WMA. In some villages it was reported that the quality of informal relations with the tourism company had dropped when agreements became regulated under the WMA. Transparency was said to be medium to high at the CBO and village level, annual reports exist for

---

21 See annex 5 for a key to table 7.2.
earnings that were paid to the CBO, and the amounts received by individual villages are usually announced to all villagers during general village meetings. However, transparency was perceived to be insufficient at higher levels. CBO and village officials indicated that they usually do not have a clear picture of the overall earnings collected by central authorities for tourism activities in their area. Roles in agreements between the village and company were usually clear and complementary in the sense that communities were assisted by the NGO’s to set up CBO’s who would be representing the community in the partnership. For all cases, the level of knowledge and experience in the partnership and in tourism and conservation issues still needed to be enhanced at the village level.

In the government initiated partnership, success factors for partnership were usually met at a low to medium level. The villagers were not involved by central authorities in the drafting of agreements relating to tourism hunting activities in their area. There was also little transparency on the total income from hunting tourism collected by central authorities each year. The level of trust on the authorities’ administration of this income was poor. The role of the village in these agreements was not clear. There was no plan relating to village development or conservation emerging from the presence of hunting tourism in the area.

There is a clear link between meeting success factors for partnerships and having a successful partnership for local sustainable development. The partnership cases with the best outcomes for local socio-economic and business development had also met most success factors at a medium to good level (see table 5.1, 6.2, 7.2 and 7.3).
### Table 7.3 Best and worst partnership cases in relation local sustainable development and their meeting CSFs

<table>
<thead>
<tr>
<th>Local sustainable development</th>
<th>Local socio-economic development</th>
<th>Local business development</th>
<th>Conservation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Performance</td>
<td>best case</td>
<td>worst case</td>
<td>best case</td>
</tr>
<tr>
<td>Partnership case</td>
<td>Business - initiated (Serengeti)</td>
<td>Gvt - initiated (Babati)</td>
<td>Business - initiated (Longido)</td>
</tr>
<tr>
<td>Critical Success factors (CSFs) met?</td>
<td>Good</td>
<td>Low</td>
<td>Good</td>
</tr>
</tbody>
</table>

Assessing the BCP’s based on performance (table 7.3) it is found that business-initiated partnerships are more successful for local socio-economic development and local business development, while the NGO-initiated partnership cases were better for conservation development outcomes. Moreover, it has been argued that implementation of conservation efforts in many cases was still limited by the lack of sufficient resources and capacities. The exception is the Serengeti NGO-initiated case, where the tourism operator had invested a large amount of resources for conservation purposes. In contrast the government initiated case in Babati showed low levels of meeting success factors for partnership and also a low contribution to local development. On the whole in the government initiated cases, the villages had not been formally engaged in the agreement, and had no say in the partnership terms. There was little transparency about earnings from hunting tourism from central authorities, and the amount received by villages was a very small proportion of the overall earnings collected centrally. The incentive to conserve wildlife in these cases was minimal. The positive outcomes seen in the government initiated tourism cases
were all as a result of the investing company voluntarily choosing to engage in community
development and conservation because of their company ethos.

An assessment of the most important success factors which were met by the best cases, and those
which were not met by the worst cases; as well as the interviews of the stakeholders in the cases
studied revealed that the most important success factors which are classified as critical are the
presence of mutual benefits, clear roles and responsibilities, trust, as well as sufficient
commitment/ ownership and informal relations between the partners. These success factors are
critical for business community partnerships. Trust is especially valued within local community
business partnerships. Trust has to do with the belief in that what is agreed upon will really be
happening. In a more oral oriented society like the Tanzanians, trust plays a key role within
relations and agreements and is amongst the most important CSF’s within local partnerships.

7.8 Conclusions
The partnership between communities and businesses remains fragile. Prosperous businesses and
clients on the one side with poor societies on the other provide a potential for envy and conflict.
Partnerships for development provide a framework for sustainable local development. Within local
business community partnerships especially the win–win situation is the most important factor for
a successful partnership. The following contribution has been made to the partnerships literature.
An assessment has been made of the contribution of PPPs to development at the local level, i.e. at
the village or community level. It has been found that business initiated partnerships are working
best. Interference of national governments or NGO’s is often not required. In the government
initiated BCPs the national government has an important stake while in the NGO initiated BCPs
more communities are involved as well as a CBO which also requires benefits, remaining less for
the ordinary community members.

Interesting for policy makers is the fact that trust, clear roles and responsibilities, mutual benefits
and commitment/ ownership/ informal relations between partners are the most important success
factors for community-business partnerships in the tourism sector. It was found that factors which
are critical at the national level, such as accountability and planning, are less important on the local level (van Dijk, 2012).

What does this mean for the individual actors? The business actor should be actively involved in building a trust worthy relation. Communities need to be ready for businesses wishing to be engaged in a partnership and should be trust-worthy as well. The more communities do have clear roles in a potential partnership the more chances there will be that this partnership will be successful. The government’s role in the partnership should be clear as well. The governments in Tanzania should be more involved in creating a policy framework whereby the roles and responsibilities are understood but also are framed in a way that investor’s c.q. businesses and communities do know what the level playing field is. The more both parties will be working towards a situation whereby the company has the opportunity to operate a business in a conservation controlled area and the communities gain by getting sufficient contributions for socio-economic and business development aspects the more successful the BCP will be.

In Tanzania where the population is growing rapidly and outside businesses are becoming more influential, thinking about a framework for providing a more equal wealth distribution should be high on the political agenda. A BCP framework providing space to build mutual relations which will provide more mutual benefits deserves serious attention.
Chapter 8. Conclusions and recommendations

8.1 Partnerships

Partnerships are a first step and a means towards the introduction of more linkages between communities and businesses in order to create a structured and more organized framework. In the government initiated partnership case the linkages between the communities and the businesses involved were very much depending on the individual businesses and a real mutual benefit could not be found. The business and NGO initiated partnership provided both the business and the communities involved with more opportunities to interact whereby understanding of each other’s
“worlds” has become an issue. Therefore, mutual respect is more common in partnerships as a platform is available to exchange views and to discuss issues. Moreover, the partnership provides for a platform so as to distribute income.

Discussing issues is a first step in addressing sustainable local development performances. The contribution to sustainable local development depends on the number of tourists as well as on the type of tourism investment. The more tourists are visiting an area, the more local communities are receiving bed/night fees, the more money can be spent on sustainable local development. An attractive “wilderness” area attracts more wildlife. Conservation seems therefore an issue for the long term. The type of tourism investment is interestingly enough also an important factor in determining the development-performance. The more basic the tourism investment, the higher the chance for the local community to become part of the tourism value chain as was shown in the business initiated partnership case in Longido. Lower entry barriers to the tourism chain enable more community members to work in the tourism sector.

In Tanzania there is a move towards the establishment of more so-called Wildlife Management Areas (NGO initiated partnership model). This move provides opportunities but also challenges. From a conservation point of view, more villages enable better conservation practices. But partnerships can also have too many stakeholders on board; the case of the NGO initiated partnership in the Babati district showed an example of this. This dilutes the mutual benefits whereby the benefits per community member are becoming too little and the partnership becomes meaningless (see the problem of scale, chapter 6).

Moreover, in this study it was found that the revenues collected in the WMA (NGO initiated BCP) are distributed as follows: the revenue’s 20% goes to the central government, 15% goes to the district and about 65% of the revenues are going to the village. More than half of their share of the revenues has been used to pay the management (CBO) of the partnership. On the other hand in the business initiated partnership case 100% of the revenues will go to one village. Fewer stakeholders are involved whereby more individual households are benefiting from the partnership. In the government initiated partnership case 25% of the revenues go to the central government. The
remaining 75% go to the district which on a voluntary basis provides for contributions to the villagers involved. Businesses do pay all kinds of taxes already; the justification of the government for asking more money from them by these partnerships is therefore questionable.

Government interference like in the WMA’s case is interesting but the question is to what extent central governments should earn money at the expense of the local villages. Partnerships need to keep themselves focused on win-win situations; the roles and commitment of the partners should be clear, whereby continuous learning and investing in the relationship is very important. Government guidance as a regulator can be helpful in assisting on issues such as entrepreneurship development, market-linkages and Tanzania branding. I already mentioned the disadvantages of having too many stakeholders involved in a partnership. Partnerships need to keep themselves focused on win-win situations; the roles and commitment of the partners should be clear, whereby continuous learning and investing in the relationship is very important.

Overall it can be concluded that Business initiated partnerships do better in terms of sustainable local and private sector development primarily because less stakeholders are involved. Both parties have time for each other and for the partnership; they will see the interest of mutual benefits and are working for the success of the BCP. The NGO-initiated BCPs perform slightly better in terms of conservation development although this is also achieved by extra investments from outside. It was found that these BCPs sometimes would be short term and, moreover, that about 50% of the money received from bed-night fees in the NGO initiated apparently favored the management of the partnership leaving less for the communities itself.

To what extent does the BOP finally plays a role within BCP’s? Interestingly, the cases show that the latest technologies of the hotel-investors are copied and used by local community investors. In the Longido BCP case, solar-hot water systems are introduced by the local entrepreneurs. New designs of traditional handicrafts are being used in Babati and Serengeti districts by community handicraft workers as a result of the intervention of the hotel-business investor.
Another important aspect concerns the question to what extent the communities wish to be involved in the global tourism value chain. Although this study did not specifically address this problem, answers to the research question focusing on the general satisfaction of the villagers with the contribution to their income (chapter 6) show that the level of satisfaction is higher as the partnership contributes more to the household income, implying that the tourism business is considered to be important.

A final question to answer now would be to what extent the value chain literature and the partnership literature could possibly strengthen each other? This partnership research cannot be classified as a value chain partnership in the sense of focusing on the improvement of the production of small holders (Drost et al., 2012). Rather, both the community and the lead business are the main stakeholders of this type of partnership. In this respect, I clearly have to differentiate on two main issues: the upgrading possibilities of the local business on the one hand and the possibility of working together to create a better environment for business upgrading on the other hand whereby issues of socio-economic development are considered. Both aspects prove to be important for the overall local economic development. It was found that the institutional and the business environment are strengthening each other, whereby businesses have been analyzed using a value chain approach and the socio-economic environment by using aspects of the business community partnership theory. It was found that the value chain literature and the partnership literature both partly – are supporting each other and include ways to address the issue of sustainable local development.

Last but not least I put forward the question to what extent wildlife BCPs will provide for more pro-poor tourism. From a critical review of the performance of the BCPs in relation to the Sustainable Local Economic Development they would have brought about, I reach the conclusion that socio-economic development and business development has increased over time. It came to the forefront that income and non-income variables increased as well. The best performing BCPs turned out to be the business-initiated ones. It was found that partnerships provide for a framework in which both the communities and the businesses are working towards the achievement of mutual goals, i.e. conservation and local sustainable development. If these goals could have been achieved
without a partnership construct remains outside the scope of this study; nevertheless it was found that partnerships in fact do contribute to more pro-poor tourism development.

8.2 A review of propositions regarding BCPs

8.2.1 Three propositions assessed

Three propositions were formulated in chapter 2:

i. Business-Community Partnerships enable the local businesses to upgrade their activities if they improve access to capital, knowledge/technology and markets.

ii. Business-Community Partnerships enable sustainable local socio-economic development if they contribute financially, improve access to social services and promote conservation efforts in the community.

iii. The success factors for local BCPs are most significant for the business initiated BCPs.

8.2.2 The first proposition assessed

The fifth chapter addresses the first proposition: Business-Community Partnerships enable local businesses to upgrade their activities if they improve access to capital, knowledge/technology and markets. The best outcome in this respect could be determined in Longido village, where the business-initiated partnership case had purposely developed linkages with local entrepreneurs by encouraging tourists to buy local produce. Local entrepreneurs were able to upgrade their services due to access to the tourist market – e.g. the Maasai women were able to earn more from jewelry specially made for tourists than they would earn from local market products. Local guest houses had to improve their quality of service to cater to foreign clients.

The Serengeti government initiated agreement also showed evidence of good levels of local sourcing due to the investor’s efforts to enable local farmers and traders to sell their products to the company. An observation here is that local business development is more likely to take place when local entrepreneurs are provided for additional support and capacity building by the tourism investor or by the government.
These are two extreme cases in terms of investments of the tourism businesses involved. The Serengeti case has seen the highest investments of all nine cases studied while the Longido case showed the lowest investments of them all. It seems that low investments attract tourists who do not expect as much (and do also pay per bed-night far less!) as tourists attracted by high-end business investments (see also Bitzer et al., 2011). Seemingly, a community being involved in an environment that requires high service skills, capital and market knowledge will face more problems and difficulties than a community that is in need of low-end investments only, unless lots of funds will be put into the community as happened in the above mentioned Serengeti case.

However, on the whole business-community partnerships are yet to contribute sufficiently to local business development. In the majority of partnership cases, the presence of the tourism business did not sufficiently improve village members’ access to capital or to knowledge and skills related to tourism markets. The level of local sourcing was also minimal in most cases. It was observed that infrastructure support, and training in entrepreneurial skills was needed at the village level to enable local people to take advantage of the market access allowed by tourism businesses in the area.

8.2.3 The second proposition

The second proposition consisted of: Business-Community Partnerships enable sustainable local socio-economic development if they contribute financially, improve access to social services and promote conservation efforts in the community.

Generally, financial outcomes were higher in cases of a business initiated partnership that would introduce all income - revenues from tourism into one village. In most such cases the villages were able to upgrade their social infrastructure to a certain extent e.g. by building classrooms, health clinics and sponsoring secondary school students, which created a basis for further local development. However, transparency and accountability mechanisms needed to be improved at the
village level in order for income from tourism to be properly translated to local socio-economic
development outcomes.

However, the level of satisfaction with the earnings, and with the partnership in general varied
between the cases studied. A computation of the total income (per capita) from tourism earned by
the partnership is shown in table 6.3 where these numbers are compared to the general level of
satisfaction with the partnership of the villagers.

The level of satisfaction with the partnership corresponded to the amount of income earned from
the partnership. This could particularly be observed in cases of very low earnings, where the
village members felt unsatisfied with the partnership when financial earnings were too low. In
cases where earnings were high while only a medium level of satisfaction of the villagers could be
noted this effect was caused by the villagers’ perception that the terms of the agreement were still
not fair i.e. benefits were not mutual - that one side was benefiting more than the other, together
with a feeling of a lack of equal engagement, which was the case in the government initiated case
in the Serengeti. In the Serengeti NGO-initiated case the general population was yet to see the
income translated to tangible development results. Their perception of the partnership gave way to
a feeling of uncertainty.

Perceptions/opinions of the partnership are as important for its success as are the financial benefits.
In the cases where high financial benefits were passed on to the village, and perceptions of the
partnership were positive, the partnering business benefited as the villagers were more willing to
cooperate on issues such as looking after the security of tourists and their property and controlling
livestock grazing in wildlife areas. Hence the partnership was seen as a win-win situation for both
partners. This is in contradistinction with cases where perceptions of the partnership are negative:
the outcomes of the partnership will suffer from that. In January 2011, four Indian horticultural
farms in Babati district were burnt down by the local population showing a growing dissatisfaction
with the scarce sources of land, and their feeling that local people were not benefiting sufficiently
from the presence of the farms (Nation 28 January, 2011).
The NGO-initiated partnership cases were generally more successful in contributing to conservation as compared to the business-initiated ones as they offered a better general framework with conservation clearly stated as an objective. However, they often lacked the resources to effectively carry out conservation work. The Serengeti NGO-initiated case is an exception to this as the partnership model offered a general framework for achieving conservation goals, while at the same time the tourism investor had a strong CSR policy, and had invested significant resources into conservation and also into community development.

It should be noted that some good conservation outcomes were also observed in two of the investigated government initiated partnerships (Longido and Serengeti), where tourism businesses had committed significant resources towards this goal in line with the companies’ strong CSR policies.

8.2.4 The Third proposition

The third proposition reads as follows: The success factors for local BCP’s are most significant for the business initiated BCP’s.

A link was found between meeting internal success factors for partnership and having a successful partnership for local development. The partnership cases with the best outcomes for local socio-economic and business development had also met the majority of internal success factors at a good level (see Table 7.2 and 7.3).

The study of the success factors which were met by the best cases, and of those which were not met by the worst cases as well as the outcomes of a perception/opinion test amongst stakeholders in the cases studied (see annex 3) revealed the most important internal success factors in order for business-community partnerships to gain sustainable local development and local business development as well. As described these, important internal success factors proved to be the presence of mutual benefits, an adequate level of trust between partners, as well as sufficient commitment of resources, and clear roles and responsibility by the partners.
8.3 Overall Conclusion

Partnerships – the link between communities and businesses – remain fragile phenomena. Prosperous businesses and clients on the one hand with poor societies on the other provide a potential for jealousy and conflict. A partnership can be a very important tool to provide a framework for local partners in obtaining a win-win situation. However, the business actor should be actively involved in local entrepreneurship development. In all case studies the transfer of knowledge of entrepreneurship development and the provision for capital to set-up small related businesses is completely absent. Inputs for schools and clinics are easily provided but that alone does not cater for business upgrading in the communities. If these entrepreneurship incentives are not provided the poverty gap between the business, its clients and the communities will be widening and could bring about instability in the region. A framework (for example see figure 8.1) which puts an emphasis on entrepreneurship development is indispensable in business - community partnerships in such a way that the local business community can prosper and more value will remain in the country itself.

Characteristic of these partnerships is the objective of conservation. It was found that any conservation effect is short-lived if communities are not involved, and, above all, if they do not see socio-economic benefits from conservation. If villagers get only nominal amounts of income from tourism, the interest of the villagers for the partnership is bound to deteriorate and over time conservation and local economic development will not get attention from the partnerships. It is therefore crucial to present conservation as a viable economic alternative to communities living in wildlife areas.
Once, business community partnership was an issue in the Netherlands; this partnership, however, was not provided with a framework on an individual basis. For example, business – community partnerships relations of Philips in the early 1930’s provided housing, education and free healthcare for its employers (Vriend, 1960). This was very beneficial for the employers as well as for the business, creating a conducive environment for development of the “communities” without having conflicts. In a way the Tourism Business community partnerships, as discussed in this research, are going through similar stages. At the same time they are learning from the past, whereby larger groups can benefit from businesses by means of a business community partnership framework. These frameworks could become more important in the Netherlands as well nowadays as the government is retrieving and so-called food-banks start to emerge. In these situations the role of business in and for communities becomes more important again. At present, indeed, we see that businesses in Dutch cities are involved in supplying food-banks with food or in providing technical teaching at primary schools.

Box 2: Relevance of BCP’s for the Netherlands

8.4 Contributions to the literature

Through this study the following contributions to the partnerships literature are suggested. An assessment has been made of the contribution of PPPs to development at the local level, i.e. at the village or community level. Literature with reference to this subject is scarce. It has been found that trust, clear roles and responsibilities, mutual benefits and informal commitment/ownership relations between partners are the most important success factors for community-business partnerships in the tourism sector. Moreover, the performance of partnerships as to their contribution to sustainable local development has been assessed. They carry the components of socio-economic development and conservation. Also their contribution to local business development was investigated. Literature focusing on performance of the link between the BCP and local business development is rare. This PhD made an attempt to reveal and establish the relationship between a defined type of partnership and the outcomes of the partnership. It was found that business-initiated partnerships made the greatest contribution to financial and socio-
economic development at the local level, whereas NGO-initiated partnerships contributed most to conservation.

This study stressed in particular the importance of efficient sharing of responsibilities and benefits for BCPs in developing countries. It is their objective to accelerate sustainable growth in developing countries by working in tandem both with the public and private sector whereby the public sector focuses on developmental benefits and the private sector focuses on profitability sometimes within a Corporate Social Responsibility (CSR) framework. Understanding of the strongest and weakest links in the system may result in a more effective approach to increase economic development in a BOP market.

To this date most BOP research has focused on the link between Western (often) multinational corporations (MNC’s) and the BOP markets. Obviously, local (“Southern”) private sector companies, however, also play an important role in the context of economic development and ultimately will have an essential role since in most economies SMEs play this role in local employment and economic growth.

At the BOP MCNs proof to have a self-interest. It is also noted that local small and medium sized companies do not always gain from collaboration. BOP Partnerships, however, can address the interest of the local private sector and occasionally BC-partnerships would be strengthened by CSR strategies driven by public opinion. It is stated that Value Chain analysis can facilitate this process by addressing more equally both the MNC’s interests and the local private sector actor’s.

BCP research should, therefore, include a multi-perspective approach. As it provides insights from public and private sectors and the civil society, as well as from Western and Southern companies and from various intermediaries within the value chain, and, finally, from a consumer and production perspective, the Value Chain Research Approach to BCP is a comprehensive tool for further theory development and practice. Business-community partnerships are fulfilling this role in the present study. It provides insights in strengths and weaknesses in the chain of business
community partnerships. Moreover, it was found that within local BCPs informal relations are important success factors.

However, in all three BCPs there are issues such as local food-procurement and entrepreneurship training which are not getting much attention. A simple government policy framework for communities and tourism businesses could be of assistance. Based on this survey a framework has been developed, which takes into consideration some important aspects coming out of this research. The BCPs assessed are closely linked to a geographical area and benefit from the comparative advantages of this region and by this can be fitted into the cluster theory (Porter, 1998). The cluster-approach is different from the value chain approach in the sense that comparative geographical advantages in relation to the lead-firms, the supporting businesses and the business environment are taken as a starting point in the cluster approach. So we call this merely a holistic approach. Local economic development research should use this part of the cluster theory more often in future research.

A micro-cluster framework is suggested based on the SRI model as listed in the USAID (2003) report on promoting competitiveness (see figure 8.1). It is proposed that the partnership stakeholders should take into consideration five main elements: access to credit/income, access to markets (assisting in opening markets), access to knowledge (entrepreneurial and conservational), access to infrastructure and access to land titles as discussed in chapter 5. Governments can use this framework to guide and monitor businesses and communities in working together successfully within wildlife tourism.
Figure 8.1: the BCP cluster framework
8.5 Methodology assessed

If the methodology in this study used is assessed than it is observed that the selected cases are based on models which are not unique to Tanzania. Partnership agreements between wildlife tourism ventures are widespread in Kenya, Botswana, Zambia and South Africa (Manyara and Jones, 2007). Replication of this research is probably possible within the tourism sector in other countries but also outside of the tourism sector e.g. in the mining and horticulture sector. Different BCP models could probably be researched and assessed based on the indicators provided for by this research. However, there are some limitations to this; these will be discussed in the next paragraphs.

At the beginning of the study, it was decided to use a case study approach. The research objective was defined as the study of the different models of partnership between businesses and communities. The critical review of this framework is based on the partnership literature. A major step in this process was the testing of a set of variables which had been derived from this stream of literature. Even so one could wonder whether – and to what extent - the selected and scrutinized partnerships in this study answer to the definition of a partnership as formulated earlier.

The study looked at the impact of the partnerships on business development and socio-economic development. From the value chain literature five variables were selected and assessed i.e. access to finance, access to markets, and access to knowledge, infrastructure and land. Some value chain studies deal with the access to organizational capacities. It was assumed that this aspect be included in the access to knowledge variable. The assumption, however, is arbitrary as the relation between the possibilities of having access to knowledge does not necessarily imply the possibility of access to organizations/institutions.

This study did not focus on the question of how communities should be organized in order to be ready to gain maximum benefits from non-local businesses. Yet interesting aspects (i.e. commitment and trust) can be distilled from the research of critical success factors for local BCPs. Nor does this study reveal how business should structure itself in order to get a good working
relation with communities although it would be valid here to say that the critical success factors are important for these stakeholders as well.

Although the focus of this study is on the tourism sector, it was found that business-community partnership relations are also immanent in the horticulture and mining sector. Replication of this study in these sectors is advised. Mutual benefits, objectives and motivations however, are less clear in the horticulture and mining sector. In the nature based tourism sector, there is a clear mutual objective which can provide a win-win for both parties. Conservation of the land – which is in the hands of the communities - is the mutual objective. However, in the horticulture sector land is less of an issue and therefore communities have less negotiation power. This is not valid for horticulture businesses based on out grower schemes. In these cases, the fundamentals for partnerships are more equal as both partners have land and are organized in a way so as both partners will have negotiation power. Finally, in the mining sector, land is an issue; differences in the field of capital, knowledge and markets however are huge. But CSR becomes more important in this sector and the potentialities of similar BCP studies as carried out in the tourism sector should be subject for further research.

8.6 Tanzania Tourism and Conservation Policy Recommendations:

While working on this research it was felt that there would be a need for the development of some recommendations. Ten policy recommendations have been developed, which read as follows:

1. Decentralize the administration of tourism earnings. In those cases where the funds are being administered by central authorities the local community business partnership stakeholders have felt left out. A situation was created in which the communities and business are not committed to the objective of a partnership. In fact the situation created grounds for potential unrest and little development would come forth. So in my opinion the community business partnership stakeholders should have as much decision power as possible over the funds themselves. In this
way regions can develop socio-economic development plans and may even start competing with each other.

2. There is a need for clear policy and practices which encourage and support local benefits from tourism. This study indicates clearly that government policy can be a crucial element in encouraging linkages between local and global tourism businesses. The recent focus of the Tanzanian Government on Wildlife Management Agreements has – this has been discussed in the conclusion - some positive effects on sustainable development, however, financial benefits need to be enhanced. Local skills and capacities need to be developed such that local businesses participate successfully in the global tourism market.

3. Facilitate local business linkages with mainstream tourism businesses. These linkages can be stimulated by providing credit facilities to enable the establishment of tourism-related local enterprises, or by encouraging local employment and staff spending earnings locally.

4. There is a need for transparency and accountability mechanisms at all levels of government. This is needed to ensure clarity about the amount of funds collected from photographic and hunting tourism activities, and their expenditure. Transparency is an important factor in achieving development through tourism. The government should set the tone and lead the way in being open and transparent about the disbursing at various levels of the money-income from tourism.

5. Set a maximum to the number of villages corresponding to the number of investors in each WMA. In order to generate substantial economic benefits from tourism the appropriate number of villages corresponding to the number of investors should be determined. In the Serengeti case of five villages sharing revenues from nine investors each village involved enjoyed higher financial benefits than those in the Longido case where nine villages shared earnings from two investors. Not setting a maximum to the number of villages in correspondence to the number of investors would diminish the effect of the agreement on local economic development and conservation.
6. There is a need for marketing WMA destinations in order to attract investors. Village earnings might become higher. It is suggested that WMAs are to be marketed to attract investors and tourists in order to generate higher financial earnings in these areas. Effective community based conservation is possible only when adequate economic gains are carried off from the venture.

7. There is a need for tourism research and training colleges particularly for tourism training facilities in rural localities with wildlife / tourism, to enable local people to gain skills that will allow them to benefit from the tourism industry.

8. There is a need for skills and entrepreneurial training at the village level. It was observed that businesses within the partnership tended to focus on socio-economic development issues within the communities. Research in the Serengeti district revealed that, although payments to the villages were high already for more than 10 years, no substantial development in terms of additional business ventures could be found. Besides the provision for a basic infrastructure like schools, roads and hospitals local development is particularly in need of a focus on entrepreneurship training and exposure. All Business-Community Partnerships should take entrepreneurship training as an important aspect of the partnership.

9. There is a need for a local tourism development fund. Even when the internal success factors for partnership have been met and when the right format of partnership has been chosen, local tourism upgrading could be prone to risks such as the fact that natural disasters might strike the area or a political upheaval might disrupt the number of tourists coming per year. In order to mitigate these risks tourism businesses should collect more capital and could even acquire lodges in different countries. Moreover, capital for tourism upgrading is often easier to generate by the business than by the community entrepreneurs. However, no such fund for risk mitigation in the tourism sector is yet available at the community level. It is therefore recommended that a local tourism development fund is established which could cater for both positive and negative external influences.

10. There is a need for sustainability guidelines in the tourism sector. Businesses which had socially responsible practices and were actively involved in community development showed good
relations with the village members. This resulted in improved cooperation in areas such as the impediment of poaching and looking out for the security of tourists and their properties in the area. The community felt that attention was being given to them directly and as a result community members seemed to be more inclined to co-operate with the business. This resulted in both parties, the community and the business, benefiting from their positive relations. However, guidelines for ‘responsible’ practice and for determining how companies can adopt such practices are lacking in Tanzania. Sustainability guidelines can be an instrument to raise the investor’s business awareness of the way how to co-operate with communities in a win-win situation. It is therefore recommended that such guidelines are developed to enable more tour companies to benefit from building positive relations with communities in their investment area.
References


Arusha times, 9 May, 2009


-based Tourism around the World and Guidelines for its Development. Gland, Switzerland: IUCN.


Drost, S., J. Wijk, and F. Mandefro (2012) ‘Key conditions for successful value chain partnerships, working paper series, the partnership resource centre, Rotterdam.


conservation of industrial heritage a road to local economic development?’, Regional Studies 35 (6): 585 – 590.


SNV (2009) ‘Rural Development Fails from Lucrative Wildlife Tourism, brief on a reconnaissance


This Day newspaper, Tanzania. Accessed 30 November 2009 at the This Day website: <http://www.thisday.co.tz/?l=104077>.


United Republic of Tanzania (URT) (2007) Ministry of Natural Resources and Tourism,


End notes:

1. See: http://www.maasaierc.org/lolondo/background.html, assessed 24th of June 2012
2. Personal communication with Chairman of Tato, 24th of June 2012
5. See for example: http://allafrica.com/stories/201111010390.html
6. See for example: http://www.tripadvisor.com assessed 9th of July 2012
9. See allafrica.com/stories.201103280682 assessed 02 April, 2012
12. The gini index in Tanzania is increasing over the years see: http://www.indexmundi.com/tanzania/distribution_of_family_income_gini_index.html assessed 6th of August 2012
Annexes

Annex 1. Questionnaire

Tourism partnerships & value chains research

Village name: _______________________
Partnership model: __________________________

<table>
<thead>
<tr>
<th>Variables</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>I. The BCP Model</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Does the partnership involve:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- A community member / community members</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- A private sector business</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- The village government</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- District government</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Central government</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- NGO</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

BCP Model =

<table>
<thead>
<tr>
<th>BCP Model</th>
<th>Business initiated</th>
<th>NGO Initiated</th>
<th>Government-initiated</th>
</tr>
</thead>
</table>

II. Internal success factors for partnership

2. Does the partnership show strong evidence of

a. Mutual benefits
   Measured by:
   i. Looking at payments for land use received by each partner from tourism activities (bed/nights)
   ii. Fulfillment of each partners conservation objective

b. Commitment
   Measured by:
   i. Duration of the agreement/length of the contract between partners
   ii. Frequency of meetings between partners
   iii. Formality and legality of the agreement – is there a formal written contract?
   iv. Significant financial / resource commitment by one or all partners

c. Informal relations
   i. Number of informal meetings per month

d. Consultative structures
   i. Are there different committees/ platforms to discuss the PPP process?


<table>
<thead>
<tr>
<th>e. Ownership</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>i. Was the contract signed?</td>
<td></td>
</tr>
<tr>
<td>ii. Were all partners fully engaged in the partnership formation process?</td>
<td></td>
</tr>
<tr>
<td>f. Transparency</td>
<td></td>
</tr>
<tr>
<td>i. Is information about the partnership, and earnings from it displayed publically?</td>
<td></td>
</tr>
<tr>
<td>ii. Are partners willingness to share information about the partnership with the researchers?</td>
<td></td>
</tr>
<tr>
<td>g. Accountability</td>
<td></td>
</tr>
<tr>
<td>i. Public display of information about the partnership</td>
<td></td>
</tr>
<tr>
<td>ii. Regular reporting between partners</td>
<td></td>
</tr>
<tr>
<td>h. Inclusiveness</td>
<td></td>
</tr>
<tr>
<td>i. Are all the PPP stakeholders at the PPP meetings?</td>
<td></td>
</tr>
<tr>
<td>ii. Is the information distributed to all stakeholders each time a meeting is held?</td>
<td></td>
</tr>
<tr>
<td>i. Trust</td>
<td></td>
</tr>
<tr>
<td>i. Partners are willing to share resources, success, and risk with one another</td>
<td></td>
</tr>
<tr>
<td>j. Clear roles</td>
<td></td>
</tr>
<tr>
<td>i. Is the distribution of roles clearly described?</td>
<td></td>
</tr>
<tr>
<td>k. Good planning</td>
<td></td>
</tr>
<tr>
<td>i. Are the required outcomes outlined for the different years?</td>
<td></td>
</tr>
<tr>
<td>l. Knowledge and experience</td>
<td></td>
</tr>
<tr>
<td>i. Are the managers/ accountants having the relevant experience?</td>
<td></td>
</tr>
</tbody>
</table>

Internal success factors for partnership have been met satisfactory?
III. Conditions for upgrading for the partnering business (PB) and local business (LB)

Has the partnership:

a. improved the business’s access to capital either in terms of increased savings over time, or in ease of obtaining a bank loan?

b. improved the business’s access to the tourism market? Number of new customers gained / volume of additional products sold / amount of new sales due to the partnership.

c. improved the business’s access to knowledge / technology – new skills learnt as a result of the partnership?

d. improved the business’s access to infrastructure – roads, water, power, telecommunication?

e. improved access to land rights – for the partnering / local business?

Has the partnership provided conditions for the business to upgrade its activities within the global tourism value chain?

IV. Outcomes (Financial, non-financial, empowerment, conservation)

Has the partnership:

a. led to an increased level of income for community members or businesses
b. increased employment possibilities for community members
c. provided opportunities for community members to sell local products e.g. vegetables, meat, handicrafts

d. improved the community members’ access to education
e. improved the community members’ access to health services
f. led to improved road infrastructure in the village area
g. improved access to clean water
h. improved communication services in the village

Financial outcomes of the partnership =

d. improved the community members’ access to education
e. improved the community members’ access to health services
f. led to improved road infrastructure in the village area
g. improved access to clean water
h. improved communication services in the village

Non-financial outcomes of the partnership =

i. led to empowerment / institutional development: number of meetings where villagers participate in decision-making since
the partnership started = 

<table>
<thead>
<tr>
<th>Empowerment outcomes of the partnership =</th>
</tr>
</thead>
<tbody>
<tr>
<td>j. better land planning for conservation purposes</td>
</tr>
<tr>
<td>k. improved monitoring of the village environment to ensure no tree-cutting, poaching, harmful activities for the environment</td>
</tr>
<tr>
<td>l. increased numbers of wildlife in the village area</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Conservation outcomes of the partnership =</th>
</tr>
</thead>
</table>
Annex 2. Business Community Partnership Cases

**Longido District**
Case I: Longido village and the Longido Cultural Tourism Program
Case II: Elerai village and Company A under the WMA
Case III: Mairowa village and Company B (hunting tourism)

**Babati District**
Case I: Minjingu village and Company A
Case II: Minjingu village and Company A under the WMA
Case III: Kakoi village and Company C (hunting tourism)

**Serengeti District**
Case I: Robanda village and Company D
Case II: Park Nyigoti and Company E
Case III: Makundusi village and Company E (hunting tourism)
Annex 3. Tourism partnerships & value chains – opinion/perception test of success factors for partnership

Village: __________________________ Name of company: __________________________
Role of respondent in the partnership: ____________________________________________

<table>
<thead>
<tr>
<th>Success factors for partnership</th>
<th>Very important</th>
<th>Important</th>
<th>Someewhat important</th>
<th>Not so important</th>
<th>Not at all important</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(High)</td>
<td>(Med+)</td>
<td>(Medium)</td>
<td>(Low+)</td>
<td>(Low)</td>
</tr>
<tr>
<td><strong>I. Internal Factors</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a. Mutual benefits</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>b. Commitment</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>c. Informal Relations</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>d. Consultative structures</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>e. Level of ownership</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>f. Transparency</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>g. Accountability</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>h. Inclusiveness of stakeholders</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>i. Trust</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>j. Clear roles and responsibilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>k. Good planning</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>l. Relevant knowledge &amp; experience</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Annex 4. Individual case analysis

This section presents data on the analysis per case per hypothesis and is based on the tables (5.2, 6.2 and 7.2) reflected in chapter 5, 6 and 7.

Hypothesis two:
1.1.1 Longido District Business-initiated Case
In the Longido district business-initiated partnership case, a number of linkages had been established between the tourism investment and local businesses. Local guest houses, general supplies shops, and a women’s crafts market were able to benefit from the inflow of tourism traffic into Longido village. A relatively high amount of money was circulating in the village economy because of the presence of tourists. This money once in the hands of local entrepreneurs could be used for re-investment, or for establishing new businesses. Hence access to capital in the first Longido case was at a medium level. The tourism investor also made efforts to encourage the tourists to visit the local village and markets. Hence several local businesses were able to gain access to the tourist market.

Some access to knowledge about tourism was enabled as the local people were able to have contact with tourists, and to see what they demanded, and looked for ways to supply these products.

1.1.2 Longido District NGO-initiated Case
In this partnership case there was no sufficient linkage with local businesses for a number of reasons. The villagers had not yet diversified their economic activities to allow the tourism establishment or tourists to buy products from the village hence the villagers’ access to the tourism market was limited because of a lack of products they could offer. The villagers were mostly Masai with traditional economic practices of livestock herding, and some amount of cultivation. The only economic activity made possible from tourism in this case was visits to local Masai homes, where the tourists would have a cultural experience and pay the owners of the ‘boma’.
Access to capital as a result of the tourism in the area was low, because only a few number of people were employed, and savings were not sufficient to be converted into capital locally. There were no savings or loan facilities located near the village.

Similarly transfers of skills and knowledge about tourism to the villages were low as the level of local employment, and exposure to running a tourism enterprise was not sufficient. However, representatives of the WMA’s Community Based Organization had some opportunities to further their skills in managerial and administrative tasks. For instance, an accountant and manager was undergoing university-level training prior to taking on managerial tasks in the CBO. Furthermore, several village game scouts employed by the village to monitor the environment had received formal training for the job.

In this partnership type villages had been provided with an incentive to obtain a land title deed in order to secure legal rights that would allow them to make agreements with private sector investors over the use of a section of their village land for tourism or other investment purposes.

1.1.3. Longido District Government initiated partnership case

In the Longido government-initiated case there was a low level of employment per village due to low numbers of hunting tourists in general, and the fact that the company had relations with 19 separate villages. As a result the level of savings and capital made available to individual villages as a result of the tourism investment was low. Lending and saving facilities were also not available in the village studied.

The small number of tourists, and the fact that they were mostly catered for — with food and accommodation by the tourism company itself meant that the villagers’ access to the tourist market was limited. Access to knowledge and tourism skills was made possible through employment, but as mentioned previously the level of impact per individual village was small.

Finally, because the tourism business received the permit to use an area of the village land for hunting through central authorities, the village had effectively less say over uses of their land, hence the community’s access to land rights was low. However, the tourism business had
invested some money towards block development, and had contributed towards maintaining roads and other infrastructure within their hunting block.

1.2.1. Babati District Business-initiated Case
In the Babati business-initiated case business linkages with the village were not established because of the presence of the single tourism investor, but mostly because it is a village that receives much tourist traffic due to its location near the entrance to Tarangire National Park.

The village therefore had a higher awareness of tourism, and already had experience selling products to the tourist market. Three women’s groups focusing on jewelry, basket and mat making of approximately 15 people each had been established in order to cater to both the tourism industry and to local buyers. The women’s groups had established links with a consultant from the African Wildlife Foundation, who assisted in helping them upgrade their skills in order to better meet market demands.

Hence access to markets, and knowledge about tourism in this village were more or less present because of the large number of tourists passing through the village generally. However, access to capital to initiate or expand local businesses had not yet been fully enabled, only a few businesses were receiving capital to do so.

1.2.2 Babati District NGO-initiated Case
Similar to the business-initiated case in Babati, the village had some access to knowledge about tourism, and to the tourism market more generally. Access to capital to carry out tourism-related businesses was limited. More specific skills in areas such as crafts-making and tour guiding could also be offered at the village level to allow more members of the community to benefit from the high level of tourism traffic in the area.

1.2.3 Babati District Government initiated partnership Case
Business linkages in this case were limited as relations had not been established between the company and the village. The level of local employment was low, so the transfer of tourism skills was also low. No produce was bought from the village, and there was no contact between
tourists and local businesses. However, the tourism business was involved in maintaining feeder roads to allow access to the lodge, which resulted in the community benefiting as well.

1.3.1. Serengeti District Business-initiated Case
In the business-initiated partnership case in Serengeti, access to capital was relatively higher compared to the other cases due to the pervasiveness of tourism businesses in the area. Although the individual case studied had a small impact on improving access to capital, the presence of other tourism businesses in the area meant that there was a good circulation of earnings from tourism in the village, and that savings by the village residents could be converted into capital for starting small businesses. The Robanda village executive officer reported that the number of small business had doubled over the past ten years as a result of local spending by people employed by tourism businesses in the village.

Access to knowledge about tourism was enabled to a certain extent, and this was particularly made possible through joint ventures with tourism investors. Three local entrepreneurial groups had been established in the village, which sought partners to develop areas of land allocated to them by the village and use them for tourism purposes. One of these groups currently operates a tented lodge together with a partner from Spain. This provides an example of transfers of entrepreneurial, marketing and management skills from more experienced tourism professionals to some of the village residents.

1.3.2. Serengeti District NGO-initiated Case
An attempt was made to facilitate access to markets in this partnership case by one of the tourism business investors, who put money into setting up the infrastructure necessary to allow local producers to sell to the tourism business. However, not many farmers or traders from the village under study benefited from this venture as the location of the village was some 60 km from the trading center, and the majority of villagers did not have transportation means to access the center. The level of employment from the village was also not high, with only five people employed in the company. This further limited the transfer of tourism knowledge and skills to the villagers. There was little access of capital enabled by the tourism ventures within the partnership in this village.
1.3.3. Serengeti District Government initiated partnership case

In the government-initiated partnership case in Serengeti access to capital was made possible through savings by the villagers employed in tourism. The level of local employment was over 20 people, and this allowed some transfers of tourism skills to the villagers, although the village council observed that the majority of jobs taken were low-skilled. Still exposure to tourism was enabled to a certain extent. Access to markets was also enabled somewhat as the investor had set up a facility to allow local farmers and traders to sell items to the company, and the village was located in proximity to the trading center.

Hypothesis two:

2.1.1 Babati District Business-initiated Case

In Babati district income from tourism was between US$30,000 and US$ 60,000 for one village per year from the business-initiated partnership case. Money obtained from the partnership was used to support education services – contributions were made towards building the ward secondary school, and some 20 secondary school students were sponsored per year. A fund was also established for supporting economically disadvantaged groups such as orphans. Moreover, relations with the company were good enough that the company contributed towards other social-infrastructure development e.g. they provided money for a water pump and generator.

Contribution to employment was medium as some 6 villagers were hired by the lodge. There were some sales of vegetable and meat products for staff use at the tourism lodge, but the volume of sales was small. The lodge manager revealed that he preferred to obtain produce for the tourists from Arusha town, located some 100 km away, where the quality and volume required was assured.

There was no formal organization of conservation initiatives on either the company or village’s side, but village game scouts were used. On the whole financial benefits to this partnership to the village were medium / high.
2.1.2. Babati District NGO-initiated Case

Income per individual village from this partnership case was around US$ 3000 per village per year. However, the village under study was yet to receive any income from the WMA as they refused to collect payments from the CBO since 2005. The village is currently in the process of demanding to exit from the partnership, arguing that there was poor knowledge or understanding about WMAs, and not all village members had been engaged in the process of establishing the WMA (Minjingu village councilor, personal communication).

The number of people employed at the lodge from the village was four. It was perceived by the villagers that the level of local sourcing had dropped from previous times, when the village had direct relations with the tourism investor. However, the camp manager reported that they continue to source some produce for their staff locally, although the majority of their food is purchased in Arusha town.

Conservation benefits from this partnership case are that nine villages are now able to collaborate on preserving larger areas of land for wildlife. However, in Minjingu village there was little active participation in monitoring their wildlife area due to general dissatisfaction with the partnership agreement.

Financial benefits to the village in this partnership case were nearly non-existent, due to a conflict within the partnership. Conservation benefits were improved overall in the area due to collaboration with other villagers on managing the wildlife area.

2.1.3 Babati District Case Government initiated partnership case

In the Babati government initiated partnership agreement, income from hunting tourism was previously being channeled through the district to the villages, but since 2006 payments are being made through the CBO of Burunge WMA. Payments per village from hunting tourism do not exceed US $ 1000 per year (Hunting revenues data from Babati District Office).

There were no additional agreements made between the village and the company, consequently relations between the two were weak. The level of local sourcing of food produce was low. A
village council member stated that no one from the village was employed by the business, and no business linkages had been established. The camp manager admitted to sourcing most of the produce from town, but reported that the security guards and some workers for menial jobs were hired locally.

In terms of conservation, there was no apparent contribution from the investor, and the village only employed village game scouts and allocated a specific area of land for wildlife use after joining the WMA in 2010.

Socio-economic development and conservation benefits were generally low in this partnership case.

### 2.2.1 Longido District Business-initiated Case

Income to the village in the Longido business-initiated case came to over US$12 000 from 1386 tourists (Longido CTP 2009 report). In addition, local guides earned US$ 6000 and local farmers, medicine men and story tellers earned nearly US$ 7000 in the same year. Accommodation in homestays brought nearly US$ 1000 to families in the village. The income was used for education purposes – sponsoring secondary school students, and building of a watering hole for cattle. Some of the costs for running the village office were also covered by these funds (Director of Longido CTP, personal communication). 19 guides were employed by the enterprise as well as an additional number of up to 5 staff working at the accommodation service.

The level of local sourcing was good as the location of the investment was such that tourists could walk into the town area and buy some necessities from local shops. Although actual local sourcing could still improve. Furthermore, the tourists were encouraged to visit a Maasai women’s market, and buy local handicrafts - on average, approximately five households would benefit per visit to the local market. Working in collaboration with the district’s forest and wildlife officers, the guides employed by the entrepreneur were also involved in looking out for any illegal activities in the natural forest. However, there was no formal organization focusing on conservation issues, and this is an area that requires development.
On the whole contributions to local socio-economic development were evident in this partnership case, particularly in the areas of employment, and local sourcing. However there was no formally organized and long-term conservation plan engaging the tourism investor and community in the area.

2.2.2 Longido District NGO-initiated Case

Income to each village from tourism once divided amongst all nine villages, were minimal – not exceeding US$ 3000 per year\textsuperscript{22}. The village in which the investment was located also benefited marginally from tourist visits to the local ‘bomas’, where the family hosting would be paid a fee of approximately $10. Contribution to social and other infrastructure development is negligible from such earnings to a whole village per year. The number of local people employed by the company was six.

The level of local sourcing was low and the tour operator bought most of the required produce from Arusha town. An explanation given for the low level of local sourcing was the lack of the required produce in the immediate villages, the lack of sufficient variety of produce and of the required quality (Camp manager, Company A). Hence socio-economic development benefits to individual communities in this partnership model were low.

Conservation efforts were strengthened in this partnership case as village members collaborated with neighboring villages in scouting the surroundings using village game scouts to prevent tree-cutting as well as wildlife poaching and also a conservation plan was established.

2.2.3 Longido District government initiated partnership case

In the government initiated partnership case payments from hunting tourism were made by central government to the district, and these were re-distributed to villages within the district. Income from hunting tourism received from the district rarely exceeded US$ 2800 to each village per year.

\textsuperscript{22} Elerai village chairperson, pers. communication
Because the company in this case had initiated its own agreement with the village there was some economic and social service / infrastructure benefits being passed to community members as the tourism business itself directly put money into areas such as scholarship funds for secondary school students, digging water wells and supporting local beekeepers. In 2010 some 40 secondary school students were sponsored by the company. In addition to the amounts paid to central government for a hunting concession (US$ 27,000 per hunting concession per season), the company contributed an additional $2800 to the village for development purposes (Company B Community Relations officer, personal communication).

The level of local sourcing was low. This is because the type of tourism activity was hunting, and the number of clients per visit is small – usually 1-4 clients per trip (Company B, Community Relations officer, personal communication). Hence the demand for local produce is lower, however, there was also a problem of quality requirements not being met locally which led the company to buy produce from Arusha town, and in some cases meat was even imported from Kenya.

In this partnership case the tour operator invested a significant amount of funds into tree-planting, raising environmental awareness through film, and into anti-poaching patrols. The intention was to engage local communities in conserving the environment, and the company even awarded a conservation incentive of nearly US$ 1000 to each village. However, it was not always clear that this amount was being used for conservation purposes (Company B, Community Relations officer, personal communication). At the village level there appeared to be little formal organization to achieve conservation goals.

Financial benefits to the village were low on the whole from this partnership case as they were spread thinly across 19 villages. Conservation benefits were medium/ low, and mostly a result of resources invested by the company towards this end.

2.3.1 Serengeti District Business-initiated Case

In the business-initiated case in Serengeti the company reported payments of between US $ 20,000 and US $ 30,000 per year to the village. As a result of income earned from this agreement,
and from agreements with other tourism companies, the village is currently carrying out social
infrastructure development projects e.g. construction of classrooms for a secondary school,
teachers’ classrooms, a health clinic, and sponsoring 10 secondary school students and 10
students in universities or technical colleges using funds obtained from tourism.

However, the village has been receiving earnings of between US $ 50,000 and US $ 200,000
every year for nearly a decade, and although there was social infrastructure development, it was
not too much higher compared to that of neighboring villages. One explanation for the lack of
development outcomes which match financial earnings from tourism is the poor management
and perhaps mismanagement of funds. Prior to the year 2007, apart from reports given out during
village meetings, there were no mechanisms of reporting earnings and expenditures that engaged
a third party for verification. In 2007 after it became apparent there was poor accountability on
the use of funds it was decided that the approval of the district should be sought prior to the
withdrawal of any funds for village use.

The level of employment was from 4-6 employees by the tourism business from the village. The
company also contributed to other development projects in the village – including sponsoring the
building of classrooms. This case is only one of similar agreements the village has with seven
other tourism companies. Overall, earnings from tourism to the village came up to a peak of
over US $ 200,000 a year.

The level of local sourcing of food produce by the tourism company was low as no large scale
suppliers had yet been established in the village center. The company under study, and a number
of other tourism businesses in the area preferred to obtain their produce from Arusha town –
located nearly 400 km away, where the volume and quality of produce was guaranteed.
However, there has been some local business development as a result of staff spending in the
village. The number of small general items shops has increased, and so has the number of guest
houses, cafes and bars – by nearly 100% in the last 10 years (Robanda village chairman, personal
communication). Two crafts shops have also been established to cater to tourists visiting the
area.
There was no formally organized conservation strategy initiated by the business and village in this partnership case. The village reports that it had its own arrangement of looking out for activities such as poaching using village game scouts, but it is evident that they lacked resources to allow them to carry out the job effectively. Prior to 2006 poaching was a very serious problem in the Western Serengeti area.

Financial benefits were high in this partnership case. However they were not effectively transformed to socio-economic development outcomes due to poor accountability mechanisms. Conservation efforts were also not well developed.

2.3.2 Serengeti District NGO-initiated Case

In the NGO-initiated partnership case in Serengeti five villages were involved in a partnership together with seven tourism investors. The village under focus for this partnership case received payments of nearly US $ 10 000 in 2009, and a payment of nearly US $ 15 000 is expected for the year 2010\(^{23}\).

This income is relatively high considering the village was receiving a much smaller amount of earnings – of as low as US $300 per year from hunting tourism via the district prior to the formation of the WMA as it has no tourism investors located in the village land. The funds are being used to contribute towards education – building a school for the ward, teacher’s houses and sponsoring students who cannot pay for their education, and also towards the construction of a health clinic.

Contribution to the partnership to employment was at a medium level, with five villagers employed by one of the companies in the WMA. An additional four were employed by the WMA as village game scouts, although earnings were low at between $50 and $60 a month.

The level of local sourcing from this village was low. This is due to the location of the village – nearly 60 km away from the tourism establishments, and due to the lack of means to transport

\(^{23}\) Park Nyigoti Village Executive Officer, personal communication
produce to these establishments. There is also currently little farming of the types of vegetables and fruit demanded by tourists.

The largest tourism investor in the area has contributed funds towards developing infrastructure to allow local farmers to sell produce at higher volumes. Over US$ 27,000 was provided to support the formation of a farmer’s and a trader’s association to allow better coordination of sales by local producers to the company (Community outreach officer, Company C). Currently, the tourism business is purchasing all of the produce they receive from local farmers. However, it is evident that only the villages located near the lodge are benefiting at the moment, and the majority of farmers located further from the investment seemingly lack sufficient contact and transportation means to establish business links with the company.

Park Nyigoti has a land use plan which sets aside an area of land for wildlife and conservation purposes. However, during periods of drought it becomes difficult to prevent the villagers from taking livestock to these areas, so the plan is not effectively implemented at all times (Park Nyigoti Village Executive Officer, personal communication). Four village game scouts employed by the WMA assist in looking out for illegal activities such as tree-cutting and poaching in the area. On the whole socio-economic development benefits were at a medium level in this partnership case.

2.3.3 Serengeti District Government initiated partnership Case
In the Serengeti district Government initiated partnership case payments for the hunting block are made directly to central authorities. However, the investor also made several separate agreements with villages in the area. These agreements were over the use of sections of village land by the company, and they also obligated the company to contribute to village development.

In the case selected, the village had a contract with the company concerning land use for a company office, and also for an area to be allocated as a reserve for wildlife. In return the village was to receive 5% of bed night fees above running costs, and between US$ 20,000 and US$ 30,000 as land lease payments. These and other funds from tourism were contributed towards building a teacher’s office, 2 teachers’ houses, classrooms for the ward secondary
school, and 120 desks. The company also assisted in projects such as sinking bore holes and installing a water pump for village use.

The level of employment was medium at around 15 workers, the majority of jobs offered being anti-poaching scouts. The level of local sourcing at a medium level, as the company had invested funds into setting up a farmers’ and a traders’ associations, which encouraged local people to sell farm produce and other items to the company.

The contribution towards conservation by the company was also high as over 100 anti-poaching scouts have been employed, equipped with vehicles and other facilities to enable them to effectively patrol the area. The company is also involved in research and monitoring of wildlife numbers. It has been reported that the amount of poaching has decreased, and the number of wildlife has increased by 60% in 2010 since the company was established in 2006 (Company C, staff member, personal communication).

The contribution of this partnership case to socio-economic development outcomes and conservation outcomes is higher relative to the other partnership cases, due to the large amount of resources invested by the tourism operator.

Hypothesis three:

3.1.1. Longido District Business-initiated Case:

Internal success factors for partnership were generally met at a good to medium level. Villagers felt that they were fully involved in initiating and implementing the partnership. The inclusiveness of stakeholders was medium. Contracts were signed between the village leadership and the company, and village members were informed and involved through general village meetings with all village members, which take place every three months but not always all information was distributed. Both sides felt the roles were clear, and each side felt they were fulfilling obligations as stated in the agreement. However, the village was lacking training in certain areas, specifically in areas relating to wildlife management. Also there was no clear plan put together by either side specifically relating to conservation or business development and even with social infrastructure development, no long-term plan exists.
3.1.2. Longido District NGO-initiated Case

Internal success factors were met at a good to medium level in the Longido WMA. In villages which had single direct agreements with investors previously, mutual benefits were perceived to be only medium, and in the case of Elerai village, poor. In villages where no tourism investor was present previously, mutual benefits were perceived to be medium. The level of ownership of the process was medium and in some cases poor. It was reported that at least one village joined the WMA only after pressure was put on by authorities and after their user rights of their land for tourism purposes was threatened to be removed. Roles in this partnership framework were generally clear. Consultative structures for discussing the partnership existed, involving the advisory board with district officials and CBO representatives. The level of trust was only medium as the villages were still waiting to see results from the partnership. In Elerai village, which was in a partnership with a single investor previously, it was indicated that no clear positive outcomes had been seen yet, rather, payments from central authorities had often been delayed. The WMA appears to have a good plan for conservation generally, and in Longido there is a plan to build a community run lodge for tourists, although this plan is currently stalled due to an investor pulling out. The level of knowledge and experience was medium as some village game scouts and administrators of the WMA had received training. The secretary of the CBO had trained to University level. Nonetheless more education is required at various levels, especially to the villagers more generally, to build their capacities in the areas of wildlife conservation and management and also business development.

3.1.3. Longido District, Government initiated partnership case

Internal success factors were not all medium met in this case. Mutual benefits from the tourism activity to the village were poor as the village received a very small proportion of the overall hunting revenues of less than US$2000 per year. However, the tourism company initiated agreements with the village and the level of commitment was medium. The level of ownership of these agreements, and informal relations between the village and the company were good. There was a lack of transparency on revenues collected by central authorities from hunting activities within the village area, and a lack of inclusiveness of the village on decisions relating to issuing permits and managing hunting activities in the area. Clarity of roles were scored medium in the agreement between the company and the village, although some problems such as cultivation in
inappropriate areas and tree-cutting persisted in parts of the village. There was poor level of long-term planning for village development in the agreements, although the company had made contributions in some sectors e.g. sponsoring of secondary school students. Many of the village members still lacked understanding of conservation practices, although the company tried to address this problem through their environmental awareness program.

3.2.1. Babati District Business-initiated Case
Internal success factors for partnership were generally met at a very good to medium level. Villagers felt that they were fully involved in initiating and implementing the partnership and those mutual benefits from the agreement were very good. The inclusiveness of stakeholders was ranked medium because contracts were signed between the village leadership and the company, and village members were only informed and involved through general village meetings with all village members, which take place every three months. Both sides felt the roles were clear, and each side felt they were fulfilling obligations as stated in the agreement. However, the company was not always satisfied with the level of avoidance of livestock in tourism areas by villagers, although they admitted the village leadership was good at following up whenever this problem arose. Also, similar to Longido, there was no clear plan put together by the two sides for wildlife conservation or business development in the area, and no long term plan existed for general human / infrastructure development.

3.2.2. Babati District NGO-initiated Case
Internal success factors were met at a medium level in this partnership case. Ten villages and two tourism investments were involved in the partnership. On the whole, villages which had no tourism investment previously were satisfied with the benefits and the level of commitment was scored medium. In one case commitment was very poor and the village was attempting to exit the agreement. This was a village which had an agreement with a tourism investor previously, and which had seen financial payments from the partnership drop once earnings had to be shared by 9 villages within the WMA framework. Transparency seemed to be “medium” with respect to funds received and re-distributed by the CBO from the Wildlife Division, but there was a lack of clarity on overall tourism earnings collected by the central authorities. The level of ownership was scored medium, although since the partnership was introduced to villages by central
authorities through facilitation by an international NGO, it was evident that many villagers still lack sufficient understanding of the partnership framework and objectives. It was indicated by several respondents that more sensitization to villagers on WMAs is required. A general plan for wildlife management exists for the WMA, but no specific goals relating to conservation of certain key areas, or achieving targets of wildlife numbers within a given time-frame have been outlined.

3.2.3. Babati District Government initiated partnership Case
Success factors were poorly met in this case. Benefits to the village from hunting tourism were very low compared to overall earnings to the central government – not exceeding US$ 1000 per year. The villagers were not involved by central authorities in drafting agreements relating to hunting tourism activities in their area. There was no contract signed between the company and the village, and informal relations were weak. Information on revenues collected from hunting tourism in the area was not easily accessible by villagers, and the level of trust on the authorities’ administration of these revenues was low. The role of the village in these agreements was not clear. There was no plan relating to village development or conservation emerging from the presence of hunting tourism in the area.

3.3.1. Serengeti District Business-initiated Case
Internal success factors were generally well met in this partnership case. Mutual benefits were perceived to be good, and commitment was very good from both partners. Informal relations were good, and mechanisms existed for reviewing the contract when it was up for renewal every five years. The village and company felt that they owned the process of initiating and implementing the partnership even though some external parties were also engaged e.g. law experts from the Land department at the District level. Both parties claim that the level of transparency on partnership issues was good. However, it seemed that the villagers were not always informed about earnings from the agreement, and evidence was not always there to show where the expenditure went for all the earnings that were received – sometimes of over US$ 200,000 a year. The village council indicated that this information was usually passed on to villagers through general village meetings and that even the district is now involved in monitoring village funds use. Partnership roles were clear and both parties were more or less satisfied with the other
party’s fulfillment of their role. The level of trust was very good. However as in previous single investor single village cases no broad conservation or development goals were adopted, although the tourism investor did initiate some development projects, specifically to support the education sector.

3.3.2 Serengeti District NGO-initiated Case
Internal success factors were generally adequately met in this partnership case. Four of the five villages involved reported that benefits from the partnership were scored medium. One village which previously had direct agreements with several investors saw a drop in earnings from tourism, and hence reported a decrease in benefits. The level of commitment to the partnership was good for the four villages. Robanda village wanted to reduce the area of land allocated to the WMA, and they wanted to see the benefits sharing structure changed to correspond to the amount of resources invested by each village in the partnership. Hence they were not ready to fully commit to the current arrangement. Consultative structures within the WMA did not facilitate a quick response to the requests made by Robanda village. The village councilors reported that attempting to change the structure of the partnership is a long and as yet unsuccessful process. The level of ownership of the process of establishing the WMA was reported as being adequate, although some village leaders admitted that the majority of village members are yet to fully understand the purpose and benefits of the WMA. Transparency is adequate at the CBO and village level, annual reports exist for earnings that were paid to the CBO, and the amounts received by individual villages are usually announced to all villagers during general village meetings. However, transparency is perceived to be poor at higher levels. CBO and village officials indicated that they usually do not have a clear picture of the overall amounts of revenues collected by central authorities for tourism activities in their area. They stated that they only receive an amount that has been determined to be their allocation from total earnings, but have no knowledge of the actual total earnings (Paki Nyigoti Village Executive Officer, personal communication). Roles of partners were seen to be clear, and there was a good level of trust in the partnership, especially for the four villages which saw an increase in earnings every year from tourism, starting with approximately US$ 1000 per village in 2006 to over US$ 10,000 in 2009 (Paki Nyigoti Village Executive Officer, personal communication). The WMA currently has a plan to establish a tourism information center and to construct entry and exit gates.
into and out of the WMA. There was no other long-term economic development plan for the area covered by the WMA. The level of knowledge and experience was ranked medium. Respondents indicated that further capacity building was needed for game scouts patrolling the WMA, and for CBO representatives, who were often elected into the role without previous management experience or knowledge.

3.3.3. Serengeti District Government initiated partnership Case
The internal success factors for partnership were observed in this case. The company had initiated agreements with the village, and the village was able to earn some additional earnings as a result of the investor’s presence. Benefits to the village were therefore good. The level of commitment to these agreements was good. However, the village executive officer reported that the quality of informal relations had dropped due to disagreements on how to carry development projects in the village. The village council preferred to receive money payments to carry out the projects themselves, while the company preferred to carry out the projects themselves to assure that funds were used appropriately and that the expected quality of service was delivered. There were consultative structures in place, where any changes to the contract would be discussed upon renewal every three years. However, due to the differences mentioned, there was a delay in reviewing and renewing the latest contract. The level of ownership of agreements between the company and the village was good, although the village had not been involved in the drafting of agreements between the company and central authorities. There was also little transparency on hunting revenues collected centrally. Roles in agreements between the village and company were clear, and the level of trust in each partner fulfilling their role was adequate. There appeared to be an issue of livestock grazing, which the villagers stated was happening in specially allocated areas, but the company perceived it to be a problem of livestock grazing in game reserve areas. The level of knowledge and experience in the partnership and in tourism and conservation issues still needed to be enhanced at the village level. A longer-term plan for development in the village could be better integrated in the agreement, although a discussion is currently under way for the company to contribute towards the building of classrooms for a secondary school for village use.
## Annex 5. Key to table 7.2

<table>
<thead>
<tr>
<th>Variables</th>
<th>Indicators</th>
</tr>
</thead>
</table>
| 1. Mutual benefits (see performance tables) | i) payments from land use received by each partner from tourism activities  
   ii) results concerning conservation 
   Very little result = low, results for one aspect=medium, good results for both aspects = high |
| 2. Commitment | i) The duration of the agreement (short-long);  
   ii) The resources invested by each partner (none – substantial);  
   iii) Frequency of the meetings (none - more than 3 per month);  
   iv) If a partnership contract has been signed or not.  
   Little result of one aspect = low, little result of two aspects= medium, good result = high; |
| 3. Informal relations | i) The number of informal meetings whereby informal is defined as having meetings which are not recorded and are ad-hoc.  
   Less than one or two contacts per year = low, two to 8 contacts per year = medium, more than 8 contacts per year= high; |
| 4. Governance arrangements consultative structures | i) Governance arrangements in the partnership and consultative structures in place  
   Hardly no governance arrangements and consultative structures in place = low, structure/one committee in place but not functioning = medium, all structures are functioning = high; |
| 5. Level of Ownership | i) Was the contract signed?  
   ii) Were all partners fully engaged in the partnership formation process?  
   Hardly no engagement = low, some stakeholders were involved , some kind of contract = medium, all stakeholders are involved and a contract = high; |
| 6. Transparency | i) Disclose information to the public  
   ii) Sharing info with others  
   Hardly any information sharing/ disclosure = low, sharing with small group = medium, disclosure at community = high; |
| 7. Horizontal and vertical accountability | i) Each partner reports thoroughly on their actions to other partners, leadership and to their organizations;  
   ii) There are mechanisms for addressing non-fulfillment of responsibilities;  
   iii) There are mechanisms for monitoring each partner’s progress  
   Hardly any results = low, some aspects addressed = medium, all aspects addressed = high; |

*In certain instances low+ and medium+ were used as well*
| 8. Inclusiveness of stakeholders | i) Are all the PPP stakeholders at the PPP meetings?  
ii) Is the information distributed to all stakeholders each time a meeting is held?  
Hardly any stakeholders involved = low, a few stakeholders = medium, all stakeholders and distribution = high; |
|-----------------------------|-------------------------------------------------------------------------------------------------|
| 9. Trust                   | i) Partners are willing to share resources, success, and risk with one another to the extent that the partnership’s actions demand it;  
ii) Partners are open with one another.  
Hardly any openness = low, open and some sharing of risk and resources = medium, open and sharing = high; |
| 10. Clear roles and responsibilities | i) Are the roles and responsibilities reflected in the agreement/contract?  
Hardly any roles defined = low, some roles informally defined = medium, roles are responsibilities are defined and understood = high |
| 11. Good planning | i) Are the required outcomes outlined for the different years?  
Hardly any planning = low, some defined outcomes with some planning = medium, defined outcomes and planning = high; |
| 12. Relevant Knowledge and experience | i) The level of managers relevant experience in working together with different societal actors.  
Hardly any knowledge and experience in running BCPs = low, some knowledge and experience = Medium, knowledge and experience = high; |
Annex 6. Income per person per partnership case.

<table>
<thead>
<tr>
<th>Case</th>
<th>Village population</th>
<th>Income from the partnership in US$</th>
<th>Income from the partnership per person</th>
</tr>
</thead>
<tbody>
<tr>
<td>Longido business-initiated</td>
<td>8510 (2 villages)</td>
<td>$26,000</td>
<td>$3</td>
</tr>
<tr>
<td>Longido NGO-initiated</td>
<td>2301</td>
<td>$3000</td>
<td>$1.3</td>
</tr>
<tr>
<td>Longido Government initiated partnership</td>
<td>2829</td>
<td>$2500</td>
<td>$0.88</td>
</tr>
<tr>
<td>Babati business-initiated</td>
<td>3843</td>
<td>$40,000</td>
<td>$10.4</td>
</tr>
<tr>
<td>Babati NGO-initiated</td>
<td>3843</td>
<td>$3000</td>
<td>$0.78</td>
</tr>
<tr>
<td>Babati Government initiated partnership</td>
<td>2360</td>
<td>$1000</td>
<td>$0.40</td>
</tr>
<tr>
<td>Serengeti business-initiated</td>
<td>3007</td>
<td>$25,000</td>
<td>$8.30</td>
</tr>
<tr>
<td>Serengeti NGO-initiated</td>
<td>1693</td>
<td>$10,000</td>
<td>$5.91</td>
</tr>
<tr>
<td>Serengeti Government initiated partnership</td>
<td>1516</td>
<td>$25,000</td>
<td>$16.5</td>
</tr>
</tbody>
</table>
Annex 7. Tourism business-community partnerships interviews list

Visit to Longido District (19/01/10) & meeting/interviews with:
1. Acting DED: Ibrahim Matovu
2. District Game Officer: Steven Laizer
3. District Tourism Officer: Japhet Rafaeli

Visit to Elerai Village (19/01/10) & interviews with:
4.-5. Village chairperson: Simon Ole Nasale & several members of the village council
6. Interview with Chief Accountant, Personnel Officer of Kibo Guides, Mr. Sungi 10/02/10
7. Interview with Silvanus A. Okado, Principal Game Officer – In Charge, Tourist Hunting CITES and Photographic Tourism, Arusha – under the Wildlife Division, Ministry of Natural Resources & Tourism
8. Interview with AWF Monitoring & Evaluation Officer, Maasai Steppe Heartland, Sula Kibira 15/02/10
9. Interview with Elibarik Mtui-Heriel, Senior Advisor Private Sector Dev./Tourism, SNV
10. Interview with Rainer Jösch, Hunting Safari Guide 01/03/10
11. Interview with Keith Roberts, Elliot Kinsey and Julius, Friedkin Conservation Foundation/TGTs 10/03/10
12. Interview with Aloyce Nana, Village Executive Officer, Elerai Village 19/03/09
13. Interview with a Elerai village woman – member of the village women’s group 19/03/10
14. Interview with Gladyness Mores – a CBO representative and also member of the Education committee of Elerai village 19/03/10
15. Interview with the chairman of Mairowa village: Kesoye Lekuyeni and other members of the village council/leadership 19/03/10
16. Interview with Village Executive Officer, Metui A. Lekileya and CBO representative, Kashuma Olernarsyo of Lerang’ua village, West Kilimanjaro (part of the WMA in Longido District) 19/03/10

Visit to Maramboi Lodge (12/04/10) and interview with
17. Assistant Manager – Elisha
18. CBO representative for Burunge WMA in Olasiti village, Nehemia Kamara
19. Interview with Tourism Officer of Babati District, Francis Lazaro 12/04/10
20. Interview with Minjingu village govt. representative: Rajabu Shabani 12/05/10
21. Interview with Habibu Saidi, chairperson of Kiserian ward and member of Kakoi village (Babati District) 12/05/10
22. Interview with Manager of Tarangire River Camp in Kakoi village and property of Northern Hunting (Game Frontiers of Tanzania), Carol 12/05/10
23. Interview with Camp Manager of Roika Lodge located in Kakoi village, Henry Ludenyo 12/05/10
24. Visit to Longido District for data on tourism and development 14/05/10. Meeting with District Tourism Officer, Japhet Rafaeli 14/05/10
25. Visit to the JUHIBU Office of Burunge WMA & meeting with chairperson of the executive committee of JUHIBU, Augustino Peter 21/05/10
26. Interview with Treasurer of Enduimet CBO, Mr. Komolo 28/05/10
27. Visit to Enduimet WMA office & meeting with Komolo 07/06/10
28. Interview with Alliy Mwako, Entrepreneur – Longido Cultural Tourism Enterprise (15/07/10)

Visit to Minjingu village office & interviews with (16/07/10):
28. Village Executive Officer, Nikolas Harry
29. Chairperson, Saitoti
30. -32. Leaders of three women groups: jewelry (shanga), baskets and mats: Elizabeth Simo, Ana Loserian and Hawa Hamisi

Visit to Longido Cultural Tourism Enterprise & interview with (22/07/10):
33. Entrepreneur, Alliy Mwako
34. Women jewelry sellers supported by Tanzania Education for MicroBusiness Opportunities (TEMBO)
35. Camp manager, Corto Safaris
36. -38. Women village members of Longido village
Visit to Serengeti District (03/09/10 – 07/09/10), interviews with:
39. Community Liaison Officer, Grumeti Reserves: Vincent Nyamasagi
40,41. Chair and Assistant Chair of GOMACOS farmers association in Nata village
42. Community Outreach Coordinator, Grumeti Reserves: Richard Ndaskoi
43. Chief Financial Officer, Grumeti Reserves: Suvuku Lukumay
44. Environmental Education Center Principal, Grumeti Reserves: Laurian Lamatus
45. Camp Manager, Ikoma Tented Camp
46. Administrative Officer and CBC Coordinator, Wildlife Division, Ikorongo Game Reserve: Wilton Jonathan
47. Manager, Ikorongo & Grumeti Game Reserves, Wildlife Division: Mathias Rwegasira
48. Serengeti District Wildlife Officer: William Maregesi
49. Serengeti District Tourism Officer: Yusuph Imori
50. Chairperson, Ikoma WMA: Stephen Makacha

Visit to Serengeti District + villages in the WMA (12/10/10 – 16/10/10):
51., 52. Chairperson and Village Executive Officer, Robanda Village: Mr. Mbanda Japan Mkone and Itabe Mwita Nkiri
53., 54. Chairperson and Village Council member: Mr. Mbiso and Mukama Mugetta
55. – 60. Chairperson, VEO and council members Park Nyigoti
61., 62. Chairperson, VEO Makundusi village: Juma Porini and Juma Wambura
Annex 8. Datasets used/ Resources contributed

**Resources contributed by partners in business-initiated tourism partnerships**

<table>
<thead>
<tr>
<th><strong>Private sector actor</strong></th>
<th><strong>Longido</strong></th>
<th><strong>Babati</strong></th>
<th><strong>Serengeti</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial payments for use of the land for tourism</td>
<td>USD 9,000 / yr up to 18,000</td>
<td>USD 60,000 / yr</td>
<td>USD 90,000 / yr</td>
</tr>
<tr>
<td>Physical infrastructure required for tourism operations</td>
<td>1 Guest house</td>
<td>1 Lodge</td>
<td>1 Lodge</td>
</tr>
<tr>
<td>Marketing of the area for tourism purposes</td>
<td>High: approx 1,500 tourists/yr</td>
<td>Med</td>
<td>Med</td>
</tr>
<tr>
<td>Tourism skills / know how</td>
<td>High: 20 guides hired / yr</td>
<td>Low: 4-6 local staff</td>
<td>Med: 6-9 local staff</td>
</tr>
<tr>
<td>Some local infrastructure development</td>
<td>4 classrooms, desks, water</td>
<td>classrooms, water</td>
<td>Classrooms, road</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Community</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Land to be used for tourism purposes</td>
</tr>
<tr>
<td>Local knowledge relevant for security purposes for tourists</td>
</tr>
<tr>
<td>Management of the wildlife area</td>
</tr>
<tr>
<td>Strategic coordination of funds from tourism for the purpose of local development</td>
</tr>
</tbody>
</table>
### Resources contributed by partners in NGO-initiated partnerships

<table>
<thead>
<tr>
<th>Private Sector Actor</th>
<th>Longido</th>
<th>Babati</th>
<th>Serengeti</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial payments for use of the land for tourism per village</td>
<td>USD 3 000 / yr x 2 operators</td>
<td>USD 3 000 / yr x 2 operators</td>
<td>USD 10 000 av / yr x 9 operators</td>
</tr>
<tr>
<td>Physical infrastructure required for tourism operations</td>
<td>1 lodge x 2 operators</td>
<td>1 lodge x 2 operators</td>
<td>1 lodge x 9 operators</td>
</tr>
<tr>
<td>Marketing results of the area for tourism purposes</td>
<td>4 000 bed nights / yr</td>
<td>9 000 tourists / yr</td>
<td>13 500 tourists / yr</td>
</tr>
<tr>
<td>Tourism skills / know how</td>
<td>12-18 local staff</td>
<td>8-12 local staff</td>
<td>50-60 local staff</td>
</tr>
<tr>
<td>Some local infrastructure development</td>
<td>Part of clinic, some classrooms</td>
<td>Some classrooms, contribution to water well</td>
<td>Many classrooms, Water</td>
</tr>
</tbody>
</table>

### Civil Society – member villages of the CBO

| Land to be used for tourism purposes | Area for 2 tour operators | Area for 2 tour operators | Area for 9 tour operators |
| Local knowledge relevant for security purposes | Med | Med | Med |
| Management of the wildlife area | Med / High | Med / High | High |
| Coordination of funds from tourism for local development | education, health | education, health | education, health |
Resources contributed by government initiated tourism partnerships

<table>
<thead>
<tr>
<th>Private Sector Actor</th>
<th>Longido</th>
<th>Babati</th>
<th>Serengeti</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial payments for use of the land for tourism</td>
<td>USD 27 000 / block</td>
<td>USD 27 000 / block</td>
<td>USD 27 000 / block</td>
</tr>
<tr>
<td>Physical infrastructure required for tourism operations</td>
<td>2 camps</td>
<td>1 Lodge</td>
<td>1 Lodge</td>
</tr>
<tr>
<td>Marketing of the area for tourism purposes</td>
<td>450 bed nights / yr</td>
<td>5000 bed nights / yr</td>
<td>320 bed nights / yr</td>
</tr>
<tr>
<td>Tourism skills / know how</td>
<td>4 local staff</td>
<td>less than 3 local staff</td>
<td>over 100 local staff</td>
</tr>
<tr>
<td>Some local infrastructure development</td>
<td>education, roads</td>
<td>Road, Water</td>
<td>education, water road</td>
</tr>
<tr>
<td>Local government (Village)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land to be used for tourism purposes</td>
<td>Area for camping sites</td>
<td>Area for lodge</td>
<td>Area for lodge and tourism</td>
</tr>
<tr>
<td>Coordination of funds from tourism for the purpose of local development</td>
<td>Med / Low</td>
<td>Med / Low</td>
<td>Med / Low</td>
</tr>
</tbody>
</table>
### Database for business upgrading

#### Business-Initiated BCPs

<table>
<thead>
<tr>
<th>Access to Capital</th>
<th>Longido</th>
<th>Babati</th>
<th>Serengeti</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average investments</td>
<td>5- in 7 small businesses</td>
<td>Average investments in 3-5 businesses</td>
<td>Average investments in 4-5 businesses</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Access to knowledge</th>
<th>Longido</th>
<th>Babati</th>
<th>Serengeti</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hardly provided, to 3.</td>
<td>Hardly provided</td>
<td>Hardly provided</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Access to Markets</th>
<th>Longido</th>
<th>Babati</th>
<th>Serengeti</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enabled for 6-9</td>
<td>Enabled for 5-8</td>
<td>Enabled for 6-8</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Access to Infrastructure</th>
<th>Longido</th>
<th>Babati</th>
<th>Serengeti</th>
</tr>
</thead>
<tbody>
<tr>
<td>Classroom, water</td>
<td>Classrooms and Water</td>
<td>Classrooms and road</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Access to land rights</th>
<th>Longido</th>
<th>Babati</th>
<th>Serengeti</th>
</tr>
</thead>
<tbody>
<tr>
<td>None/hardly</td>
<td>None/hardly</td>
<td>None/hardly</td>
<td></td>
</tr>
</tbody>
</table>

#### NGO-Initiated BCPs

<table>
<thead>
<tr>
<th>Access to Capital</th>
<th>Longido</th>
<th>Babati</th>
<th>Serengeti</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average investments</td>
<td>in 1 business</td>
<td>Average investments in 1 business</td>
<td>Average investments in 2 businesses</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Access to knowledge</th>
<th>Longido</th>
<th>Babati</th>
<th>Serengeti</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hardly provided</td>
<td>Hardly provided</td>
<td>Hardly provided</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Access to Markets</th>
<th>Longido</th>
<th>Babati</th>
<th>Serengeti</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average enabled for 2</td>
<td>Average enabled for 3</td>
<td>Average enabled for 7</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Access to Infrastructure</th>
<th>Longido</th>
<th>Babati</th>
<th>Serengeti</th>
</tr>
</thead>
<tbody>
<tr>
<td>Some contribution was provided (clinic, partly and classroom partly)</td>
<td>Some contribution was provided (partly classroom, partly water well)</td>
<td>Reasonable contribution: some classroom and Water</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Access to land rights</th>
<th>Longido</th>
<th>Babati</th>
<th>Serengeti</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land right was an issue, first businesses are receiving land-rights</td>
<td>Land right was an issue, first businesses are receiving land-rights</td>
<td>Land rights was an issue first business receiving land-rights</td>
<td></td>
</tr>
</tbody>
</table>

#### Government-Initiated BCPs

<table>
<thead>
<tr>
<th>Access to Capital</th>
<th>Longido</th>
<th>Babati</th>
<th>Serengeti</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hardly any investments</td>
<td>Hardly any investments</td>
<td>Investments in 6 businesses</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Access to knowledge</th>
<th>Longido</th>
<th>Babati</th>
<th>Serengeti</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hardly provided</td>
<td>Not provided</td>
<td>Hardly provided</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Access to Markets</th>
<th>Longido</th>
<th>Babati</th>
<th>Serengeti</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enabled for hardly none</td>
<td>Enabled for hardly none</td>
<td>Enabled for 6</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Access to Infrastructure</th>
<th>Longido</th>
<th>Babati</th>
<th>Serengeti</th>
</tr>
</thead>
<tbody>
<tr>
<td>Roads, School</td>
<td>Road and Water</td>
<td>Road, School, Water</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Access to land rights</th>
<th>Longido</th>
<th>Babati</th>
<th>Serengeti</th>
</tr>
</thead>
<tbody>
<tr>
<td>None</td>
<td>None</td>
<td>None</td>
<td></td>
</tr>
</tbody>
</table>
## Data file for socio-economic development

### Business initiated BCPs

<table>
<thead>
<tr>
<th></th>
<th>Longido</th>
<th>Babati</th>
<th>Serengeti</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income</strong></td>
<td>Average 9000 -18,000 per year per village</td>
<td>Average 60,000 per year</td>
<td>Average 90,000 a year</td>
</tr>
<tr>
<td><strong>Jobs</strong></td>
<td>20</td>
<td>4-6</td>
<td>4-6</td>
</tr>
<tr>
<td><strong>Sourcing</strong></td>
<td>Sourcing of food for local staff</td>
<td>Sourcing of food for local staff</td>
<td>No local sourcing</td>
</tr>
<tr>
<td><strong>Non financials</strong></td>
<td>Classroom, water</td>
<td>Classrooms and Water</td>
<td>Classrooms and road</td>
</tr>
<tr>
<td><strong>Conservation</strong></td>
<td>Some contribution of game scouts</td>
<td>Some contribution of game scouts</td>
<td>Some contribution of game scouts</td>
</tr>
</tbody>
</table>

### NGO initiated BCPs

<table>
<thead>
<tr>
<th></th>
<th>Longido</th>
<th>Babati</th>
<th>Serengeti</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income</strong></td>
<td>Less than 3000 USD per year</td>
<td>Average a little less than 3000 per year</td>
<td>Average 10,000 – 15,000 a year</td>
</tr>
<tr>
<td><strong>Jobs</strong></td>
<td>6-12</td>
<td>4</td>
<td>About 9 per village</td>
</tr>
<tr>
<td><strong>Sourcing</strong></td>
<td>No local sourcing</td>
<td>Sourcing of food for local staff</td>
<td>No local sourcing</td>
</tr>
<tr>
<td><strong>Non financials</strong></td>
<td>Some contribution was provided (part of clinic and part classroom, not only by bcp)</td>
<td>Some contribution was provided (part of classroom and part water well)</td>
<td>Reasonable contribution Classrooms and Water</td>
</tr>
<tr>
<td><strong>Conservation</strong></td>
<td>Significant contribution in the form of env. education, game scouts and land use planning</td>
<td>Some contribution to conservation in the form of game scouts</td>
<td>Significant contribution, scouts, env. Training, etc.</td>
</tr>
</tbody>
</table>

### Government initiated BCPs

<table>
<thead>
<tr>
<th></th>
<th>Longido</th>
<th>Babati</th>
<th>Serengeti</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income community</strong></td>
<td>Average 2800 USD</td>
<td>Hardly</td>
<td>20,000 – 30,000</td>
</tr>
<tr>
<td><strong>Jobs</strong></td>
<td>About 4-6</td>
<td>About 3</td>
<td>About 15</td>
</tr>
<tr>
<td><strong>Sourcing</strong></td>
<td>No local sourcing</td>
<td>No local sourcing</td>
<td>Sourcing of food for local staff</td>
</tr>
<tr>
<td><strong>Non financials</strong></td>
<td>Roads, School</td>
<td>Road and Water</td>
<td>Road, School, Water</td>
</tr>
<tr>
<td><strong>Conservation</strong></td>
<td>Some contribution in the form of some scouts</td>
<td>No contribution to conservation</td>
<td>Significant contribution, ecological training, scouts, etc</td>
</tr>
</tbody>
</table>

210
### Data file for Critical Success Factors

#### Business initiated BCPs

<table>
<thead>
<tr>
<th></th>
<th>Longido</th>
<th>Babati</th>
<th>Serengeti</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mutual Benefits</td>
<td>Substantial payment from land-use and conservation effort</td>
<td>Substantial payment from land-use and conservation effort</td>
<td>Substantial payment from land-use and conservable conservation effort</td>
</tr>
<tr>
<td>Commitment</td>
<td>4 years, many meetings, bed/night fees reasonable, contract</td>
<td>4 years (contract was for 30 years with renewals every 5 years), many meetings, bed night fees substantial, contract</td>
<td>4 years, many meetings, substantial bed-night fees contribution, contract</td>
</tr>
<tr>
<td>Informal Relations</td>
<td>About 8 informal meetings per year (average)</td>
<td>More than 6 informal contacts per year and less than 10</td>
<td>Around 8 informal contacts/meetings</td>
</tr>
<tr>
<td>Governance</td>
<td>Structures are in place but not functioning well</td>
<td>Most structures are in place and are functioning somehow</td>
<td>Most structures are in place and are functioning somehow</td>
</tr>
<tr>
<td>Level of Ownership</td>
<td>Most stakeholders were involved, contract signed</td>
<td>Contract was signed and stakeholders were involved</td>
<td>Most stakeholders were involved, contract signed</td>
</tr>
<tr>
<td>Transparency</td>
<td>Village leadership shares information about tourism earnings through village assemblies but was incomplete</td>
<td>Village shared information through village meetings but information was not always perceived complete</td>
<td>Village shared information through village meetings but not with everybody</td>
</tr>
<tr>
<td>Horizontal and vertical accountability</td>
<td>Reporting mechanisms in place but monitoring and non-fulfilment clause is difficult</td>
<td>Reporting mechanisms in place but monitoring is difficult, non-fulfilment issue weak</td>
<td>Mechanisms for reporting in place not for non-fulfilment</td>
</tr>
<tr>
<td>Inclusiveness of stakeholders</td>
<td>Not all stakeholders are at the meeting and not all info is distributed</td>
<td>Most stakeholders are at the meetings but not all info is distributed</td>
<td>Most stakeholders are at the meetings but not all info is distributed each time.</td>
</tr>
<tr>
<td>Trust</td>
<td>Partners not so open and share some resources and risks</td>
<td>Partners are open and share risks and resources</td>
<td>Partners are open and share risk and resources</td>
</tr>
<tr>
<td>Clear roles and responsibilities</td>
<td>Roles are defined and understood</td>
<td>Roles are defined and understood</td>
<td>Roles are half defined</td>
</tr>
<tr>
<td>----------------------------------</td>
<td>----------------------------------</td>
<td>----------------------------------</td>
<td>------------------------</td>
</tr>
<tr>
<td>Good Planning</td>
<td>Some planning</td>
<td>Only limited planning</td>
<td>Some planning with some outcomes</td>
</tr>
<tr>
<td>Relevant knowledge and experience</td>
<td>Limited knowledge/ experience in running BCP’s</td>
<td>Some experience/ knowledge in running BCP’s</td>
<td>Some experience/ knowledge in running BCP’s</td>
</tr>
<tr>
<td></td>
<td>Longido</td>
<td>Babati</td>
<td>Serengeti</td>
</tr>
<tr>
<td>----------------------</td>
<td>----------------------------------------------------</td>
<td>----------------------------------------------------</td>
<td>----------------------------------------------------</td>
</tr>
<tr>
<td>Mutual Benefits</td>
<td>Primarily conservation effort</td>
<td>Primarily conservation effort</td>
<td>Primarily conservation effort</td>
</tr>
<tr>
<td>Commitment</td>
<td>3 years, many meetings, bed/night fees medium, contract</td>
<td>3 years, many meetings but not with all, bed/night fees medium, contract</td>
<td>More than 4 years, many meetings, bed/night fees reasonable, contract</td>
</tr>
<tr>
<td>Informal Relations</td>
<td>Average more than 7 informal contacts per year</td>
<td>About 5-8 per year</td>
<td>About 5-8 per year</td>
</tr>
<tr>
<td>Governance</td>
<td>Structures are in place but not functioning well although starting to come</td>
<td>Structures are in place but not functioning well with all villages</td>
<td>Structures are in place but not functioning well with all villages</td>
</tr>
<tr>
<td>Level of Ownership</td>
<td>Contract was signed but not all stakeholders were involved</td>
<td>Contract was signed but not all stakeholders involved in process</td>
<td>Contract was signed but not all stakeholders involved in process</td>
</tr>
<tr>
<td>Transparency</td>
<td>Village shared information through village meetings but not with everybody</td>
<td>Village shared information through village meetings but not with everybody</td>
<td>Village shared information through village meetings but not with everybody</td>
</tr>
<tr>
<td>Inclusiveness of stakeholders</td>
<td>Most stakeholders are at the meeting but not all info is distributed</td>
<td>Not all stakeholders are at the meeting and not much info is distributed</td>
<td>Not all stakeholders are at the meeting and not all info is distributed</td>
</tr>
<tr>
<td>Trust</td>
<td>Partners not so open and share some resources and risk</td>
<td>Partners not so open and share not much resources and risk</td>
<td>Partners are open and share some resources and risk</td>
</tr>
<tr>
<td>Clear roles and responsibilities</td>
<td>Roles are defined but partly understood</td>
<td>Roles are defined but not so much understood</td>
<td>Roles are defined and mostly understood</td>
</tr>
<tr>
<td>Good Planning</td>
<td>Panning with some outcomes</td>
<td>Some planning with some outcomes</td>
<td>Some planning with some outcomes</td>
</tr>
<tr>
<td>Relevant knowledge and experience</td>
<td>Limited knowledge/ experience in running BCPs/ working with other stakeholders</td>
<td>Limited knowledge/ experience in running BCPs/ working with other stakeholders</td>
<td>Limited knowledge/ experience in running BCPs/ working with other stakeholders</td>
</tr>
</tbody>
</table>
## Government Initiated BCPs

<table>
<thead>
<tr>
<th></th>
<th>Longido</th>
<th>Babati</th>
<th>Serengeti</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Mutual Benefits</strong></td>
<td>Little conservation effort and little contribution for land-use</td>
<td>Little conservation effort and little contribution for land-use.</td>
<td>Reasonable conservation effort and contribution for land-use.</td>
</tr>
<tr>
<td><strong>Commitment</strong></td>
<td>Arrangement started 2009, many meetings, bed/night fees medium, contract</td>
<td>None, few meetings, bed/night fees voluntary-low/none, none</td>
<td>Renewable arrangement, many meetings, bed/night fees medium/ good, contract (semi)</td>
</tr>
<tr>
<td><strong>Informal Relations</strong></td>
<td>About 6-10 per year</td>
<td>About 1-4 per year</td>
<td>About 6-8 per year</td>
</tr>
<tr>
<td><strong>Governance Arrangement/consultative structures</strong></td>
<td>Structures are in place but not functioning well although starting to be developed further</td>
<td>Structures are not in place although they try to develop.</td>
<td>Structures are in place but not functioning well yet although starting to come</td>
</tr>
<tr>
<td><strong>Level of Ownership</strong></td>
<td>Contract was signed but not all stakeholders were involved</td>
<td>No contract</td>
<td>Contract was signed and many, but not all stakeholders were involved</td>
</tr>
<tr>
<td><strong>Transparency</strong></td>
<td>Village did not share much information through village meetings</td>
<td>Village did not share information through village meetings</td>
<td>Village did share some information through village meetings but not with everybody</td>
</tr>
<tr>
<td><strong>Horizontal and vertical accountability</strong></td>
<td>Mechanisms for reporting in place not for non-fulfillment/monitoring</td>
<td>Mechanisms for reporting not in place</td>
<td>Mechanisms for reporting in place not for non-fulfillment/monitoring</td>
</tr>
<tr>
<td><strong>Inclusiveness of stakeholders</strong></td>
<td>Not all stakeholders are at the meeting and not all info is distributed</td>
<td>Not all stakeholders are at the meeting and not much info is distributed</td>
<td>Not all stakeholders are at the meeting and not all info is distributed</td>
</tr>
<tr>
<td><strong>Trust</strong></td>
<td>Partners not so open and share some resources and risk</td>
<td>Partners not open and share no resources and risk</td>
<td>Partners not so open and share some resources and risk</td>
</tr>
<tr>
<td><strong>Clear roles and responsibilities</strong></td>
<td>Roles are defined but not much understood</td>
<td>Roles are not so much defined</td>
<td>Roles are defined but not so much understood</td>
</tr>
<tr>
<td><strong>Good Planning</strong></td>
<td>No real planning</td>
<td>No real planning</td>
<td>Some planning with some outcomes</td>
</tr>
<tr>
<td><strong>Relevant knowledge and experience</strong></td>
<td>Limited knowledge/experience in working with other stakeholders</td>
<td>Some knowledge/experience in working with other stakeholders</td>
<td>Some knowledge/experience in working with other stakeholders</td>
</tr>
</tbody>
</table>
Curriculum Vitae

Diederik de Boer

Diederik de Boer (born 1964) holds a MPA from Leiden/Rotterdam University (the Netherlands), an MBA from Nimbas/Tilburg University and he holds a Minor in Small and Micro Credit Schemes from Harvard University Boston and a Minor in Rural Development from the Institute of Development Studies (IDS)/Sussex University (UK).

He worked for six years for the United Nations and the Dutch Ministry for Development Cooperation in Cambodia, Mongolia and Palestine. He has also extensive experience in working for the NGO sector (MSF/Médecins Sans Frontière and Cordaid) in Liberia, Afghanistan, Pakistan and Latin America. Besides he advised large businesses in management of change programs and CSR strategies for three years before becoming the Head of the Sustainable Development Centre at MsM till July 2012. At present he is working as a senior Project consultant and researcher at MsM focusing on private sector development.

Diederik de Boer has developed research and entrepreneurship centres at various universities in Asia and Eastern Africa. He advises governments on economic development policy as well as on strengthening the institutions and universities involved. He supervises researchers and consultants in the field of cluster development, value chain development, public private partnerships and competitiveness. He has a track record of work in institutional and business development projects and research programs in: Tanzania, Rwanda, Kenya, Mozambique, Uzbekistan, Afghanistan, United Arab Emirates, Benin, Kuwait, Iran, Ukraine, Palestine, Oman, Egypt Jordan, Syria, Dubai, Saudi Arabia, Yemen, Ghana, Morocco, Mongolia, North Korea, China, India, Cambodia, Ivory Coast, Bolivia and the USA.

PUBLICATIONS:


- De Boer, D. Van der Linden V.L. and Tuninga R.S.J.(2012), The Bottom of the Pyramid and the Private Sector. In Van Dijk and Trienekens (eds) Global Value Chains


• De Boer, D. & S. Pfisterer (2007). Comparative Analysis of Public-Private Partnerships in Germany, the Netherlands and the United Kingdom. The Hague, DGIS.

• De Boer, D. & M. Noor (2006b). A Case Study on Cooperation between Companies and NGOs in Stimulating Sustainable Development in Uganda. Utrecht: ECSAD/ICCO.


• De Boer, D., Prof. R. van Tulder & Dr. A. Muller (July 2004). Partnership, Power and Equity in Global Commodity Chains: position paper on cooperation between companies and NGOs in Stimulating Sustainable Development. Rotterdam, written for ICCO.


- De Boer et al. (February 1996). *Papers on Economic and Social Development of Mongolia.* For the Tokyo Donors Meeting, February 21-22, 1996.
Contact:

Diederik de Boer
Phone: +31 6 22780232
Email: ddeboer01@gmail.com
Can conservation and local sustainable development be successful? This study elaborates on the role of partnerships between local communities and businesses in Tanzania. It analyses three different models of nature-based tourism partnerships in order to understand to what extent these partnerships contribute to socio-economic development and local business upgrading.

Local sustainable development and conservation?

A research into three different types of tourism partnerships in Tanzania.

Diederik de Boer

ddeboer01@gmail.com
Propositions
Attached to the thesis

Local Sustainable Development and Conservation?
Research into Three Types of Tourism Partnerships in Tanzania

Diederik Paul de Boer

International Institute of Social Studies Erasmus University Rotterdam

1. Simple Business Community Partnerships (BCPs) with few stakeholders work best (chapter 5).
2. The overlap between Non Government Organizations initiated BCPs with existing community committees is too expensive and not sustainable as a BCP role-model (chapter 8).
3. Conservation on a larger scale can never become self-supporting (chapter 6).
4. Bottom of the Pyramid producer oriented constructs in the nature tourism sector provide examples for up-scaling of community oriented tourism businesses (such as the use of solar heated water) (chapter 8).
5. The national government as a regulator to stimulate local economic development is of crucial importance (chapter 8).
6. From a local business point of view, small investors in the tourism sector are better than large investors in the tourism sector in Tanzania.
7. From a local economic development point of view Tourism is more important than mining or horticulture in Tanzania.
8. Nature is the comparative advantage of East Africa.
9. The present process of a retreating government in the Netherlands will lead to more BCPs.
10. Making the best use of business investments for Local Economic Development is something that you need to learn, just as you have to learn how to appreciate modern art.
11. BCPs are like the best melodies: the simpler the better.