

# **COMMUNITY BASED TOURISM IN ZAMBIA**

## **LESSONS AND RECOMMENDATIONS**

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## Overview

Tourism is a complex industry with linkages to a broad range of public and private assets, industries, and institutions. To a great extent tourism is more easily defined as a network of industries like transport, tour operators, hospitality, crafts, food processing, etc. that when taken as a whole delivers products and services to travellers. At the same time, for tourism that relies on natural assets such as waterfalls, mountains, wildlife, and national parks, effective partnerships with public institutions are equally important. The wide ranging network of linkages that is required to form an effective foundation for a growing tourism industry often provides a whole host of opportunities to foster broad-based poverty reduction. The complexity of linkages can also mislead or misdirect efforts designed to facilitate poor communities' contribution to and benefits from a growing tourism industry.

In the case of Zambia, tourism is a relatively immature industry that has seen solid growth in the last few years, but has not yet established the broad or deep linkages needed if its substantial potential is to be realised in the coming years. Although the industry is immature and it has yet to form the robust network needed, the perceived potential has sparked a wide variety of interventions to connect poor rural communities to the tourism industry. The overriding mechanism in use has been community based tourism (CBT), which is defined as tourist assets that are owned and/or managed by communities with the expectation of generating wider community benefit.

Much like Zambian tourism in general, CBT is in its infancy with most CBT focused on mainstream tourist centres such as Livingstone and the Luangwa valley. The number of bed-nights and income captured by CBT remains extremely small, as does its marketing profile. With that said, there has been more CBT product development than stakeholders are generally aware of. For example, there are at least 25 CBT initiatives in Zambia of which 23 are still operating and two are now defunct, with more projects at various stages of development.

From these experiences there are number of emerging lessons on how to link poorer communities to the tourism industry. The USAID funded PROFIT Project with a mandate to foster market linkages in the tourism industry engaged a consultant to identify emerging lessons and to provide recommendations on how best to facilitate community contribution to and benefit from Zambia's growing tourism industry. The consultant's full report provides a rich source of information and insights on current CBT activities, as well as critical factors that can constrain or facilitate progress. This technical note provides a synopsis of key lessons, conclusions, and recommendations of the full report.

## KEY LESSONS

### **Private Sector Driven Tourism Can and Does Contribute to Poverty Reduction**

Regional and Zambian experience clearly shows that poor communities can and do contribute to and benefit from a growing tourism industry. Even in Zambia's relatively limited experience defined primarily by CBT, success has been achieved in terms of commercially viable activities that are providing increased income to communities. The main thread tying successful CBT initiatives together is that they are private sector driven efforts grounded in market opportunity and developed with an understanding of the highly competitive and sensitive nature of the broader tourism industry.

From the experience of several commercial tourism operators that 'champion' highly successful CBT enterprises, local village involvement makes commercial sense. Commercial operators estimate a high proportion of their clients (on average 44%) are interested in community and cultural activities. The nature of how these linkages occur must be driven by private sector realities and consider a broader industry perspective allowing for a

wider and often more appropriate set of roles in which communities link into the tourist industry.

### **Donor Driven Model Tries to Do Too Much and Achieves Too Little**

By far most of the investment capital required for establishing community linkages to tourism has been provided by donors with a wide range of objectives and approaches, few of which have commercial viability as their primary objective. Given that tourism in the best of circumstances is demanding, with high rates of start-up failures, limited margins, long-term projections for return on investments, and extremely intense international competition, donor driven approaches that are not grounded in commercial reality can easily inflate expectations and push unrealistic business models. Below are some of the key lessons learned from the donor driven models assessed:

#### Lack of Commercial Orientation Resulting in Poor Commercial Performance

Overall performance of CBT from a commercial perspective is disappointing with a few CBT projects having already failed and many more facing closure in the near to medium term without continued subsidy. The poor commercial performance can certainly be linked to donor driven models that have attempted to achieve multiple and sometimes conflicting objectives. The initial objectives also tend to foster limited use, poor understanding, and misapplication of commercial strategies that include market research, industry analysis, business linkages analysis, and analysis of capacity gaps. Projects that have performed poorly, even those that have a stated commercial orientation, have rarely conducted effective research and analysis on demand, product development, management requirements, and industry benchmarking. As a result, CBT efforts are plagued by inappropriate levels of capital, substantial capacity gaps, low levels of business skills, poorly formed marketing strategies given infrastructure and location, and limited access to private sector marketing channels and support markets.

#### Poorly Defined and/or Inappropriate Roles for Communities

CBT is currently 'in vogue' in Zambia and yet it is only one means to an end. By virtue of its narrow definition and many constraints, it is likely to remain a marginal component of the tourism industry. There is no blueprint, but there are broader perspectives and a wider range of actions that are needed if benefits to the poor from tourism are to increase. These go well beyond simply promoting community tourism – although work at the grassroots level to develop enterprises and local capacity is one key component.

CBT in its narrow definition often drives donors to push inappropriate or unattainable roles or business strategies such as lodge ownership or management, rather than focus on low capital business start-ups (e.g. basic campsite or village tour), joint ventures with tourism investors, or supporting roles in tourism (e.g. supplying food products) that could be more successful i.e. generate a secondary income. Zambia is an expensive destination and few tourists are likely to travel to the country (with the exception of Livingstone) for low/middle range products which is predominantly the CBT market. High-end fly-in tourists are on tight schedules and the lack of local high quality products and services constrains commercial operators from marketing community and cultural activities.

Zambian communities often have limited business management capacity, poor operational skills (e.g., accounting, marketing, customer service, etc.), and internal mechanisms that can foster non-transparent operations (i.e., traditional political structures), all of which make CBT a high-risk venture. There is a perception among commercial operators that poor management and operations manifest themselves in terms of poor maintenance of accommodation and common space, poor customer service, uninviting or aggressive behaviour of residents, and poor infrastructure, making villages unattractive to their segment of the tourist market. Over the longer term, payment of tributes and a perceived and real lack of transparency in communities is threatening Zambia's niche promotional image of CBT

as 'responsible tourism'. The market (tourists and potential investors) will ultimately be deterred if tangible wider community benefits from CBT are not realised.

In many cases, CBT does not present the greatest opportunity of success given the potential constraints and market realities. Understanding commercial and operational constraints should drive the design of appropriate community linkages to the tourism industry. If CBT is determined to be feasible, there are key questions -- about target market ('responsible tourism', 'cultural tourism', 'ecotourism', etc.), product standards that meet market requirements, management and operational capacity that meet international standards, etc. -- that need to be asked and answered:

### **Lack of Networking Limits Innovation, Ability to Address Joint Constraints, and Suppresses Growth**

There has been little, if any, networking between agencies implementing CBT in Zambia, and local lessons are not being learned. CBT would benefit from stake holder efforts to assess and benchmark performance, coordinate activities to address joint constraints, and foster greater information dissemination and exchanges. Moreover, there is a wealth of regional experience on how to (or not to) involve communities in tourism from east and southern Africa and guidelines of good practice that can be drawn on.

Another limitation that is directly related to the lack of networking is the poorly structured and limited availability of information on potential markets, product quality, and industry trends. In particular, there is insufficient information on the volumes and movements of different market segments such as international fly-in, self-drive, backpackers, overland trucks, expatriate residents, and business visitors. The lack of quality market information substantially limits innovation and the ability of industry and communities involved in the industry to take full advantage of untapped, already accessible market segments.

### **Poor Enabling Environment Limits Tourism Growth Potential and Confuses Legal Status**

At present, the Government is playing an increasingly important albeit confusing and potentially damaging role. For example, Zambian National Tourism Board (ZNTB) markets very few CBT products and has not addressed the lack of an enabling framework to legalise the CBT enterprises. Department of Tourism (DOT) is focused on CBT product development, but does not consider CBT as a private enterprise (i.e., not subject to private sector realities).

Zambian Wildlife Authority

(ZAWA) provides ad hoc advisory and communications support to CBT enterprises in GMAs. DOT and ZNTB are keen to launch a country-wide community sensitisation effort on how to benefit more from tourism, but there is a lack of clarity on the core messages. The Government needs to have a more consistent understanding of tourism as a private sector activity in which it plays a critical facilitation role to create an enabling policy and legal environment.

To underscore the confusion surrounding the government's role in CBT, the current tourism licensing structure determines that most CBT enterprises are illegal. The illegal status of CBT enterprises is forcing commercial operators to limit or cut ties with CBT enterprises since they are required by government and international agencies to only do business (particularly when direct payments are involved) with legal entities. Moreover, the weak legal status of CBT could prevent companies and communities entering into mutually beneficial partnerships and cause undue interference by local elites.

Furthermore, since CBTs operate outside any oversight mechanism there are no minimum standards for safety or services delivery, creating potential threats to tourists' safety. In particular, CBTs in GMAs often promote access to wildlife or are co-located near hunting concessions. For example, in two locations CBT camps for photographic clientele have been built in prime hunting areas.

# The Way Forward

## Conclusions

CBT can work in Zambia. There are examples of successful operations across the country, with the common factor for success being close integration with the commercial tourism sector. Expectations of what, where, and how CBT can deliver must be realistic. Projects produce (at best) modest cash benefits, and these are often captured by a relatively small proportion of the community (usually the elite). It is extremely difficult to develop CBT in marginal tourism areas, especially where there are no commercial tourism operators to provide the market. For example, until there is more infrastructure, investment, and productisation of cultural festivals, waterfalls and heritage sites, it will be difficult to develop commercially viable businesses at any level around these low volume special interest, niche market tourism attractions.

By virtue of its narrow definition and many constraints, CBT is likely to remain a marginal component of the tourism industry and a wider range of actions are needed to increase benefits to the poor from tourism in developing destinations such as Zambia. However, Pro-Poor Tourism (PPT) defined as tourism that results in increased net benefits for poor people can provide a more useful framework for integrating poor into the tourism industry. PPT is not a specific product or niche sector but an approach to tourism development and management. 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.

Links with many different types of 'the poor' need to be considered: staff, neighbouring communities, land-holders, producers of food, fuel and other suppliers, operators of micro tourism businesses, craft-makers, other users of tourism infrastructure (roads) and resources (water) etc. There are many types of PPT strategies, ranging from increasing local employment to building mechanisms for consultation. Any type of company can be involved in pro-poor tourism - a small lodge, an urban hotel, a tour operator, an infrastructure developer. The critical factor is not the type of company or the type of tourism, but that an increase in the net benefits that go to poor people can be demonstrated (Ashley, Roe and Goodwin 2001\*).

The PPT partnership ([www.propoortourism.org.uk](http://www.propoortourism.org.uk)) focuses on documenting international experiences and promoting local procurement, products and partnerships. PPT pilot projects have promoted strategies that tourism companies can use to increase the local development impact of their business in eastern and southern Africa. The focus has been on linkages that involve local people or enterprises *and* make business sense to the company. All stakeholders in Zambia should look beyond CBT and explore how PPT strategies can increase net benefits to the poor from tourism.

The Government needs to view CBT as a private sector activity in which it has a critical facilitation role in creating a conducive environment. CBT works best in the context of a growing tourism industry, and government can support growth or promote policies that limit growth. The government needs to work with the private sector to identify appropriate and effective policies that promote growth.

\* Ashley, C., Roe, D. and Goodwin, H. (2001) *Pro-Poor Tourism Strategies: Making Tourism Work for the Poor. A Review of Experience*. Overseas Development Institute (ODI), International Institute for Environment and Development (IIED) and Centre for Responsible Tourism (CRT). PPT Report No. 1. London: ODI, IIED, CRT

## **Recommendations**

Stakeholders need to take a wide range of actions, from micro to macro level, to increase benefits to the poor from tourism in Zambia.

### Adoption of an Industry Perspective and PPT Approach:

- Greater focus on private sector driven local micro-enterprise development that is grounded in market opportunity and a broader industry understanding.
- More effective management of community expectation grounded in private sector reality.
- Development of pro-poor tourism (PPT) interventions that provide more appropriate and sustainable roles (i.e. support roles such as the supply of agricultural produce and crafts) for communities tied directly to tourism companies.
- Larger focus on business partnerships between communities and tourism companies (e.g. Joint Ventures).
- More suitable and effective use of donor funding (utilizing industry-based market development principles) and monitoring and evaluation.

### Improved Enabling Environment:

- More appropriate roles for government as a facilitator rather than as an actor in the tourism industry.
- Improved platforms for public/private sector dialogue on industry development.
- Development of an appropriate framework to legalise and licence CBT enterprises, including minimum standards that ensure tourist safety.
- Investment incentives for business partnerships between communities and tourism companies.
- Better communication and planning for CBT development, especially in GMAs and other sensitive areas, to prevent land-use conflicts (e.g. between non-consumptive and consumptive tourism) and negative environmental impacts.

### Upgrading of CBT:

- Market research on CBT and cultural product development and potential market segments.
- More focus on building and strengthening appropriate community institutions (e.g. trusts) and making them more accountable and transparent to ensure wider community benefit.
- More finance available to improve linkages between communities and the tourism industry.
- Cost-effective community skills development in tourism including in-service training and exchange visits between CBT enterprises.
- More concerted marketing of CBT products through private sector channels targeting different market segments.
- Information dissemination, coordination and planning to ensure local and regional common lessons are learnt and good practice pursued. Sharing experience should reduce costs of spreading CBT approaches.
- Cautious consideration of facilitation to form a CBT trade association that would have to incorporate business and legal expertise, as well as a business plan for the financial sustainability of the association.