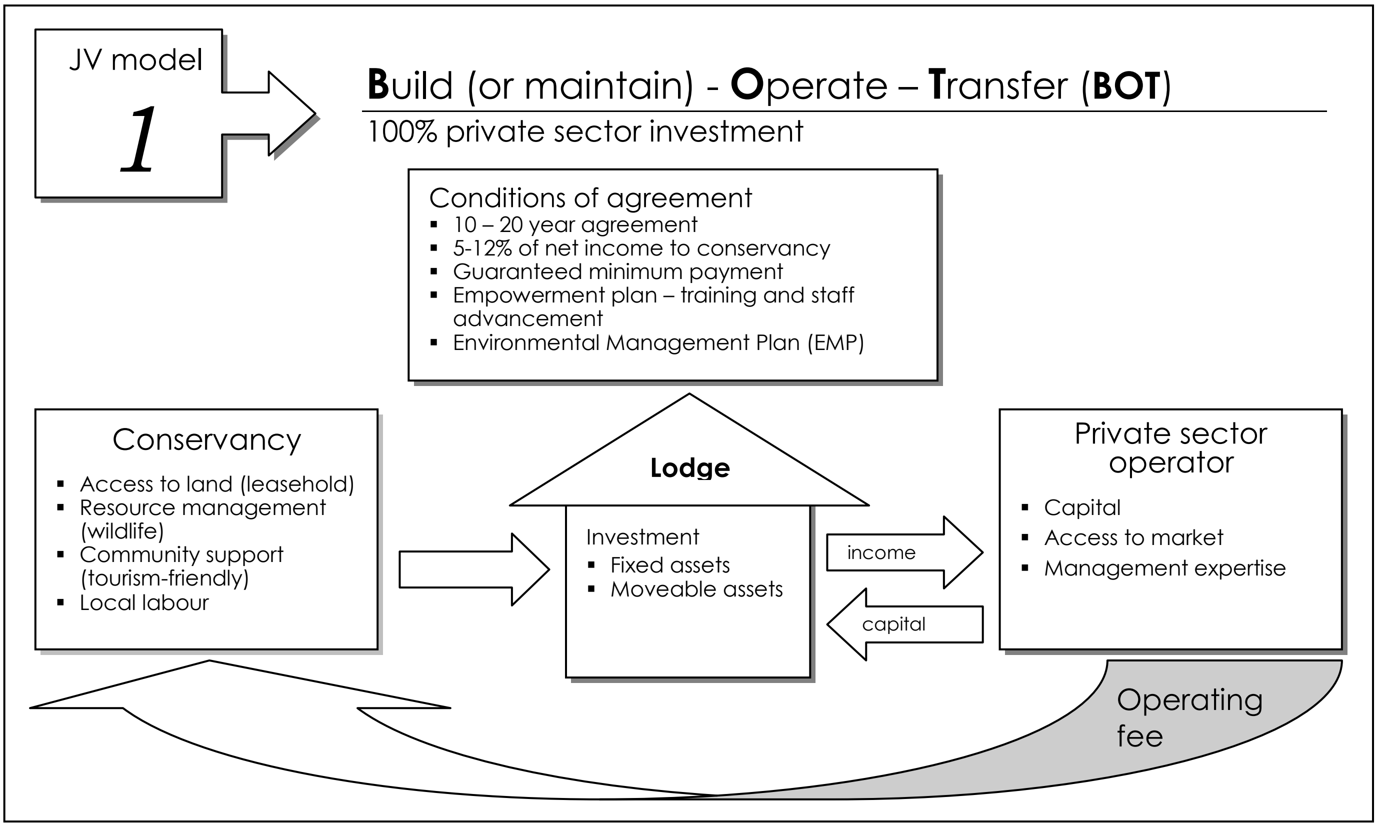
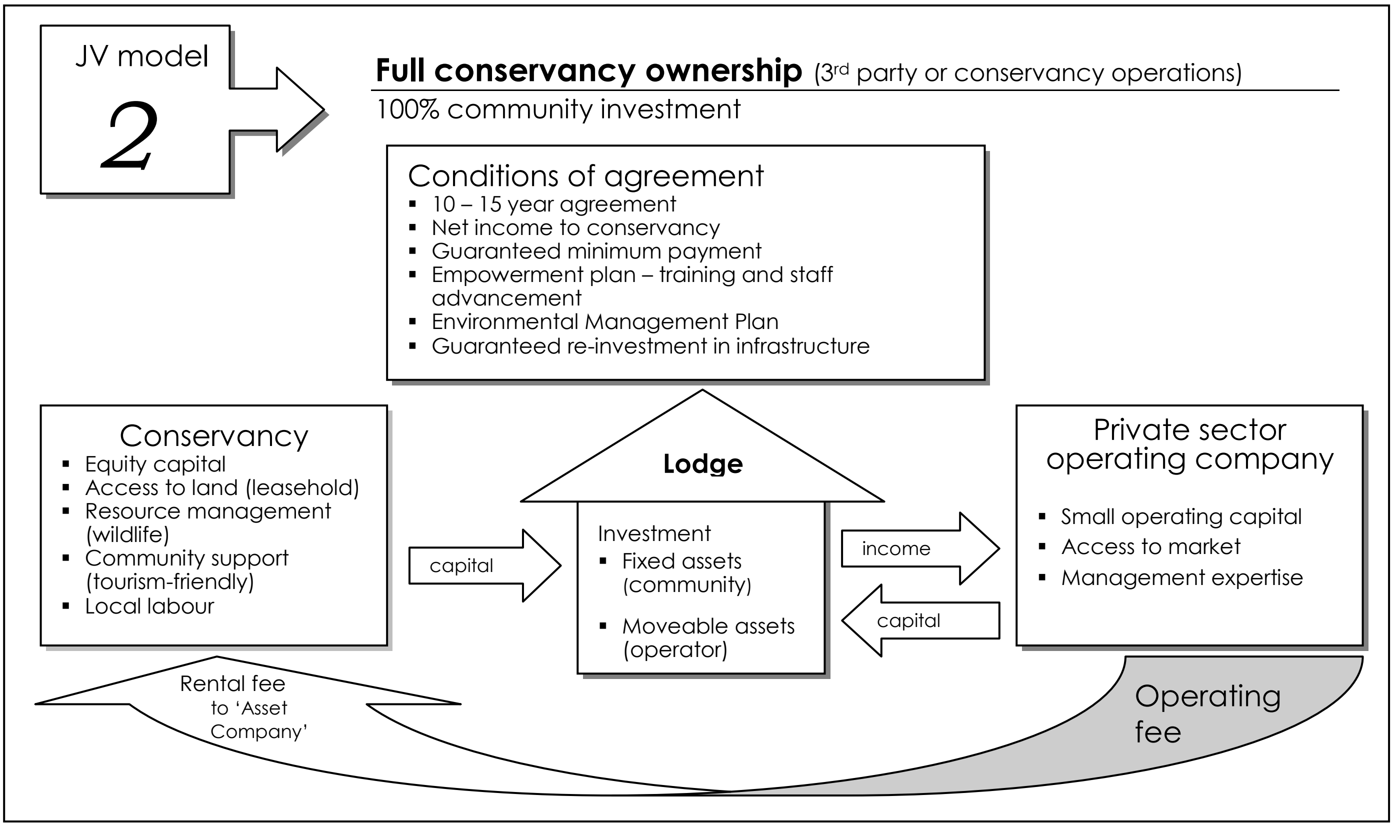
MODULE 2.1, HANDOUT #1: JV models in Namibia (page 1 of 3)



Conditions and implications
▫ **Project financing** – requires no community capital because project is entirely financed by private partner ▫ **Conflict resolution** – contractually governed (Joint Management Committee followed by mediation and arbitration) ▫ **Exit strategies** – contractually governed (termination after exhaustion of required procedures) ▫ **Support requirements** – low compared to other options; but still requires support (compliance and enforcement) ▫ **Examples** – *Twyfelfontein* and *Namushasha Country Lodges* - most common approach

Advantages	Disadvantages
▫ Clear definition of roles ▫ Simple structure ▫ Conservancy 'head rights' secure ▫ 'Resource-use' fee secure ▫ Distributes risks/roles to appropriate parties	▫ Perceived low levels of empowerment ▫ Perceived 'passive role' for conservancy ▫ Capital returns accrue to private investor ▫ Operating returns accrue to private partner ▫ Overall, low-risk but low-return model

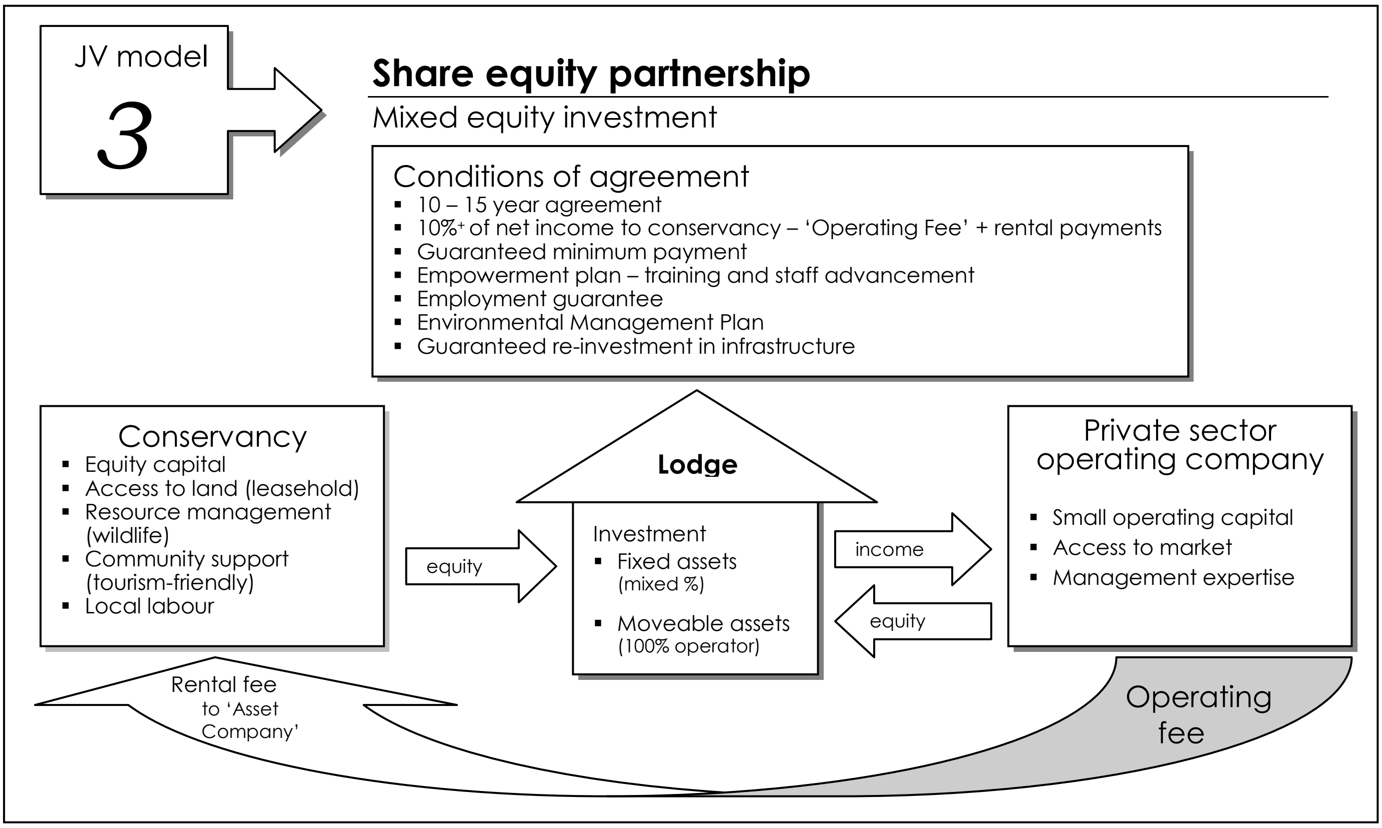
MODULE 2.1, HANDOUT #1: JV models in Namibia (page 2 of 3)



Conditions and implications
▫ **Project financing:** requires significant community capital (including reserves) as conservancy finances entire project and carries risk at all levels; requires capitalisation of management company as well as project company ▫ **Conflict resolution:** difficult to manage conflict between conservancy as resource holder and project owner; Contractually governed (Joint Management Committee) ▫ **Exit strategies** – conservancy locked-in as project owner; management contract determines exit of manager and project company ▫ **Support requirements** – very high compared to other models; requires significant ongoing support ▫ **Examples** – *Grootberg Lodge*

Advantages	Disadvantages
▫ 'Resource-use' fee remains secure ▫ % of capital and operating returns accrue to conservancy ▫ More active role for conservancy ▫ Greater perceived conservancy empowerment ▫ Conservancy 'head rights' remain secure	▫ A more complicated structure ▫ Conservancy has 'mixed interests' ▫ % of capital and operating risks to conservancy ▫ Conservancy requires greater capacity ▫ Operator may be integrated into a complex corporate trading structure (affects other models) ▫ Deferred uptake option creates uncertainty ▫ Conservancy requires access to % of capital

MODULE 2.1, HANDOUT #1: JV models in Namibia (page 3 of 3)



Conditions and implications
▫ **Project financing:** requires community capital to buy shares in project company as it co-finances entire project ▫ **Conflict resolution:** governed by shareholders' agreements; difficult due to 'mixed interests'. Contractually governed (Joint Management Committee) ▫ **Exit strategies** – governed by shareholders' agreements; difficult due to 'mixed interests' ▫ **Support requirements** – high compared to Model 1; requires significant ongoing support ▫ **Examples** – *Doro Nawas Lodge; Damaraland Camp*

Advantages	Disadvantages
▫ Conservancy 'head rights' remain secure ▫ 'Resource-use' fee remains secure ▫ % of capital and operating returns accrue to conservancy ▫ More active role for conservancy ▫ Greater perceived conservancy empowerment	▫ Complicated structure ▫ Conservancy has 'mixed interests' ▫ % of capital and operating risks to conservancy ▫ Conservancy requires greater capacity ▫ Operator may be integrated into a complex corporate trading structure (affects other models) ▫ Deferred uptake option creates uncertainty ▫ Conservancy requires access to % of capital

MODULE 2.1, HANDOUT #2: Existing Namibian JV lodges and campsites (page 1 of 2)

NAME OF ENTERPRISE	PRIVATE SECTOR PARTNER	CONSERVANCY	REGION	Type of agreement	Terms of business agreement
1. Lianshulu Lodge	Wilderness Safaris	Balyerwa	Caprivi	NP concession	
2. Impalila Island Lodge	Islands in Africa	Impalila	Caprivi	No formal agreement	
3. Chobe Savanna Lodge	Chobe Holdings	Kasika	Caprivi	BOT - MOU	
4. King's Den Lodge	Namib Sun Hotels	Kasika	Caprivi	BOT – MOU pending	
5. Camp Kwando	Johann Liebenberg	Mashi	Caprivi	No formal agreement	
6. Namushasha Lodge	Namibia Country Lodges	Mashi	Caprivi	BOT- lease agreement	
7. Mazambala Island Lodge	Andre Visser	Mayuni	Caprivi	BOT	
8. Susuwe Island Lodge	Islands in Africa	Mayuni	Caprivi	NP concession	
9. Kubunyana Camp	Islands in Africa	Mayuni	Caprivi	BOT	
10. Spitzkoppe Lodge	Melt Hugo	≠Gaingu	Erongo	BOT	
11. Brandberg White Lady Lodge	Kobus De Jagger	Tsiseb	Erongo	BOT	10% of net turnover/minimum of N$250,000 pa
12. Khaudum Camp	Namibia Country Lodges	George Mukoya, Muduva Nyangana	Kavango	NP concession	
13. Sikeretti Camp	Namibia Country Lodges	George Mukoya, Muduva Nyangana	Kavango	NP concession	
14. Grootberg Lodge	EcoLodgistix	≠Khoadi-//Hôas	Kunene	100% community ownership	10-15% of net turnover/minimum of N$30,000 pm
15. Ongongo Camp	Liana Greeff	Anabeb	Kunene	BOT	10% of net turnover/minimum of N$80,000 pa
16. Palmwag Concession	Wilderness Safaris	Anabeb, Sesfontein, Torra	Kunene	NP concession	
17. Doro Nawas Lodge	Wilderness Safaris	Doro !nawas	Kunene	Shareholding/lease agreement	6-8% of net turnover plus dividends
18. Kunene River Lodge	Peter Morgan	Kunene River	Kunene	BOO	5% of net turnover/minimum of N$36,000 pa
19. Camp Syncro	KaokoHimba Safaris	Marienfluss	Kunene	BOO	6% of net turnover/minimum of N$10,000 pa
20. Okahirongo River Lodge	Lions in the Sun	Marienfluss	Kunene	BOT	5-8% of net turnover
21. Kunene Conservancy Safaris(Eetambura Lodge)	Russell Vinjevold	Marienfluss, Okondjombo, Orupembe, Puros, Sanitatas	Kunene	Community ownership	N$500 per visitor

MODULE 2.1, HANDOUT #2: Existing Namibian JV lodges and campsites (page 2 of 2)

NAME OF ENTERPRISE	PRIVATE SECTOR PARTNER	CONSERVANCY	REGION	Type of agreement	Terms of business agreement
22. Kunene Camp	Skeleton Coast Safaris	Marienfluss	Kunene	BOT	6% of net turnover
23. Serra Cafema	Wilderness Safaris	Marienfluss	Kunene	BOT	8% of net turnover
24. Okahirongo Elephant Lodge	Lions in the Sun	Puros	Kunene	BOT	5-8% of net turnover
25. Purros Camp	Skeleton Coast Safaris	Puros	Kunene	BOO-lease agreement	
26. Skeleton Coast Camp	Wilderness Safaris	Puros	Kunene	NP concession	
27. Madisa Lodge	Nicolas Pienaar	Sorri-Sorris	Kunene	BOT	5% of bed-night rate
28. Damaraland Camp	Wilderness Safaris	Torra	Kunene	Shareholding/lease agreement	10% of net turnover plus % dividends
29. Kuidas Camp	Skeleton Coast Safaris	Torra	Kunene	BOO	
30. Hobatere Lodge	(No operator at present)	≠Khoadi //Hôas	Kunene	NP concession	
31. Etendeka Mountain Camp	Etendeka/ Big Sky Lodges	Anabeb and Omatendeka	Kunene	NP concession	
32. House on the Hill	Trevor Nott	Orupembe	Kunene	BOT	
33. Kapika Waterfall Lodge	Gielie Van Zyl	Epupa Emerging Conservancy	Kunene	BOT	6% of net turnover
34. Camp Kipwe	Visions of Africa	Uibasen- Twyfelfontein	Kunene	BOT	8-10% of net to camp
35. Twyfelfontein Country Lodge	Namibia Country Lodges	Uibasen-Twyfelfontein	Kunene	BOT	10% of net to camp
36. Uukwaluudhi Safari Camp	Namibia Country Lodges	Uukwaluudhi	Omusati	Lease agreement/ shareholding	
37. Okomize Lodge	Okomize Lodge CC	Uukolokhadhi/Ruacana	Omusati	BOT	6-8 of net turnover
38. Tsumkwe Country Lodge	Namibia Country Lodges	Nyae Nyae	Otjozondjupa	100 %private sector owned	

MODULE 2.1, HANDOUT #3: Tourism Options Plan

OTJIMBOYO TOURISM OPTIONS PLAN

Vision

Tourism development in the Otjimboyo conservancy should capture the existing tourism resource which makes use of the main road running through the conservancy, offering alternative accommodation facilities whilst at the same time adding value to the experience through secondary activities. Tourism development in the conservancy should benefit all the community through employment, education, and entrepreneurial opportunities. Tourism should not only aid in the sustainable management of natural resources but should increase natural resource productivity. Tourism should also follow national legislation and planning and should involve government, private sector, NGO's, the community and the Traditional Authorities.

Tourism Potential

Types of tourism	Potential to link to passing trade market offering self catering accommodation, or mid market level accommodation. Good access to main road and links to the Brandberg.
Main Tourism Features	Views of the Ugab River and Brandberg, some rock art at the Itavere sites, possible sale of crafts and alternative activities such as donkey cart trips (to rock art) all based from the Itavere Lodge site.
Key Issues and Limitations	Highly dependant on passing trade market and have no control over what the neighbouring conservancies establish. Any other mid market/ self catering accommodation would directly compete with the Itavere site.

Toursim Development Area

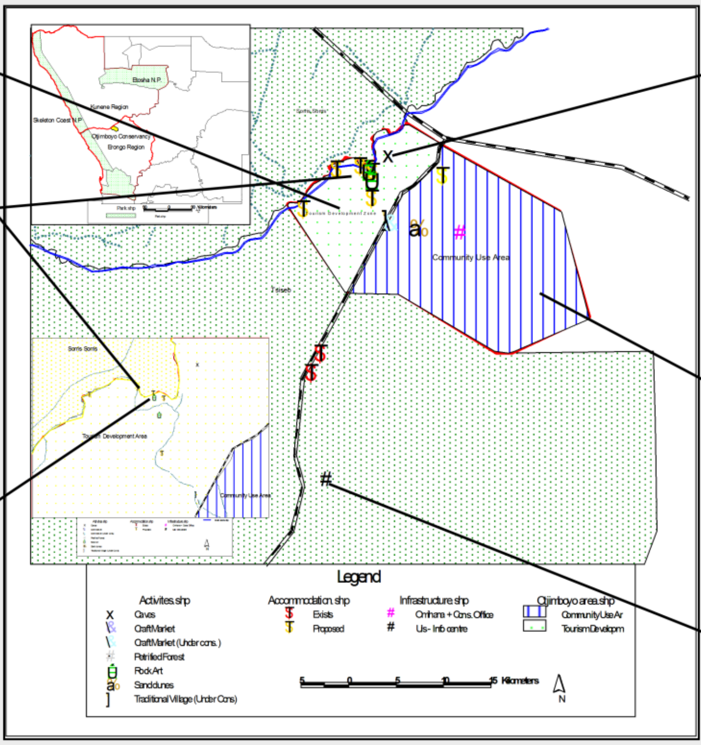
Type:	Area to be developed for tourism activities.
Status:	Proposed tourism development area
Location:	West of the main road and east of the Ugab river.
Description:	Accommodation facilities at Itavere, and the development of other activities such as horse riding, donkey cart trips, and rock art trips.
Management:	Community/Conservancy
Issues and Constraints:	Limited resources, creating a dependancy on surrounding attractions (Brandberg, White Lady Paintings) to attract visitors to the area.

Itavere

Type:	Mid Market Lodge or Self Sactering accommodation - 8 to 10 rooms.(max 20 people)
Status:	Proposed lodge site
Location:	Overlooking the Ugab river
Description:	Raised site overlooking the Ugab river on the one side and the Brandberg on the other. Elephant are supposed to frequent the Ugab river poviding good viewing opportunities from a safely elevated position.
Management:	JV agreement with a private operator
Issues and Constraints:	Competition is the largest issue. Due to the conservancy being dependant on attractions outside of the conservancy - i.e. the Brandberg. Good service, clean and competitively priced facilities will also help in relieving this issue. Possible use of week end visitors from Windhoek would be beneficial.

Itavere Rock Art

Type:	Activity
Status:	Existing rock art to be utilised as an activity
Location:	Close proximity to the Ugab river, hikable distance to from the lodge site.
Description:	Boulery area with scattered rock art sites. Mainly paintings which can be difficult to see.
Management:	Community run activity based out of the lodge.
Issues and Constraints:	Weathering of the rock paintings could stop this activity. At present the rock art is difficult to see.



Wondergat

Type:	Activity
Status:	Area of interesting geological formations and vegetation.
Location:	Close proximity to a small settlement (cattle post) and close to the Ugab River. Site is elevated and nestled in some hills. Walkable distance from the lodge site.
Description:	Some interesting geology and vegetation in the area. Plants which are used by the Himba people as a "perfume". Village close by could provide an insight to Herero way of life.
Management:	Community run activity based out of the lodge.
Issues and Constraints:	Possible conflicts with Elephants in the river. Seasonal flooding of the river would extend the distance of the hike. Activity is dependant on people staying at the lodge.

Community Development Area

Type:	Community use area
Status:	Used by community
Location:	Eastern side of the main road form Uis to Khorixas.
Description:	Area of settlement and agriculture. Area to be reserved for the community to use and no tourism to develop in this area.
Management:	Community use area
Issues and Constraints:	Area holds the majority of the population, with the settlement of Omihana. Movement of livestock to the Ugab river during dry periods could be a problem.

Uis

Type:	Town
Status:	Exists
Location:	South of the conservancy
Description:	Small town with all the necessary infrastructure to support tourism development.
Management:	n/a
Issues and Constraints:	Any new developments which cater for the same market as the Itavere site will be competition to the Itavere site.

Guiding Framework

NWRTMP vol. 2 (2000)	Zone and Management Area	Predominantly Zone 3, Management areas "L" and "H". Low international appeal and few scenic areas, cultural tourism seen as the main drawcard.
	Levels of Tourism	**Infrastructure** - Medium Volume, Medium impact (luxury tented camps and lodges, mid market lodges, tented camps and community campsites)
		Vehicle Movements - medium volume, medium impact, off road driving only in designated routes and areas.
		Activities - Medium volume, low impact - any environmentally sustainable tourism activity
	Evironmental Issues	Water extraction and pollution and the down stream effects from large tourism facilities.
TMDNR vol. 2 (2003)	Market Demand	20 - 30% of visitors camping, 60% mid market, 10 - 20% Up market facilities.
		Marketing focus should be desert elephant, and rhino, Twyfelfontein rock art, pristine natural and remote environment, health and relaxation products and photographic tourism.
		Lodge sizes 8 -10 rooms, concessions 10 000 - 15 000ha, 10 -15 years.
Summary	Recommended Carrying Capacity	Initial development of one mid market or self catering accommodation facility at the Itavere site - 8 - 15 rooms/ bedded tents. Facility should be well advertised and sign posted to capture the passing trade market.
	Tourism to focus on following resources	Activities should be used to add value to the experience rather than attract people. Trips to the rock art at Itavere or the sand dunes at Otjiuetjovatwa (using donkey carts) should be encouraged. Other activities could include horse riding and craft selling. Craft selling should be undertaken at the lodge site and at Uis in the new Information Centre rather than on the road.

Limits of Acceptable Change

Component	Concern Area	LAC	Mitigation measure
Visitor	Litter	Survey Instrument - >5 complaints/area/year or references in survey to litter problems, or loss of wilderness value.	Increase in management activities, increase in the number and servicing of bins (at sites), litter drives. Increase in awareness - information to tourists (signs, pamphlets, interpretive centres).
	Visitor on visitor conflicts (overcrowding)	Survey Instrument - >5 complaints/area/year or references in survey to overcrowding or tourist on tourist conflicts, or loss of wilderness value.	Reduction of vehicles and tourists allowed into the area, limiting the number of available beds in the area. This is not seen as being of high priority but could be an issue in time.
	Human waste	Survey Instrument - >5 complaints/area/year or references in survey to human waste issues, or loss of wilderness value.	Increase visitor awareness through information signs, pamphlets, interpretive centres.
Environmental	Erosion/Tracks and roads	Annual visual assessment - No new tracks around erosion points.	Increase visitor awareness of off road driving and making new tracks, increase road maintenance by either the conservancy or the JV partner. Restrict number of users/vehilces. In this case erosion could also be found on tracks used to access rock art.
	Human wildlife conflicts	Survey Instrument - >3 reported wildlife conflicts/area during a season	Increase awareness to people using wildlife areas through "rules to aproaching animals" information. If this doesn't help, limit the number of vehicles/ people (hikers) in the area so as to reduce the number of conflicts, or make the area only available to trained guides.
	Nutrification	Periodic visual assessment - No change permitted.	Any seepage from tourism establishments to be repaired and stopped or establishment to be closed down.
	Alien Invasive species	Survey Instrument - No alien invasive plant species in the river system.	Information for tourists dealing with what species are alien (most common) at information points. Removal of all alien invasives identified by tourists in the surveys.
Sustainable Tourism	Quality of the Tourism Product	Survey Instrument - >3 reports/establishment/year that the tourism product was too expensive for what is offered	Review of the rates - possible reduction in rates, change to a different market.
	Occupancy Levels of toursim operations	Annual Occupany rate for each tourism operation - <10% Occupany rate for two years running	If less than 10% for two years then conservancy is not realising full potential of the site/activity and site/activity must be closed/stopped or ownership changed.

Schedule of Activities for Tourism Options

Aspect	Activity	Priority Ranking	Yr 1 1st Half	Yr 1 2nd Half	Yr 2	Yr 3	Yr 4	Yr 5	Comments
Institutional Arrangements	Develop a benefit distribution and investment plan								
	Review the benefit distribution and investment plan								NACOBTA should assist in this review to ensure that part of the revenue is being put back into the tourism developments (belonging to the community) and not all spent on other things.
Communications	Inform the public and other stakeholders about the plan and their role in the plan								NACOBTA to inform stakeholders in Windhoek, and consevancy to inform neighbouring conservancies.
	Begin communications between conservancies to establish linkages, especially with Sorris Sorris and Uis information centre. This would assist in controlling tourism developments in the area, establish marketing opportunities and actual marketing from the information centre.								
	Continue communications with neighbouring conservancies regarding tourism developments in and around the area so as to ensure no new developments conflict with the existing tourism developments.								Making the Otjimboyo tourism options plan available to the neighbouring conservancies so that everyone is aware of what would be a potential conflict.
	Communitcate with Namibian Tourism Board on standards, and implement these in conjunction with the Namibian Tourism Board (NTB) and ensure that they are understood by all.								
	Inform neighbouring lodges about opportunities and possible concerns, especially those in the neighbouring conservancies which are running similar facilities. Especially lodges in the Sorris Sorris and Tsiseb conservancies.								
Leases	Visit and document Itavere site for lease purposes.								Identify exact location of sites for the leases (can often be undertaken with the JV partner) and options associated with these sites.
	Ensure all new PTO/Land Board leases for tourism developments are in the conservancy's name.	1							Apply to the Land Board for all tourism related PTOs or leases. These should all be in the conservancy's name so as to maintain control
	Prepare detailed tender documents and contracts between community and investors in line with the Joint Venture Agreement Study findings								The LAC could also be used in the drafting of agreements and to ensure that all agreements are legally binding.
Advertise tender sites	Invite tenders for Itavere lodge / Self Catering accommodation.								NACOBTA business unit could be helpful in finding investors for the various tourism options.
Royalty fees	Set rates for new lodges/camps								
	Set rates for community tourism activities and controls on quality and value of the activity.								All community run ventures should pay an annual fee to the conservancy so as to ensure that operations are well managed and controlled. The conservancy can thus also maintain control on numbers and types of activities in the conservancy.
	Identify targets for rate increases								
	Ensure rates and controlling/monitoring mechanisms exist for all developments. Update these from time to time								
Additional Conservancy Activities	Continue building conservancy office and attempt to install communication links - phone lines, possibly internet.								
	Establish a body to aid and support the development of crafts and supply to markets (Uis and possibly Windhoek).								
	Establish signage welcoming people to the conservancy, describing what the conservancy has to offer, as well as highlighting basic visitor "rules".								
	Develop the skill base for secondary tourism activities within the community, including guide training, public relations and general public services.								This secondary tourism industry could create employment and small business opportunities for community members - such as horse riding activities and guided trails.
Environmental management	Perform Environmental Assessments of tourism development at Itavere, and the activity area - including SEA, Needs Assessment and Limits of Acceptable Change.								These EAs (of each development) should also detail the processes of dealing with both solid and liquid waste as well as water abstraction. These assessments should outline specific activities to be undertaken by the operators to deal with the waste, and how to monitor waste and water abstraction levels. JV could undertake this activity.
	Incorporate waste management activities and procedures for monitoring and dealing with waste water and solid waste, generated by tourism developments, into EIAs and Conservancy Management Plans.								
	Set up a community participation based environmental monitoring system								This system would look at developments and the operational impacts involved with these developments I.e. road conditions, tourist on tourist conflicts, wildlife tourist conflicts.
	Undertake periodic monitoring of all environmental issues through the established monitoring systems.								
	Monitoring of resource harvesting for crafts and livelihoods to ensure sustainability.								Although harvesting is limited it must be monitored and all results given to MET for inspection, particularly the wildlife offtakes.
Monitoring of tourism developments	Monitor occurrence and establishment of new lodge/camp developments								Monitoring should be of occupancy rates and bed nights to establish occupancy rates for both further developments and to ensure bed night levies have been paid. This information could lead to the development of additional
	Monitor performance of lodges/camps based on bookings and occupancy rates								
	Taking bookings and occupancy rates into account, assess the public demand for lodge accommodation and camping facilities, and establish if there is a need to expand or decrease the number of facilities.								If there is a high demand for the campsites and they are often full then this would warrant the expansion of the existing camping facilities (I.e. the development of more sites) or possible opening of a separate site.
	Monitor LACs								LACs should be monitored annually. Initially, some assistance will be needed from NACOBTA to assist with monitoring and determining necessary actions.
	Ensure all tourism activities and developments adhere to NTB standards.								NACOBTA to ensure all camps are within the NTB regulations and then to train community people in the NTB regulations.
	Compile Community concerns with regards to tourism activities								A compilation of community concerns will highlight what areas need to be addressed and need re-thinking, regarding tourism and possible conflicts.
	Assess visitor satisfaction								This can be done through questionnaires and visitor books.

Key:
- Activity to be Undertaken by the Community
- Activity to be undertaken by NACOBTA
- Activity to be undertaken by the Community with assistance from NACOBTA

Environmental Impacts

NAME	TYPE	DESCRIPTION	Construction: Landscape	Construction: Abiotic	Construction: Biotic	Sub-total	Operation: Landscape	Operation: Abiotic	Operation: Biotic	Sub-total	Total	COMMENTS
Itavere Lodge	Mid market level, Self catering or lodge	Small development 8 - 10 rooms of various sizes. Self catering style accommodation or mid market lodge. Some emphasis on local activities - I.e. hikes or rides to rock art.	3	4	3	10	4	3	3	10	20	Site is positioned above the Ugab river looking down onto the river or towards the Brandberg. Pollution into the river, especially of waste water, would be the largest potential impact.
Visits to rock art	Activity	Either hikes, rides (horses or donkey carts) to rock art sites.	0	0	0	0	1	2	4	7	7	Area is situated within 3 km of the lodge site and would be accessible to hiking or riding. Loss of paintings to weathering is a potential problem as this would decrease the tourism potential for the trail.
Visits to Wondergat	Activity	Proposed area for hikes and rides viewing the vegetation and geological formations. Possible visit to the village close by would add value to this activity incorporating a cultural aspect.	0	0	0	0	1	2	4	7	7	If the visit to the village is included as an option then there is potential for some social impact. Flooding in the Ugab would also mean that the trail would be longer as people would have to "go around".

** = ranking 0-5 from zero to high impact*

Requirements Prior to Development - North West Region Tourism Master Plan, Vol. 2, Urban Dynamics Africa.

	Zone III
SEA required for tourism development, special emphasis being placed on:	
1. Biodiversity	XXX
2. Endangered species	XXX
3. Wilderness value	XXX
4. Ephemeral river catchments	XXXX
Needs assessment:	
1. Economic	XXX
2. Social	XXX
3. Demand	XXX
Limits of acceptable change:	
1. Sense of place	XX
2. Wildlife	X
3. Cultural	XXX
4. Physical	XXX
5. Tourism Experience	XXXX

X- negligable importance, XX - Minor Importance, XXX - Moderate Importance, XXXX - Major Importance

Consultation & Planning Process

Options Workshop and Data Collection:
Community workshops held to identify areas, limits and direction they wanted to see tourism develop within the conservancy
Visits into the field to visit and rank sites for tourism potential, and to identify potential impacts.
Meetings with relevant stakeholders to obtain planning information and literature.

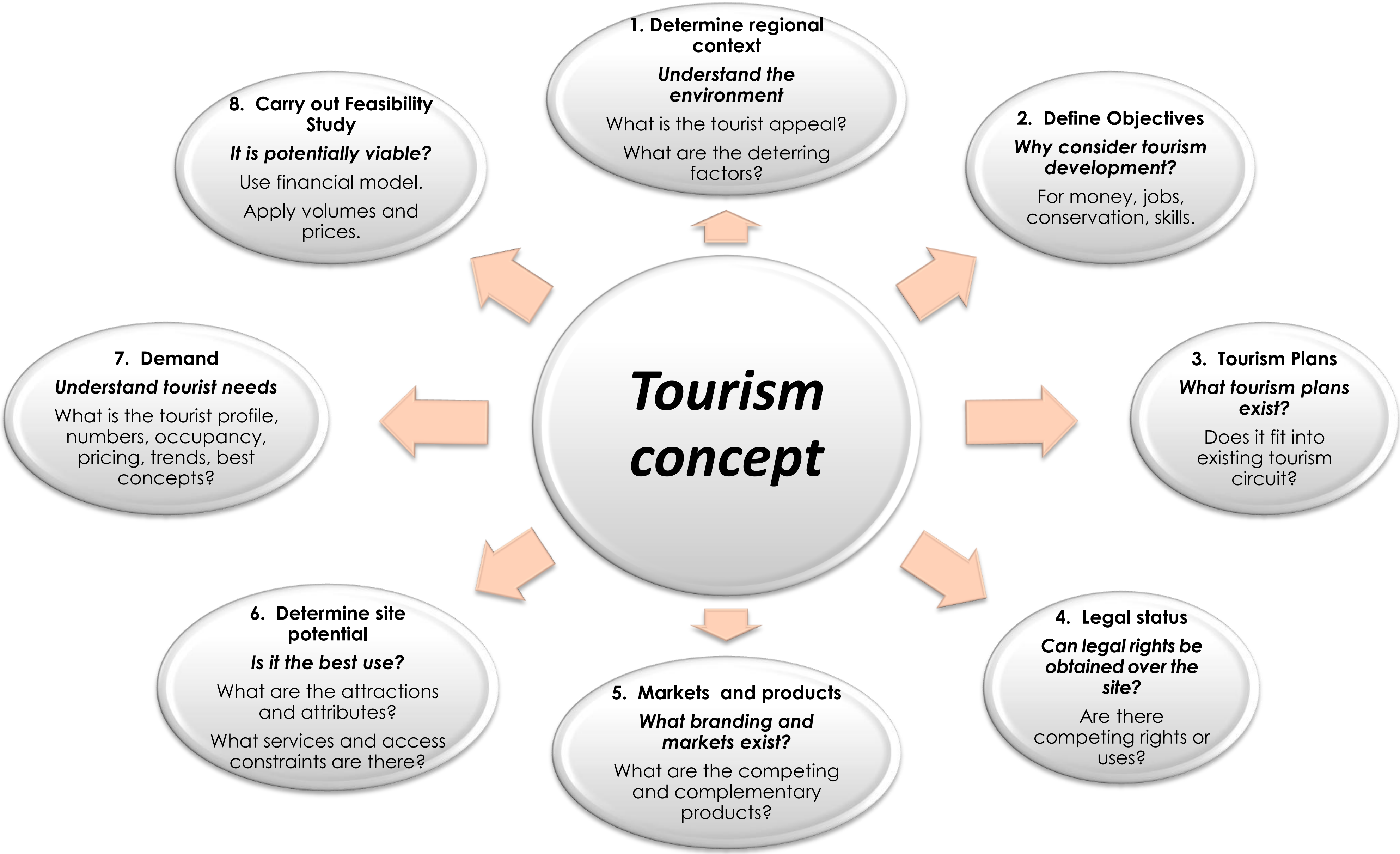
Framework and Options Development:
Based on the community workshops and the established framework options for tourism development were drafted.
The framework was based primarily on the NWTP's , Tourism Market Demand Study and other relevant literature.

Feedback Meetings to Stakeholders and Communities:
Presentation of the drafted options to the relevant stakeholders to gain acceptance and outline issues regarding the various conservancies and the options.
Presentation of the options back to the communities to gain acceptance, a sense of ownership and ensure accuracy in the representation of the options.
Incorporation of the key issues and findings of the options into the plan

Development and Presentation of Draft Final Plans
Economic assessment of the different options.
Development of plans, for review.
Presentation to communities and stakeholders for acceptance and ownership.

Final Plan

MODULE 2.1, HANDOUT #4: Feasibility of a Tourism Plan *(based on W. Bonzaaier, 2001)*



MODULE 2.1, HANDOUT #5: Calculating 'Achieved Rate' and 'Occupancy Rate' (page 1 of 2)

Calculating the 'Achieved Rate' (example of a typical lodge)

Rack Rate
The rate or price shown in adverts and promotional material (that would be paid by a tourist if they go to the lodge directly, without going through a booking agent).

1. Start with a Rack Rate of N$1,000.00 per night

Commission/discount *@ 25%. The amount that is paid to a booking agent for selling the lodge product and/or discounts given to preferred partners (who bring or send large numbers of tourists). This averages 25% (and can go as high as 35% in Namibia).*

25% would add up to N$250.00

2. So the amount left of the full rack rate is = N$750.00

Value-added tax (VAT) *@ 15% is tax paid to government on all accommodation and activities*

This is N$112.50

3. So the amount left is = N$637.50

Namibia Tourism Board (NTB) levy *@ 1-2% levy paid to the NTB based on 2% of accommodation rate or 1% of fully inclusive rate. This money is used by the NTB to market Namibia, to monitor product quality, and to establish training standards within the tourism industry.*

2% would be N$12.75

4. The Achieved Rate (the remaining amount) **= N$624.75**

Which ends up being:

63% of the original Rack Rate

(37% deductions)

MODULE 2.1, HANDOUT #5: Calculating 'Achieved Rate' and 'Occupancy Rate' (page 2 of 2)

Calculating 'Occupancy Rates'

If a lodge has 24 beds

24 beds x 365 days in the year = total available bed-nights of 8760

This means that if all of the beds were filled every night of the year the lodge will have achieved 100% occupancy (i.e., it is full all of the time). Occupancy will vary within a year (more tourists often come in August and September so these months will achieve a higher monthly occupancy). Occupancy will also vary over time – as the lodge grows it is expected that the occupancy will increase from year to year until it reaches a stable level.

A new lodge might typically start the first year with just 10% occupancy.

This means that **10% x 8760 = 876 bed-nights** are expected to be sold.

As indicated previously, the average **break-even occupancy** in Namibia is approx. 30%.

<u>For this lodge **30% x 8760 = 2628 bed-nights** would need to be sold to break-even.</u>

Another calculation is if the operator tells the conservancy that they had 4564 bed-nights filled last year.

The occupancy level would be **4564/8760 = 0.521 = 52.1%**

MODULE 2.1, HANDOUT #6: The two approaches for financial arrangements

<table>
<tr><th colspan="2">Lease fee</th><th colspan="2">Equity</th></tr>
<tr><td colspan="2">The operator pays the community a fee for its contribution to the partnership</td><td colspan="2">The community has an equity stake (shares) in the company that owns the enterprise</td></tr>
<tr><td colspan="2">Often this is a lease fee for using community land and resources. The fee can be fixed or variable, or a combination of both.</td><td colspan="2">This is a share of ownership, which entitles the conservancy to share in the profits (and losses)</td></tr>
<tr><th>Advantages</th><th>Disadvantages</th><th>Advantages</th><th>Disadvantages</th></tr>
<tr>
<td>✓ Guaranteed community income
✓ A fee set as percentage of turnover grows with the enterprise
✓ Easy to understand
✓ A combination of a fixed rental (minimum income) and percentage of turnover
✓ Recognises the community contribution in terms of natural resources
✓ As the landlord, the community can have a decision-making role in issues affecting resource use in terms of the lease</td>
<td>✓ Enterprise owned by outsider
✓ No stake for community or automatic right to decision-making on the enterprise management</td>
<td>✓ Community has a share of ownership
✓ As shareholders they have the automatic right to decision making.
✓ As profits increase, income for the community increases
✓ Share in asset value of the enterprise at the end
✓ Strong profit incentive to help the enterprise do well</td>
<td>✓ Ownership might be on paper only
✓ Community shares the risk of financial loss
✓ No guaranteed minimum income
✓ Profits can be reduced by clever accounting
✓ No profit or community income at first
✓ Not easy to understand</td>
</tr>
</table>

MODULE 2.1, HANDOUT #7: Fixed and variable fees

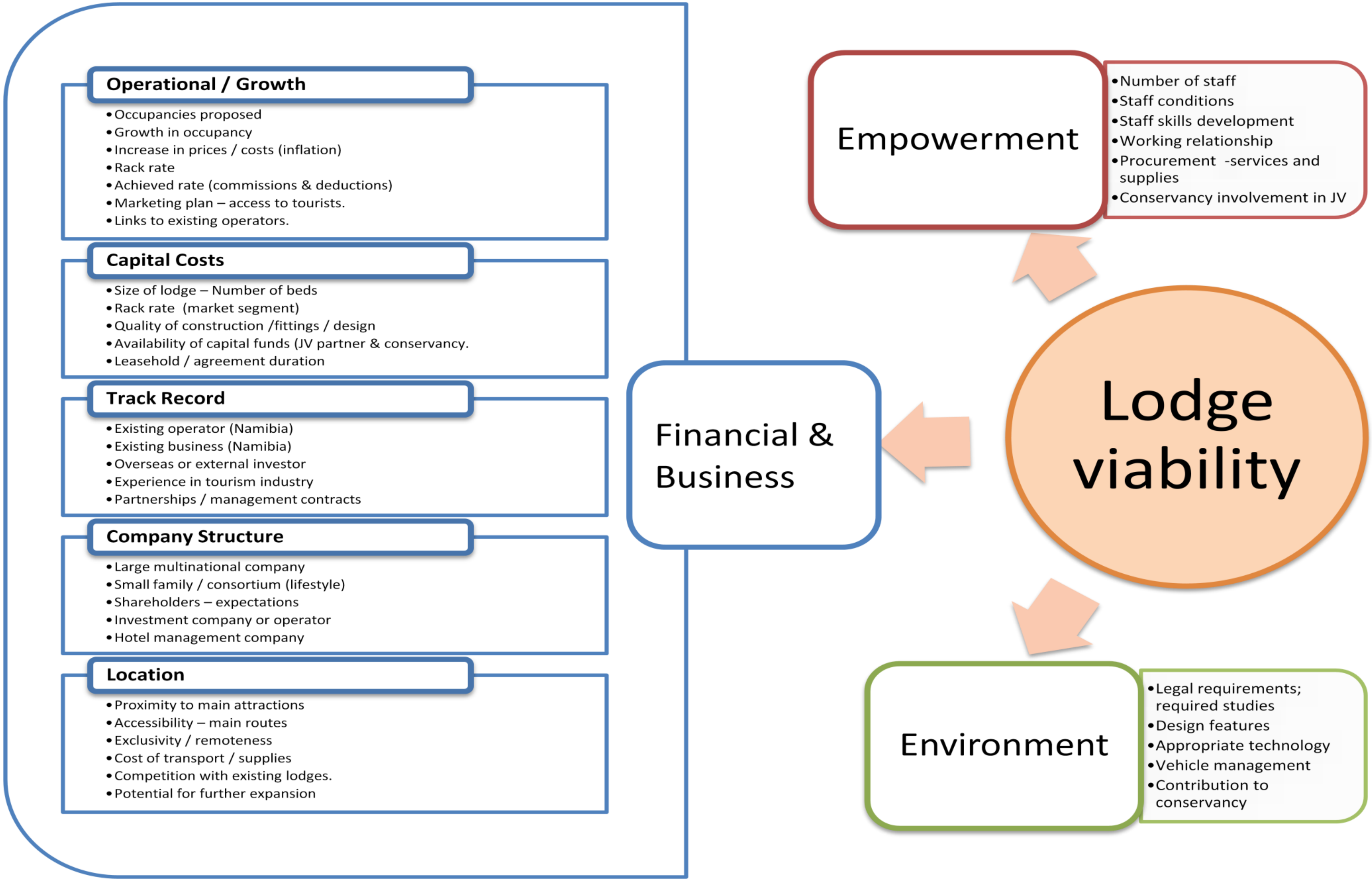
Option	Advantages	Disadvantages
Fixed fees (i.e.: fixed N$ per year)	✓ The amount is known ✓ Easy to understand, implement and monitor ✓ No risk ✓ Income is earned from the start ✓ Useful for short-term agreements, or for a guaranteed minimum in combination with other fees	✓ No increase in community income as enterprise grows ✓ No community incentive for community support or involvement ✓ Likely to be low if it's to be affordable from the start ✓ May be eroded by inflation (unless pegged to prices or foreign currency)
% of turnover	✓ Community income increases as the enterprise grows ✓ Any type of growth increases income, whether it's due to: - Higher price per tourist - More tourists - More activities (ballooning, curios, more time in the bar). ✓ Increases as prices increase. Keeps up with inflation ✓ Creates incentives for community support ✓ % can be varied over time	✓ Risk and uncertain amounts: goes down as well as up ✓ Can be difficult to understand ✓ Turnover can be hidden if income stays with a parent company
% of profit	✓ As for % of turnover	✓ Easily avoided ✓ Zero or very low for first few years and whenever business is bad
Fee per unit (i.e.: N$ per bed-night)	✓ Easy to understand ✓ Income goes up as resource use goes up ✓ Useful for consumptive tourism ✓ Clear incentives for conservation	✓ Can go down as well as up ✓ Needs to be linked to inflation ✓ Only grows with use of one resource, not with other changes in growth or profitability (e.g., more expensive beds, more activities)

MODULE 2.1, HANDOUT #8: Advantages and disadvantages of the approaches used to attract and secure JV investors

Advantages	**Call For Proposals *regular***	**Call For Proposals *complex***	**Call For Proposals *limited***	**Operator-initiated**
Open, transparent and clear steps				
Encourages competition (helps obtain market value of site)				
Might identify an opportunity that wasn't already known				
Documentation is pre-prepared and clear				
Clear timelines exist				
Can compare proposals as they use same format				
Professional, well-organised approach				
Raises profile of sites and conservancy investment opportunities				
Ensures all proposals are of high quality				
May be quicker as operators /investors are already known				
Cheap				
Might be able to develop a business for which there is a limited window of opportunity				

Disadvantages	**Call For Proposals *regular***	**Call For Proposals *complex***	**Call For Proposals *limited***	**Operator-initiated**
Lack of flexibility, and complicated documentation				
High potential for bribery or mismanagement				
Expensive (marketing, site visits, conference)				
Not initially driven by conservancy				
Complexity may reduce competition				
Reduced competition, therefore reduced offers				
Not competitive				
Build first and then hope to be accepted by conservancy				

MODULE 2.1, HANDOUT #9: Key general issues of the adjudication process (page 1 of 5)



MODULE 2.1, HANDOUT #9: Key general issues of the adjudication process (page 2 of 5)

Market Sectors

- Small up-market (12-24 beds) N$10m-16m
- Large mid-market (48 – 100+ beds) N$15m+
- Small mid-market (16-24 beds) N$3-5m

Conservancy Income

- Proposed payment to the conservancy – e.g. Percentage of Net Turnover, bed-night levy, fixed rental etc.
- Rate at which this payment increases annually.
- Minimum guaranteed payment
- Proposed deductions e.g. Commissions, discounting, VAT, NTB (total % deductions)
- Method of payment – fixed monthly fee, variable monthly fee, quarterly payments.
- Method of calculation of above fees.

Operational / Growth

- Occupancies – average in Namibia is approx 40% (with great variation)
- Break –even occupancy average is approx. 30% (below this over the longer term is not viable)
- Existing operators with market links will get higher initial occupancy rates and occupancies will grow faster
- New or inexperienced operators without strong market links will get lower initial occupancies and occupancies will grow more slowly
- Increase in prices / costs (inflation) – Note average over past 2 years has been around 10%
- Achieved rate (commissions & deductions) – average commission is about 25-35%. With VAT and NTB levy this can be as much as 40% deduction from Rack Rate.
- Marketing plan – 5% capital cost at start up and 5% of annual turnover thereafter. Will depend on if lodge is part of a group or individual

Ratio of Capital v Product

- Is it the right amount for the proposed product (market sector, size, rack rate etc.)

Access to Capital

- Does the operator/investor have access to adequate capital ? (If not, this could hamper the speed of development and initial operations).
- Is the capital a commercial or private loan ? (commercial loans could add costs to the operations)

Rack Rate

- Up-market N$1200-N$4000+
- Mid-market N$500-N$1200
- Low-market N$200-N$500

Operational Costs

- Are costs realistic in relation to proposed product (No. Staff, maintenance, replacement etc.)
- Does the operator have "economies of scale" (other lodges in same area) – this would allow costs savings.
- Are annual cost increases in line with inflation
- Ensure all operational costs are shown

Financial and Business - 1

What to look out for

MODULE 2.1, HANDOUT #9: Key general issues of the adjudication process (page 3 of 5)

Company Structure

- Large multinational company – could have access to more resources and cover initial cumulative losses more easily than a small company.
- Small family / consortium (lifestyle) – owner-operators are often very committed and easy to work with but must ensure lodge does not just become a “hobby” and is aimed at obtaining a good return from the use of the site. A minimum payment will ensure lodge performs.
- Shareholders / investment companies – will expect a return on their investment so the lodge may be more profit driven.

Location

- Proximity to main attractions – expect faster and higher growth rates.
- Accessibility - remote locations require additional costs and are often better developed as up-market exclusive lodges (need to recover high costs).
- Competition – where located close to other lodges – need to offer different or better products, prices, experiences or volume of tourists must be very high to match supply of beds (e.g. Adjacent to Etosha NP).
- If the location / product has potential for further growth, this will have a positive impact on potential viability.

Track Record

- Existing operator / investor / management company (Namibia) – easy to look at their track record and reputation.
- Existing business (Namibia) – as above, but need to check tourism experience.
- Overseas or external investor – often harder to assess track record and reputation. Also harder to establish a working relationship and build trust.

Leasehold

- Leasehold / agreement duration – the higher the investment then the longer the lease / agreement requirement. Alternatively – the lower the growth potential, then the longer the lease / agreement requirement.
- Do not give sites away on long term leases if returns are too low / viability is in question.

Financial and Business - 2

What to look out for

MODULE 2.1, HANDOUT #9: Key general issues of the adjudication process (page 4 of 5)

Empowerment

What to look out for

Company Structure

- Large multinational / regional company – could have access to more resources and therefore increased training and learning opportunities for staff.
- Small family / consortium (lifestyle) – owner-operators are often very committed and easy to work with but may not have resources for good training programs or may not wish to "let go" of the management of the lodge.
- Shareholders / investment companies – will expect a return on their investment so they will insist on competent staff regardless of where they come from – may take longer to localise staff.

Working Relationship

- Willingness and commitment to make the Joint Management Committee work effectively.
- Non-financial benefits – what other benefits are being offered e.g. Emergency transport , access to phone, support for other community initiatives such as festivals, sports events etc.

Procurement

- Willingness to source supplies and services locally e.g. Wood, laundry, vegetables, meat etc
- Willingness to provide technical support to local businesses so they can provide reliable supplies and services.
- Note: This should be seen as an additional component in favour of a particular proposal, but it is the main financial offer to the conservancy and the wage income to staff that are the most important.

Skills Development

- What is the commitment to training
- What is the staff "progression plan" – how will staff move up within the business (e.g. Cleaner – guide – assistant manager-manager)
- What is the management "succession plan"? – Will external managers be replaced by local staff and over what period?

Staffing

- Number of staff employed
- Local v external staff
- Is staffing realistic for product (e.g. Up-market lodges may require a ratio of 3 staff to 1 guest)
- Wages – what is the minimum wage and are wage levels in line with the national average
- Social security
- Medical insurance
- Housing
- Annual leave
- Transport to work
- Uniforms
- Note: the staff conditions offered should be compliant with the Namibian Labour Law. They should also be compared with other lodges of a similar type.

MODULE 2.1, HANDOUT #9: Key general issues of the adjudication process (page 5 of 5)

Environment

What to look out for

MET Legal Requirements

- Does the proposed Environmental Plan comply with the current MET legal requirements? This will normally include the need for an Environmental Questionnaire and then an Environmental Impact Assessment (EIA) or Environmental Management Plan (EMP).
- An EMP is the most practical as it provides management guidelines for the operations of the lodge into the future. (See Section 1.9)

Waste Management

- Clear policy and approach to waste management.

Contribution to the Conservancy

- Sharing resource management activities – e.g. Wildlife monitoring, species re-introduction, water point maintenance, poaching control, erosion control etc.

Vehicle Management

- Servicing & maintenance of vehicles.
- Commitment to reducing vehicle use – more emphasis on non-vehicle based activities e.g. Walking, horses, bikes etc.
- Vehicle sharing (other lodges / businesses).

Design Features

- Passive energy – has particular attention been given to siting of buildings, shade, weather patterns, winds etc.
- Use of environmentally friendly building materials.
- Use of local materials.
- Appropriate landscaping and planting (indigenous species only).

Appropriate Technology

- Solar energy – electricity.
- Solar heating – water.
- Water saving devices.
- Use of grey water.
- Wind power.
- Dry composting toilets.

MODULE 2.1, HANDOUT #10: Exercise: Key general issues in the adjudication process (page 1 of 3)

Summary of Ongandu River Lodge Proposal

Background

Etoko Investment Group intends to build a mid-market lodge at the Ongandu River Gorge. This is an investment company that has been involved in mining of precious stones in the Omao Conservancy in the north-west of Namibia and it has no background or experience in any tourism business. Due to the downturn in the prices of the gemstones, and being already operational in the Omao Conservancy, the company decided to diversify into tourism and build a mid-market lodge at the Ongandu River Gorge.

The following are extracts from its proposal to the Omao Conservancy.

The proposed investment

10 million Namibia dollars, to be partly sourced through commercial funding sources such as the Development Bank of Namibia.

Proposed product

- A 20 chalet (40 bed) mid-market lodge with a main area and a swimming pool
- Will offer accommodation to visitors to the gorge
- Game drives
- Village cultural visits
- Guided hiking trails in the Ondundu mountains

Right of Leasehold

The Right of Leasehold will have to be secured in the name of Ongandu Lodge for a period of 25 years, with the agreement between the lodge and the conservancy also for duration of 25 years with an option of renewal based on a review of the relationship. After the end of the agreement period, all fixed assets and their improvements can revert to the community or the state.

Exclusivity needed

A 20km radius is proposed, i.e., to be protected from any new lodge development within this 20 km radius.

Financial offer

- Lease fee will start with 6% of gross income for first and second year
- 7% of gross income for Year 3
- 8% of gross income for Year 4
- 9% of gross income for Year 5
- And 10% of gross income as from Year 6 onwards.

A minimum lease fee of N$50,000 per annum will be guaranteed for the first three years of operation.

It should be noted that we have decided to offer the conservancy the first right of refusal to purchase more shares in the lodge, if the conditions are fit at such a time. This will mean more empowerment to the conservancy and a greater sense of belonging to the community in such a project.

Empowerment and employment

From a social point of view, the aim is to provide employment to the community members, which according to the Business Plan could be as high as 30 - 40 people on a permanent basis. Indirect employment could reach about 20 people. It must be understood that some employment can be during construction of the lodge and not necessarily after the lodge is operations. The lodge might outsource other activities and services to capable community members.

Apart from the fulltime employees, a number of casual workers will be employed, and with an increase in occupancy and growth, more workers will be employed. Ongandu Lodge will endeavour to employ at least 80% of staff from the community unless skills needed are not available within the community. Training would be provided and Etoko Investment Group will do everything possible to elevate one or two staff members from the community to the level of Assistant Managers over time.

Environmental management

Environmental clearance was obtained from the Ministry of Environment and Tourism and handed in at the land board for processing the Right of Leasehold Certificate. An Environmental Management Plan will be drafted before the construction starts.

MODULE 2.1, HANDOUT #10: Exercise: Key general issues in the adjudication process (page 2 of 3)

OGANDU LODGE | **INCOME STATEMENT** | **YEAR 1 TO 5**
20 ROOMS - 40 BEDS

	Notes	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Occupancy %		10%	20%	30%	40%	45%
Beds Available		14 600	14 600	14 600	14 600	14 600
Beds Occup.		1 460	2 920	4 380	5 840	6 570
SALES		318 641	701 009	1 156 665	1 696 443	2 099 348
Food	a)	293 251	645 153	1 064 502	1 561 269	1 932 071
Bar	b)	25 389	55 857	92 164	135 173	167 277
COST OF SALES		140 849	309 869	511 283	749 882	927 979
Food		131 963	290 319	479 026	702 571	869 432
Bar		8 886	19 550	32 257	47 311	58 547
GROSS PROFIT - SALES		177 791	391 141	645 382	946 561	1 171 369
- GP % Food		55%	55%	55%	55%	55%
- GP % Bar		65%	65%	65%	65%	65%
OTHER INCOME		1 623 137	3 570 902	5 891 988	8 641 582	10 693 958
Accommodation	c)	1 299 400	2 858 680	4 716 822	6 918 006	8 561 032
Gamedrives	d)	107 912	237 407	391 722	574 526	710 975
Horses	e)	107 912	237 407	391 722	574 526	710 975
Village	f)	107 912	237 407	391 722	574 526	710 975
TOTAL INCOME		1 800 928	3 962 043	6 537 370	9 588 143	11 865 327
EXPENDITURE		1 988 128	3 334 955	4 008 078	4 804 776	5 555 514
Advertising		50 000	57 500	66 125	76 044	87 450
Audit fees / Accounting fees		15 000	17 250	19 838	22 813	26 235
Admin Fee - Reservations		48 000	55 200	63 480	73 002	83 952
Bank charges		32 000	36 800	42 320	48 668	55 968
Leasing Hold Fees		60 000	60 000	69 000	79 350	91 253
Insurance		60 000	69 000	79 350	91 253	104 940
Cleaning		38 000	43 700	50 255	57 793	66 462
Guest Supplies		38 000	43 700	50 255	57 793	66 462
Commission	1	259 880	571 736	943 364	1 383 601	1 712 206
Courier and postage		10 000	11 500	13 225	15 209	17 490
Fuel & Gas		60 000	69 000	79 350	91 253	104 940
Licences		4 300	4 730	5 203	5 723	6 296
Interest Paid	2	-	829 024	803 155	774 007	741 161
Management Accounts Fees		120 000	132 000	145 200	159 720	175 692
Motor vehicle expenses		132 500	153 000	177 450	206 880	242 787
- Repairs & maintenance		12 500	15 000	18 750	24 375	32 906
- Fuel & oil		120 000	138 000	158 700	182 505	209 881
Packaging		24 000	27 600	31 740	36 501	41 976
Phone & fax		23 000	26 450	30 418	34 980	40 227
Printing & Stationery		12 000	13 800	15 870	18 251	20 988
Repairs and maintenance		10 000	11 500	13 225	15 209	17 490
Replacements		6 000	6 900	7 935	9 125	10 494
Salaries and wages	3	774 000	851 400	1 021 680	1 226 016	1 471 219
Secretarial fees		1 350	1 553	1 785	2 053	2 361
Subscriptions		855	983	1 131	1 300	1 495
Travelling		5 000	5 750	6 613	7 604	8 745
Uniforms		22 743	26 154	30 078	34 589	39 778
Water & Electricity		180 000	207 000	238 050	273 758	314 821
Workmans compensation		1 500	1 725	1 984	2 281	2 624
NET PROFIT/(LOSS)		(187 200)	627 088	2 529 293	4 783 367	6 309 813
Profit/(loss) B/f		1 540 000	1 352 800	1 979 888	4 509 181	9 292 548
ACCUM PROFIT / LOSS		1 352 800	1 979 888	4 509 181	9 292 548	15 602 361
(Excl Vat)						
Breakfast	a)	65	72	79	87	95
Dinner		130	143	158	174	191
Lunch packs		52	57	63	69	76
		248	273	300	330	363
Bar	b)	35	38	42	46	51
Accomodation (Incl commission)	c)	890	979	1 077	1 185	1 303
Gamedrives - 17 % Accom	d)	435	478	526	579	637
Horses - 17 % Accom	e)	435	478	526	579	637
Village - 17 % Accom	f)	435	478	526	579	637
Accomodation(Less Commision 25%, &NTB 2%)		948 562.00	2 086 836.40	3 443 280.06	5 050 144.09	6 249 553.31
Game Drives(less 25% comm.)		80 934	178 055	293 791	430 894	533 232
Horses(less 25% comm.)		80 934	178 055	293 791	430 894	533 232
Village(less 25% Comm.)		80 934	178 055	293 791	430 894	533 232
Food and Bar		177 791	391 141	645 382	946 561	1 171 369
TOTAL INCOME		**1 369 156.17**	**3 012 143.58**	**4 970 036.90**	**7 289 387.46**	**9 020 616.98**
Less VAT 15%(Nett Income)		1 163 782.75	2 560 322.04	4 224 531.37	6 195 979.34	7 667 524.43
Conservancy Lease fee		**69 826.96**	**153 619.32**	**295 717.20**	**495 678.35**	**690 077.20**

MODULE 2.1, HANDOUT #10: Exercise: Key general issues in the adjudication process (page 3 of 3)

Adjudicate the Etoko Investment Group Proposal in terms of:
Give a rating of 1 = very weak; 2= weak; 3 = ok/average; 4= good; and 5 = excellent) and explain why the rating was awarded.

1. Background and experience (rating:)

2. Finance and financial benefits (rating:)

3. Empowerment and employment (rating:)

4. Environment (rating:)

Make recommendations to the conservancy:

MODULE 2.1, HANDOUT #11: Justification for the use of community equity funding

Financial/economic *(from the perspective of the business)*	***Social/political*** *(from the perspective of the community)*
✓ Where **access to capital is difficult** or impossible for communities/ conservancies who wish to develop their own tourism business.	✓ Where a **community has been excluded or removed from a tract of land** (e.g., San and Herero from Etosha National Park) and there is a need to now maximise the return to this community from a JV (concession) Agreement.
✓ Where **access to capital is difficult for the private sector** - they are unable to obtain a commercial loan (and without community equity the lodge/business will not be developed).	✓ Where a **conservancy/community has no other income-generating alternatives** and therefore needs to maximise its return from a JV Agreement.
✓ Where a **business opportunity has viability but has limited growth** potential or carries high risk (if the private sector has to borrow capital and the debt burden will be so great that the business will struggle to break even, cash flow will be difficult and there will only be small returns possible to the conservancy/community).	✓ Where a **conservancy/community has demonstrated outstanding commitment to conservation** (and is incurring a high cost in doing so).
✓ Where an existing and viable **lodge wishes to reduce their debt burden** and offer 'shareholding' to a selected conservancy/community (with the possible 're-cycling' of a proportion of the freed up capital to another project).	✓ In cases where a **conservancy/ community is carrying very high costs of human wildlife conflict**.

MODULE 2.1, HANDOUT #12: Options for ownership/partnership/management arrangements when community equity is applied (page 1 of 2)

Option	Advantage	Disadvantage
1. Simple Agreement with a JV partner that includes lease fee payment (for use of land) and rental payment (in return for conservancy/community % shareholding of fixed assets). Focuses on maximising income back to the conservancy/community. Uses CEq to leverage increased income but not participation.	▪ Increased income from lease fee and added rental fee. ▪ Conservancy/community requires minimum capacity building or additional support. ▪ Uncomplicated and easy to monitor.	
2. As above + includes a contractual requirement for training and capacity building, and option for conservancy/community 'takeover' after initial set period (approx 15 years).	As above plus: ▪ Capacity and skills development are built in as part of agreement. ▪ Conservancy/community has option to operate lodge in future.	
3. Development of a Joint Venture (Fixed) Asset company with private sector that rents the facility (lodge) to an operating company. Income comes from lease fee payment (for use of land) and rental payment (in return for conservancy/community % shareholding of fixed assets).	▪ Increased income from lease fee and rental fee. ▪ Capacity and skills are built as part of agreement. ▪ Uncomplicated shareholding, with predictable returns through regular rent. ▪ Increased involvement in tourism sector through input into decisions regarding lodge/facility maintenance and investment.	
4. Development of a Joint Venture (Fixed and Moveable) Asset company with private sector that rents the facility (lodge) and equipment to an operating company. Income comes from lease fee payment (for use of land) and rental payment (in return for conservancy/community % shareholding of fixed and moveable assets).	As above plus: ▪ Potential for increased returns due to rental of both the fixed and moveable assets to the operating company.	
5. Development of a Joint Venture Company with shares in the lodge management company.	▪ Increased income from lease fee and 'dividend' paid from profit as shareholder of the management company. ▪ Capacity and skills are built as part of agreement. ▪ Involvement in decision making around the operations of the business. ▪ High level of involvement in the tourism sector.	
6. Development of a Joint Venture Company with a combination of shareholding in both the asset and the management companies.	▪ Increased income from lease fee, rental of fixed asset and dividend from profit of the management company. ▪ Capacity and skills are built as part of agreement. ▪ High level of involvement in decision making around both the fixed assets and the operations of the lodge. ▪ High level of involvement in the tourism sector.	

MODULE 2.1, HANDOUT #12: Options for ownership/partnership/management arrangements when community equity is applied (page 2 of 2)

Option	Advantage	Disadvantage
1. Simple Agreement with a JV partner that includes lease fee payment (for use of land) and rental payment (in return for conservancy/community % shareholding of fixed assets). Focuses on maximising income back to the conservancy/community. Uses CEq to leverage increased income but not participation.	▪ Increased income from lease fee and added rental fee. ▪ Conservancy/community requires minimum capacity building or additional support. ▪ Uncomplicated and easy to monitor.	▪ No involvement in decision making around business or asset could lead to limited sense of ownership. ▪ No real participation in tourism business.
2. As above + includes a contractual requirement for training and capacity building, and option for conservancy/community 'takeover' after initial set period (approx 15 years).	As above plus: ▪ Capacity and skills development are built in as part of agreement. ▪ Conservancy/community has option to operate lodge in future.	▪ No involvement in decision making around business or asset could lead to limited sense of ownership. ▪ No real participation in tourism sector.
3. Development of a Joint Venture (Fixed) Asset company with private sector that rents the facility (lodge) to an operating company. Income comes from lease fee payment (for use of land) and rental payment (in return for conservancy/community % shareholding of fixed assets).	▪ Increased income from lease fee and rental fee. ▪ Capacity and skills are built as part of agreement. ▪ Uncomplicated shareholding, with predictable returns through regular rent. ▪ Increased involvement in tourism sector through input into decisions regarding lodge/facility maintenance and investment.	▪ No involvement in decision making around business operations of lodge. ▪ Shareholding in Asset Company carries some risk. ▪ Involvement in decision making requires additional capacity building of conservancy/community. ▪ More difficult to monitor - increased external support required.
4. Development of a Joint Venture (Fixed and Moveable) Asset company with private sector that rents the facility (lodge) and equipment to an operating company. Income comes from lease fee payment (for use of land) and rental payment (in return for conservancy/community % shareholding of fixed and moveable assets).	As above plus: ▪ Potential for increased returns due to rental of both the fixed and moveable assets to the operating company.	▪ As above plus: ▪ Increased complexity due to addition of shareholding in moveable assets as well as fixed assets. ▪ Shareholding in Fixed and Moveable Asset Company carries some risk.
5. Development of a Joint Venture Company with shares in the lodge management company.	▪ Increased income from lease fee and 'dividend' paid from profit as shareholder of the management company. ▪ Capacity and skills are built as part of agreement. ▪ Involvement in decision making around the operations of the business. ▪ High level of involvement in the tourism sector.	▪ Potentially complicated shareholding agreement. ▪ Conservancy/community liable to risk of losses as well as profit from management company. ▪ Difficult to monitor - Increased external support required.

MODULE 2.1, HANDOUT #13: Step-by-step CEq funding decision making (page 1 of 3)

1. Identify a business opportunity.

2. Make an initial assessment of the viability of the proposed business. This is a higher-level assessment and not a detailed Business Plan.

3. Identify and describe the community legal entity (e.g., conservancy, community trust), which will be the beneficiary of the community equity funding. Obtain proof of legal registration.

4. Determine whether or not there is justification for CEq funding – looking at both the financial/economic and social/political factors affecting the proposed business development. This may happen after a tender or expressions of interest process, when it is clear who the private sector partner will be and there is a well-developed Business Plan with detailed financial projections.

    i. **Financial/economic** – is the private sector partner in a position to fully capitalise the business according to the Business Plan. If not, why not? If the reason given is acceptable (e.g., cost of capital is too high; working in communal area is too risky) and it is clear that the business will not be developed without financial assistance, determine how much additional financing is required. What % of the total capital costs does this represent? Is this an acceptable %?

    ii. **Social/economic** – given the particular community, is there justification for utilising CEq funding? If yes, determine what amount should be applied and what % of the total capital cost this represents.

5. Once justification has been made and the % CEq required has been established, it is important to determine the proposed ownership/partnership structure. This will need to be done together with the community. The preferred ownership/partnership structure then needs to be fully described and understood by all parties to the agreement.

6. Once the preferred ownership/partnership model is agreed, it is important to determine whether or not the community has the necessary capacity and skills to manage the risk attached to the preferred option. If not, determine if there are sufficient resources available to support the community and to develop the required capacity. If there are, then it is OK to continue. If not, the process should be halted whilst the necessary resources and support are made available. Or the chosen ownership/management option may need to be modified to a less complicated option, where the community can adequately manage the associated risk.

7. Once this is agreed to the satisfaction of all parties, the agreement can be drafted and signed, and the CEq funds mobilised.

MODULE 2.1, HANDOUT #13: Step-by-step CEq funding decision making (page 2 of 3)

Diagram 1
Process for
Tourism Business Opportunity Site Selection
for the use of Community Equity Grant Funding (CEq)

START

Identify Tourism Business Opportunities through tourism plans/ zonation / site selection in National Parks, Concessions and Conservancies (1)

Is the proposed Business Opportunity viable ? Is there sufficient market demand ? (2)

No → Stop

Yes ↓

Is the proposed Tourism Business Opportunity inside a :
1. National Park (NP)
2. Tourism Concession.
3. Conservancy or on Communal Land immediately adjacent to a NP
4. Conservancy or on Communal Land that is designated as a wildlife corridor.
5. On a Commercial farm that is committed to partnering with an Organised Community Group.

No → Stop

Yes ↓

Tourism Business Opportunities Priorities should be given to Conservancies that meet the highest number of selection criteria listed below (3)

	YES / NO
1. Members of the Conservancy / Community previously lived inside the NP	
2. The Conservancy / Community has no other major potential source of income (this business opportunity will greatly increase conservancy sustainability)	
3. The Conservancy / Community members have demonstrated strong commitment to conservation and natural resource management.	
4. The Conservancy / Committee members are carrying (or will carry in the future) a very high cost due to Human-Wildlife Conflict.	

Once a Conservancy / Community has been selected for CEq grant funding determine the proportion of CEq according to the "Community Equity Funding Decision-Making Process"

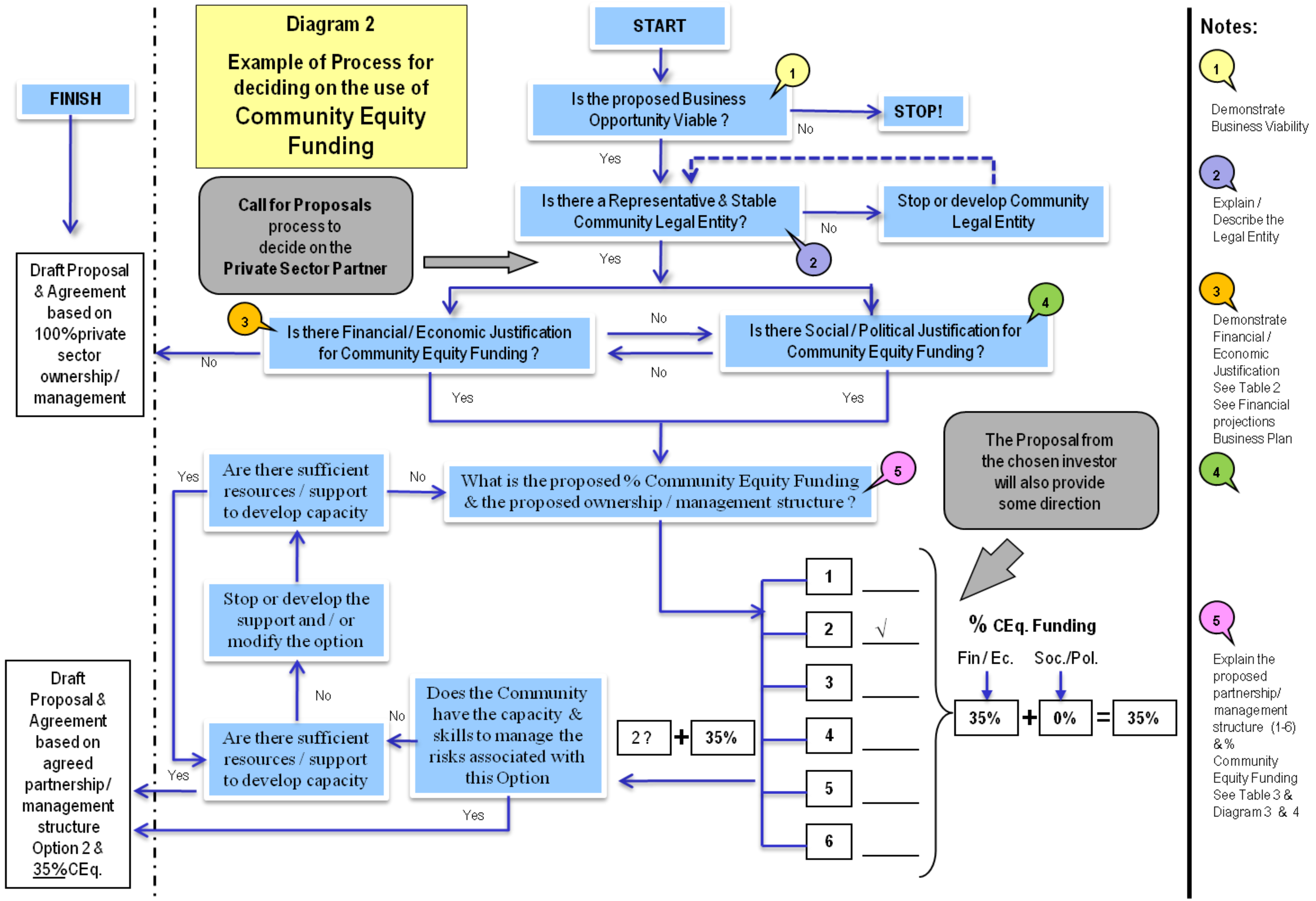
Notes:

1 In most Conservancies & Concessions, broad tourism zonation is sufficient. In NP's & high density Conservancies, specific sites should be identified.

2 Assess business viability and tourism demand at a "broad level". An actual business plan with detailed financial projections will be required as part of the Call for Proposals (CfP) process

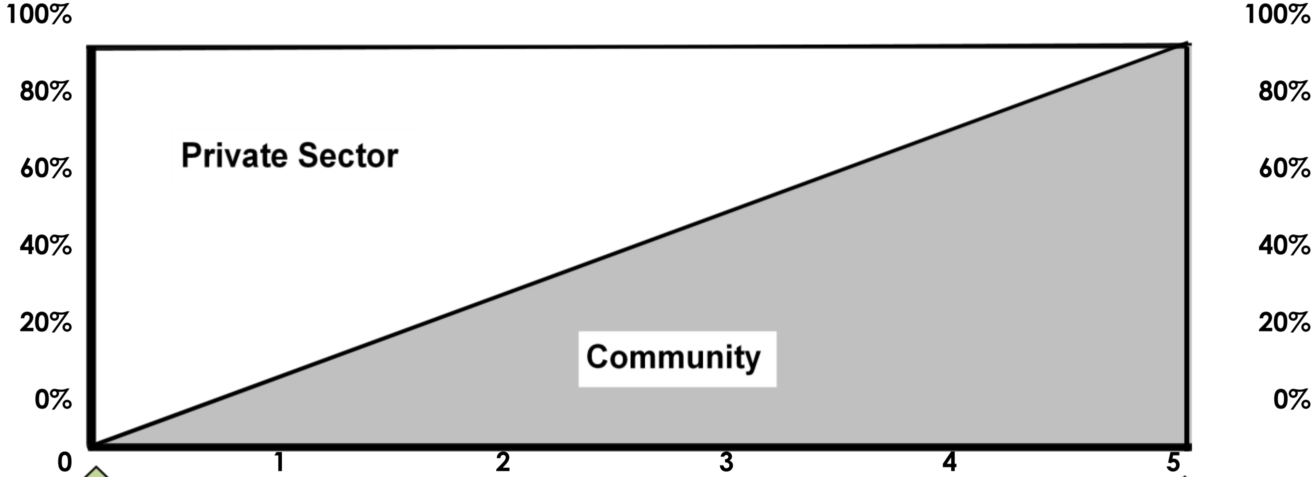
3 If no clear priority emerges from this process, market demand should prevail as the leading criteria.

MODULE 2.1, HANDOUT #13: Step-by-step CEq funding decision making (page 3 of 3)



MODULE 2.1, HANDOUT #14: Equity funding justification (page1 of 2)

Community equity funding - social/political justification (what proportion CEq should be provided?)



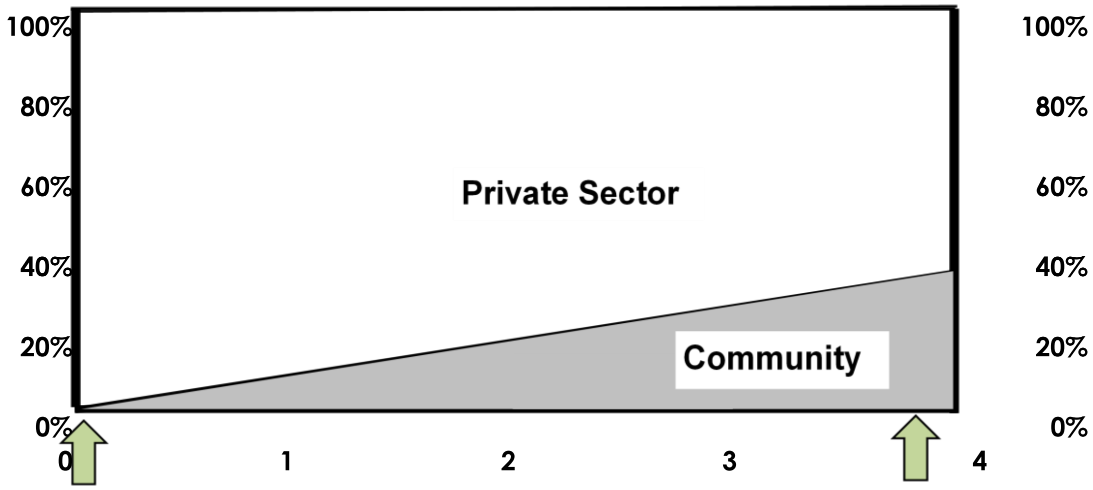
If Score is 0/5, then Community qualifies for no Community Equity Funding (0%)

If Score is 5/5, then Community qualifies for maximum Community Equity Funding of 100%

	Criteria	Yes/No
1	Community living in a park	
2	Community previously living in a park	
3	Community has no other major source of income except from this tourism business	
4	Community has demonstrated outstanding commitment to conservation	
5	Community carries very high costs due to human wildlife conflict	

$= ? / 5$

MCA community equity funding - social/political justification
(what proportion CEq up to 35% maximum should be provided?)



If Score is 0/4, then Community qualifies for no Community Equity Funding (0%)

If Score is 4/4, then Community qualifies for maximum Community Equity Funding of 35%

	Criteria	Yes/No
1	Members of the conservancy previously lived inside the NP	
2	The conservancy has no other major potential source of income (this business opportunity will greatly increase conservancy sustainability)	
3	The conservancy members have demonstrated strong commitment to conservation and natural resource management	
4	The conservancy members are carrying (or will carry in the future) a very high cost due to human wildlife conflict	

= ? / 4

MODULE 2.1, HANDOUT #15: JV negotiations: preparation phase

Task	Why do it?
1. *Preparation helps with uncertainty*	Preparation may not equip you with all the answers ahead of opening a negotiation but it should help you to take appropriate action if and when events take an unexpected turn. • When and how to open • How far to move and when • How long to hang on
2. *Information is key to success*	Knowing and understanding the industry, being aware of the market value and of the strengths and agenda of your negotiating partner. Your information should be at least as good, if not better, than that of the other side.
3. *Gather information on the organisation*	Be aware of the operator's strengths and weaknesses as a business/operation. Have access to your prospective partners' business plans, including financial details.
4. *Gather information on the market*	Research the status of the lodge industry in which you are planning to get involved.
5. *Assessing your position*	You should be aware that the other side may be using a tactical ploy to increase their power so as to convince you to change your position. Many of the moves and tactics in a negotiation are attempts to alter the other side's perception of the power dimension.
6. *Turning weakness into strengths*	The critical question is not who is 'asking' and who is 'giving' - but who can get the power dimension to work for them.
7. *Planning your objectives*	Be clear about your objectives and consider the major areas of the deal.
8. *Establish a negotiating range*	Define your bargaining objectives in a way that best suits your specific circumstances: • **Ideal** - the best deal you can hope to achieve • **Minimum** - the least you would be prepared to settle for • **Target** - the deal that you believe is realistically achievable
9. *Knowing what you want*	Knowing what you want depends on two factors: • Understanding what is possible • Evaluating what is important
10. *Use of existing contracts*	You may be able to use existing contracts and other documentation and modify them as the negotiations proceed.
11. *Developing an Agenda*	The Agenda should aim to introduce the issues in such a way as to promote a favourable reaction (and hopefully early convergence on key points). On those issues where there are known differences, starting with the least important.

MODULE 2.1, HANDOUT #16: JV negotiations: opening phase

Task	Why do it?
1. *Tough opening position*	The opening phase of a negotiation represents the most important opportunity to influence the other side. You should use your opening to manipulate the other side's expectations to be more in line with what you want.
2. *What to offer or not to offer*	Be as tough as possible whilst remaining credible. Ideally your opening statement will be backed up by thorough research and will also be tabled in response to an opening statement from the other side. Several factors need to be considered, e.g.: • Is the other side's attitude tough or easygoing? • Are their expectations reasonable? • Do you feel as though a deal is possible?
3. *Get the other side to open first*	When one side puts an offer or draft agreement on the table, the other side is able to assess their negotiating style, determine whether or not they are tough negotiators, and may even be able to infer their settlement range.
4. *When you are in a strong/ weak position*	The way in which you ask the other side to open is likely to be influenced by your relationship with them.
5. *Gather more information*	Analysing their opening statement will help you to evaluate the strengths and weaknesses of their arguments. Knowing what is non-negotiable can be a valuable weapon in your negotiating armoury.
6. *Listen and take notes*	Taking notes as you listen will enable you to construct a more accurate picture of the other side's position.
7. *Value of body language*	Be aware of posture, facial expression, tone of voice and limb position. Body language should be seen as a two-edged sword, and when you are opening you should be aware that the other side may use it to encourage you to say more than you intended.
8. *Non-negotiable items*	Once identified, non-negotiable items can have the effect of forcing the other side to be more flexible about issues that are negotiable.
9. *Intelligent listening*	Listening to what people say to understand what they really mean.
10. *Is their opening credible?*	The fundamental question is whether or not you consider the operator's opening position to be credible. If it is not credible then you must reject it immediately. If you do not make this clear then you are tacitly accepting their opening as a valid start point.
11. *Splitting the difference*	This approach involves halving the difference between the last two offers to find a middle ground that is agreeable to both sides.
12. *Value of shock opening*	The use of a shock opening can compel the other side to adjust their expectations. Using a shock opening is easier if you are in the strong position.

MODULE 2.1, HANDOUT #17: JV negotiations: bargaining phase

Task	Why do it?
1. *Stick to your agenda*	You should try to follow your own agenda and use it to keep you focused on your goals and to keep the discussions on track.
2. *Note down all concessions given*	When it comes to detailing the terms of the final deal, the notes you have taken may put you in a position to request concessions that can substantially benefit your side's position.
3. *Always be polite*	Put forward persuasive arguments that will compel the other side to agree with you and thereby make concessions.
4. *Negotiating styles*	Assess your own personality in the light of the negotiating styles. Bear in mind that you are unlikely to identify exclusively with a single personality type, as most people are a complex mix of different personality types.
5. *Making concessions pay*	How and when to offer concessions: • Avoid making the first major concession • Frame every concession that you make in terms that if you make concession X then you want to receive concession Y. • Behave as if every concession is important: never give an impression that a concession you have trade is of no consequences to you
6. *When things go wrong*	When you recognize a losing trend you can respond by either: • **Taking a break** - make an excuse and suspend negotiations while you reorganise your arguments and rethink your strategy • **Moving the focus** - a losing trend can result from the negotiations becoming centred on your weak areas. Try to move the debate on to areas where you are stronger • **Trading a concession** - one sure way to stop a losing trend is to gain a concession from the other side. This may be worthwhile even if the trade seems generous from your perspective - as you may shift the momentum back to your side of the negotiating table
7. *What to do when an impasse arises*	Where the two sides just cannot see eye to eye and progress is not being made, the key here is to remain calm and patient. Try to step back from the heat of the talks and understand what has led to the current situation.

MODULE 2.1, HANDOUT #18: JV negotiations: closing phase

Task	Why do it?
1. *When to close the deal*	The closing of a negotiation needs to be handled carefully. There are a number of signs that indicate that the opportunity to close is approaching: • The difference in the positions of the two parties narrows significantly • The objections and arguments coming to a close indicate that all of the major points of contention have been addressed satisfactorily • The other side indicates that they would like to see a draft final agreement or contract
2. *Wait before closing*	In complex negotiations, it can sometimes be necessary to wait before making a final commitment. This allows both sides time to think, to digest the whole proposal, and to decide whether they are genuinely happy with the terms set out (or not).
3. *Handling last minute tactics*	You should be prepared for a last minute tactic, particularly if the other side has repeatedly raised an issue that remains unresolved.
4. *Finalising a deal*	The bargaining phase is over when you have talked through all possible alternatives and options, the points of contention have been addressed, and you believe that your respective positions are probably about as close as they'll get.
5. *Getting the final commitment*	Once the other side has responded positively to your closing offer get their commitment by producing the contract or agreement.
6. *Post negotiations*	One of the best insurances against agreements falling apart is to keep the negotiators involved in the implementation phase of the deal.

MODULE 2.1, HANDOUT #19: Potential negative environmental impacts

Planning/design

⇒ Increased vehicle tracks and landscape scarring

Construction

⇒ Disturbance to wildlife from human activity

⇒ Deterioration of roads

⇒ Waste dumps – attract animal scavengers and cause pollution

⇒ Increased use of natural resources (water, wood, etc.)

⇒ Noise and dust

Operation

⇒ Disturbance to wildlife from human activity

⇒ Deterioration of roads

⇒ Waste dumps attract animal scavengers and cause pollution

⇒ Increased use of natural resources (sand, water, wood, etc.)

⇒ Noise and dust

Closure of facility

⇒ Unrehabilitated infrastructure danger to people and livestock

⇒ Management vacuum that allows for uncontrolled tourism

MODULE 2.1, HANDOUT #20: Potential negative social impacts

Planning/design

⇒ Power struggles within communities due to competition for role in development

Construction

⇒ Influx of workers (social disruption, HIV/AIDS, crime)

⇒ Disturbance of livestock

⇒ Waste dumps attract humans, cause disease

⇒ Noise and dust

Operation

⇒ Influx of workers (social disruption, HIV/AIDS, crime)

⇒ Disturbance of livestock

⇒ Waste dumps – attract human scavengers

⇒ Noise and dust

⇒ Resentment over contrasting incomes of locals and tourists

On-site

⇒ Disruption of power balance between communities by possible favouritism of operators

Off-site

⇒ Unauthorised visitation of important cultural sites

⇒ Damage to rock art

⇒ Loss of privacy and dignity

⇒ Insensitive social interactions

Closure of facility

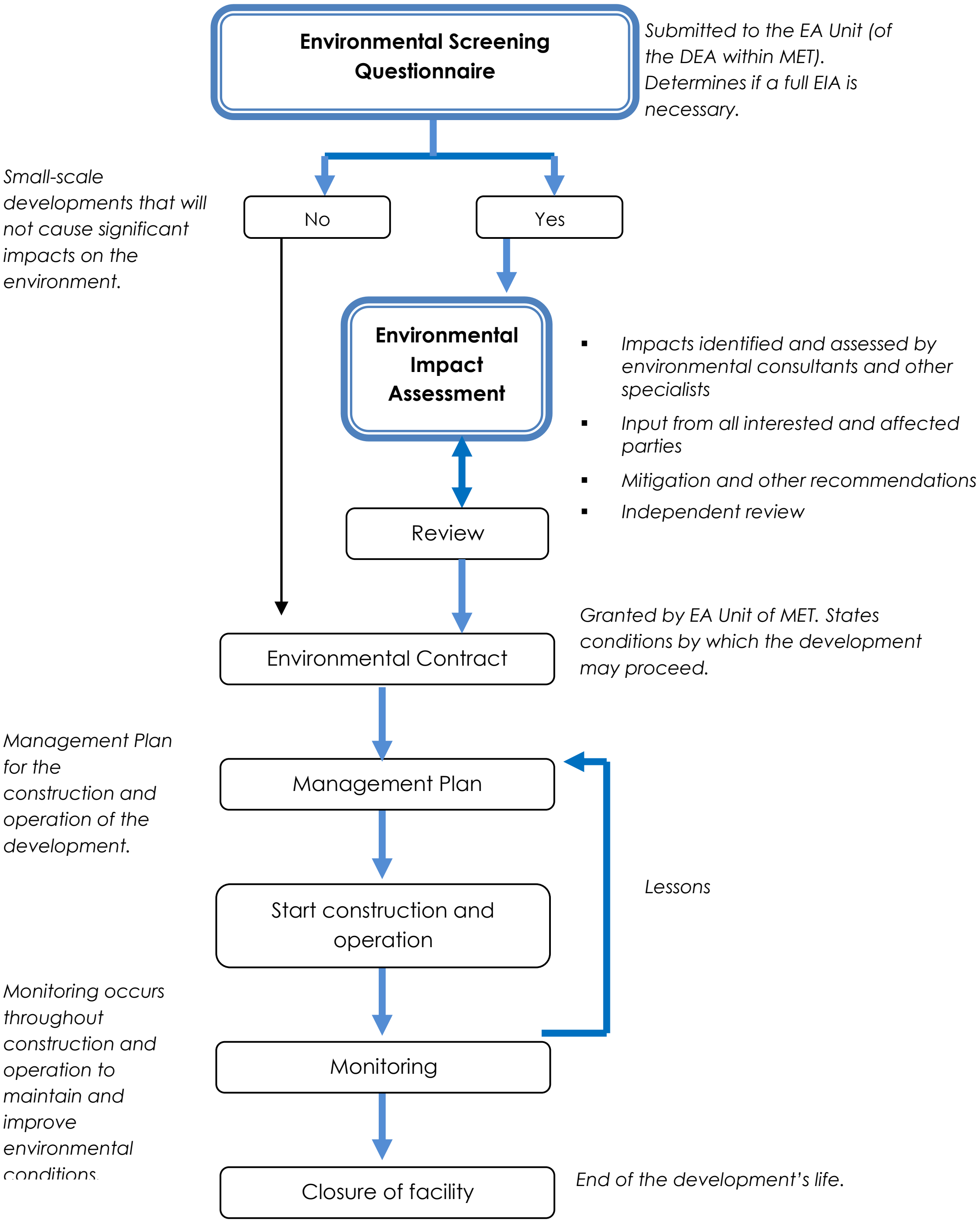
⇒ Disillusionment

⇒ Resentment towards conservancy or other local structures

⇒ Loss of jobs and income

⇒ Danger to livestock and people from abandoned waste dumps, sewerage infrastructure, etc.

MODULE 2.1, HANDOUT #21: The environmental impact assessment (EIA) process



MODULE 2.1, HANDOUT #22: Logistics of setting up and managing a JMC (page 1 of 2)

1. Set up JMC

- The JMC should be formed during the JV negotiation process (or at least immediately after the JV Agreement has been signed).

2. JMC representation

- Representation from the conservancy and the lodge operator, normally three people from each party.
- Persons who have some understanding of business, tourism and the operations of the conservancy should be nominated by the conservancy to represent them on the JMC.

3. Enterprise Management Committee (EMC)

- A committee of 3-4 persons that is given the responsibility for monitoring and managing the relationships of all of the conservancy business and income-generating activities.
- Skills and understanding of all conservancy business opportunities in a smaller group of CC members are developed, the group will then report back to the larger CC.

4. JMC meeting participation

- It is important to try to ensure that the same people attend all of the meetings, so that they can develop a good understanding of the relationship between the parties, and the issues.
- A neutral facilitator (NGO, MET or consultant) to be used to facilitate the first three or four meetings in order to establish a good relationship between the parties and set a consistent Agenda format.

5. JMC meeting schedules

- First meeting to take place right after signing the JV agreement.
- During the first six months, the JMC should meet at least every two months – or more often as required (during the initial lodge development and operation phase it is crucial that the conservancy is informed and understands what is happening and that it monitors the implementation of the JV Agreement closely).
- Thereafter it is recommended that the JMC meets at least every quarter (every three months).
- Establish fixed dates for JMC meetings and make sure that these dates are kept. Agree on whose responsibility it is to organise the meetings (e.g., conservancy, JMC Secretary or the EMC).

MODULE 2.1, HANDOUT #22: Logistics of setting up and managing a JMC (page 2 of 2)

6. **Meeting Agenda**

NOTE: *For a sample JMC meeting agenda refer to Participant's Manual.*

- A standard agenda format is to be used at every meeting, dealing with more 'positive' issues and general information and feedback from each party first, followed by any concerns or issues that need to be addressed from both sides.

- All meetings shall be minuted and the minutes shall be kept on file.

- The performance of the JV lodge is an important Agenda item. Performance data includes:

  a. Number of tourists
  b. Bed-nights sold
  c. Occupancy
  d. Net turnover
  e. Payments made to the conservancy
  f. Staff numbers
  g. Wages
  h. Training provided

MODULE 1.2, HANDOUT #23: Undertaking an annual business review (page 1 of 2)

The annual business review is made up of two parts: looking backwards at what happened **last year** and looking forwards at what we want to happen during the **coming year**.

1. Look backwards – past year

- The conservancy Enterprise Management Committee (EMC) or conservancy JMC members should update and prepare all monitoring data and information (e.g., JV lodge monitoring matrix, conservancy payments received).

- Make sure that monitoring systems are working (e.g., JV lodge 'dashboard') and that the CC has enough information to make business-related decisions.

- The EMC or JMC should present all the data and information for discussion. This should be both *quantitative*:

  a. Number of visitors
  b. Occupancy
  c. Net turnover
  d. Expenditure
  e. Payments to the conservancy
  f. Employment

  and *qualitative*:

  a. Why did this happen?
  b. What does it means for the business?
  c. Do we need to do something different to improve the situation, and if so what?

- The EMC or JMC should be encouraged to explain what the data means in terms of the JV lodge. It would be appropriate to ask the operator to attend this session and assist in providing feedback. Alternatively, the conservancy JMC members should work together with the operator prior to this meeting to develop a presentation for the CC and wider conservancy members. Initially this activity may also need the support of an NGO or local consultant.

- The EMC or JMC should create a forum for discussion about:

  a. Performance
  b. Management
  c. Partnership

- The EMC or JMC should also present a list of outstanding issues and concerns from the past years that still need to be resolved.

MODULE 1.2, HANDOUT #23: Undertaking an annual business review (page 2 of 2)

2. Looking forward – coming year

- Develop an Action Plan for the coming year:

  a. Set targets
  b. Identify key activities
  c. Identify responsible persons
  d. Identify type and level of support required from JV partner
  e. Identify type and level of support required from conservancy
  f. Identify type and level of support required from external NGO partners
  g. Identify type and level of support required from business service providers.

- Identify and agree on expected payments to the conservancy from the lodge for the year. The income targets should be developed using last year's income figure and adding an increase (normally not a decrease!) based on how much we think the business will grow during the coming year. The operator should be asked to provide this figure. This will probably take into consideration:

  a. Current rate of growth of the business
  b. Any expected increase/decrease in the number of tourists
  c. Any expected increase in income due to new activities *or*
  d. Any planned increase in the price currently being charged

- Develop a budget for the coming year (cost to the conservancy of managing the JV Agreement) – this should be based on an analysis of expenditure in the previous year. Most of the cost will be related to meetings and transport, although in the future – as NGO support decreases – the conservancy will need to pay for the cost of any external advice, e.g., lawyers, technical or business advisors and accountants.

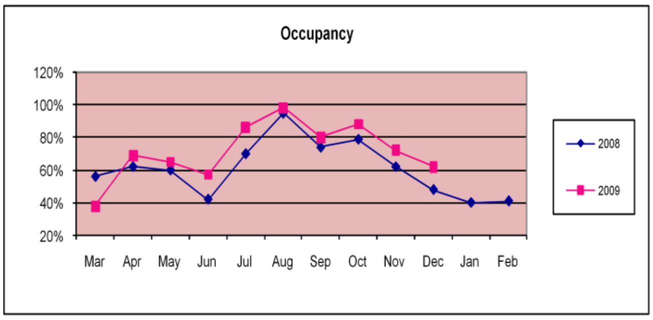
- Review any proposed new product developments from the operator, especially if these are not currently included in the Conservancy Tourism Option Plan/JV Agreement (e.g., the operator may wish to develop a second small bush camp linked to the main lodge in a wilderness area within the conservancy, or they may wish to build additional chalets or commence horse treks). All new ideas for additional products and services should be discussed and if the conservancy believes they may have potential, appropriate changes need to be made to the current JV Agreement that reflect these additions.

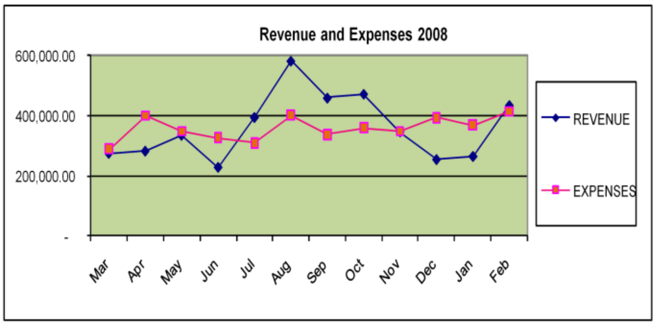
- Create a forum for decision making regarding the future of the JV Agreement.

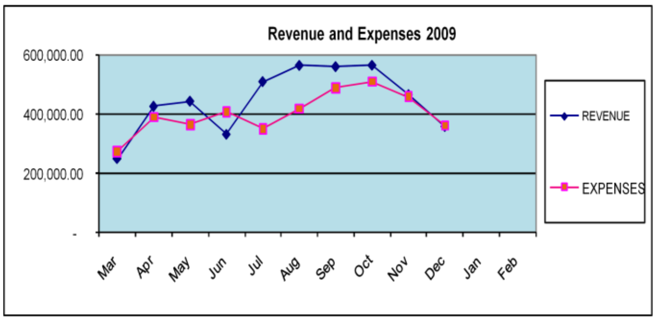
- Adapt monitoring and data collection systems if necessary.

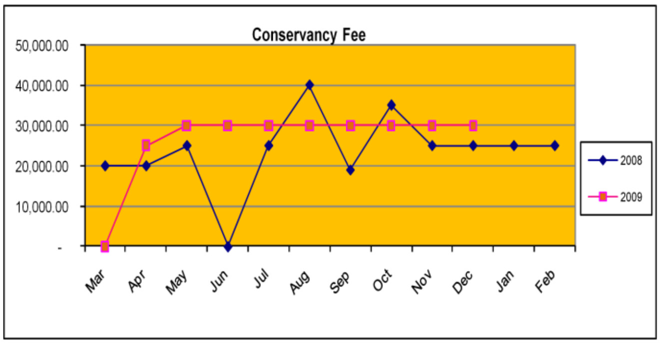
MODULE 1.2, HANDOUT #24: The JV financial 'dashboard'

For the Month of December	2008	2009	Year-to-Year Difference
1 **OCCUPANCY**			
Bed Nights Sold	357	461	104
Percent Occupancy	48%	62%	14%
Running Avg Y-T-D	65%	72%	7%
FOC (Free of Charge) Bed Nights	0	0	0
2 **REVENUE**			
Accommodation			
For the Month of December	$ 181,098	$ 252,762	$ 71,664
Y-T-D	$ 2,464,369	$ 2,937,425	$ 473,057
Average Daily Rate / Bed Night	$ 507	$ 548	$ 41
Other Lodge Based Revenue:	$ 30,872	$ 44,994	$ 14,122
Activity Based Revenue:	$ 41,396	$ 61,304	$ 19,909
Total Revenue (excl.Tax)	**$ 253,365**	**$ 359,060**	$ 105,695
3 **EXPENSES**			
Cost of Sales	$ 156,725	$ 122,405	$ (34,320)
Operating Expenses (incl. fees)	$ 237,375	$ 239,229	$ 1,853
Total Expenses	**$ 394,100**	**$ 361,633**	$ (32,467)
Nett Profit	**$ (140,735)**	**$ (2,573)**	**$ 138,162**
Nett Profit Y-T-D	**$ 107,222**	**$ 458,352**	**$ 351,130**
4 **YEAR TO DATE PAYMENTS TO GOVERNMENT AND COMMUNITIES**			
Y-T-D Payments to Communities (excl. Fees)	$ 527,671	$ 639,413	$ 111,742
Y-T-D Payments to Government (i.e Tax, VA	$ 571,074	$ 698,220	$ 127,146
5 **JV AGREEMENT**			
Total Revenue (excl.Tax)	$ 253,365	$ 359,060	$ 105,695
minus Deductables	$ 38,202	$ 57,578	$ 19,376
Nett Turnover (as per contract)	$ 215,163	$ 301,482	$ 86,319
Conservancy Fee	**$ 25,000**	**$ 30,000**	$ 5,000
Fee % of Nett Turnover	**11.6%**	**10.0%**	
Conservancy Fee Y-T-D	**$ 234,000**	**$ 265,000**	$ 31,000
Y-T-D Fee % on Nett Turnover	**7.9%**	**7.2%**	









MODULE 1.2, HANDOUT #25: *Self-assessment evaluation for participants* (page 1 of 2)

Tick 'Yes' if you agree with the statement and 'No' if you disagree. Then explain why you ticked yes or no.

#	Statement	Yes	No	Explain
1	It is not necessary to consult the regional or conservancy tourism plan when building a lodge.			
2	It is a good idea to get someone with an understanding of the needs and interests of potential tourists (and the tourism market in general) to do an initial assessment of a potential lodge site.			
3	The regional council processes applications for right of leasehold.			
4	Leasehold Certificates should always be in the name of the private operator.			
5	The rack rate refers to the price the booking office pays for accommodation and does not include VAT and the NTB levy.			
6	A full market assessment or survey needs to be undertaken in order to assess the demand for a proposed JV lodge.			
7	Lodge turnover includes income from accommodation, meals, curios, activities and other services.			
8	When looking for a JV partner, it is essential to follow a transparent process.			

MODULE 1.2, HANDOUT #25: ***Self-assessment evaluation for participants*** **(page 2 of 2)**

Tick 'Yes' if you agree with the statement and 'No' if you disagree. Then explain why you ticked yes or no.

#	Statement	Yes	No	Explain
9	Calls for Proposals are only needed when the site has limited potential with limited interest shown by investors.			
10	The advantage of negotiating with only one operator is that it is cheap and quick. However, we need to be alert to bribery.			
11	Adjudication can best be described as a method to compare JV proposals that have been submitted as part of the Call for Proposal (CfP) process, i.e., competitors are evaluated and ranked.			
12	When the conservancy invests in a lodge through equity funding, the conservancy profits from all the income but is not affected if the lodge operates at a loss.			
13	When negotiating with an operator it is not necessary to prepare well for the meetings and you should always insist on getting what you want.			
14	JV Agreements are signed by the conservancy Chairperson and the operator.			
15	An EIA identifies and assesses the potential impacts the lodge construction will have on the environment, both positive and negative.			
16	The JMC only needs to meet when there are problems with the JV lodge operations and management.			
17	The annual business review is necessary to reflect on the business performance of the JV lodge and to get an opportunity to share information about the business.			