



Making Namibian tourism work for the poor

This edition of Catalyst is devoted to updating developments in Namibia, where ComMark has been funding and steering a number of initiatives in the tourism sector. These have culminated in the launch of a tourism satellite accounting exercise and steps to establish a financing instrument for community-private sector partnerships in tourism asset ownership and management. Creating a funding mechanism will enable the industry's Broad-based Black Economic Empowerment Charter targets to be met.

A challenge in working in tourism in Namibia is overcoming a persistent perception within sectors of government and the community at large that tourism is a marginal activity, dominated by white owners and tourists, and therefore not important to the general economy and even less so to poor Namibians. The industry, however, has recorded consistent annual growth over the past eight years. Over the same time, employment in agriculture, fisheries and manufacturing has declined. Tourism now accounts for about 8% of the country's GDP.

Broad estimates are that tourism directly employs about 30 000 people, or 7.8% of the total labour force of 360 000. This has grown from an estimated 10 000 in the early 1990s. The broader tourism economy, taking into account multipliers into other sectors such as transport, retail shopping and construction, is estimated at 56 000 jobs -16% of the labour force.

Tourism Satellite Accounting Exercise

One of the consequences of the poor understanding of the importance of tourism for economic growth is significant public underinvestment in this sector. It is therefore vital to quantify the immense benefits of the tourism economy for growth and job creation in Namibia. To this end, ComMark and the Embassy of Finland are funding a tourism satellite accounting exercise to be undertaken in the first half of 2006.

The aim is to provide the Namibian government with an authoritative, credible and comprehensive set of tourism data to use as a policy tool.

The Namibian Tourism Satellite Account project was launched in Windhoek in November at a signing ceremony between the ComMark Trust and the Namibian Tourism Board. The exercise will, for the first time, accurately measure tourism's economic impact on, and benefits for, the broader Namibian economy.

The tourism satellite account will detail key statistics such as the sector's GDP contribution, total expenditure, investment, tax revenues and foreign exchange flows. It will also show exactly what contribution the sector makes to national employment.

The Ministry of Environment and Tourism and the Namibian Tourism Board (NTB) are championing the initiative. It builds on long-standing discussions between the Ministry, the NTB, the ComMark Trust and the World Travel and Tourism Council, an organisation that has completed tourism satellite accounts in other countries and will lead the work in Namibia.

The study, due to begin in January 2006, should take about seven months to complete.

The results will be widely communicated as the project proceeds and will be presented to Cabinet.

Capitalising equity for community participation

Over the past year, ComMark has been facilitating talks between the Federation of Namibian Tourism Associations (FENATA), the Development Bank of Namibia and the European Union to develop new financing instruments. These instruments will incentivise investment and commercial partnerships between on the one hand private investors and tour operators, and on the other rural communities and workers who have been historically excluded from ownership and management opportunities in the sector.

Companies and small businesses within the sector are beginning to demonstrate interest in the transformation of the industry, and to accept the targets of the industry's Transformation Charter. This has seven components: skills development; apprenticeship, internship and sponsorship; strategic representation and employment equity; ownership and joint venture partnerships; preferential procurement; enterprise development; and social responsibility programmes.

ComMark supported the research and finalisation of the drafting of the charter, and equity financing to provide capital for communities and workers to buy into established lodges and businesses would accelerate transformation and empowerment within the tourism sector.

In November, ComMark executive director Paul Zille was invited to address the FENATA Tourism Forum, where he delivered a presentation on how the funding mechanism would work. This was enthusiastically received by members, many of whom are already working on a variety of empowerment and social investment schemes, from skills training to ownership deals.

The talks have reached a crucial stage and it is now in the hands of the Development Bank of Namibia to drive the process in Namibia.

This initiative is contingent on seed funding being approved from the EU Rural Development Fund.

Namibian tourism Product Audit

A comprehensive audit of Namibia's tourism product, including attractions, facilities and services was completed this year. ComMark funded the audit.

The Namibia Tourism Board has used this audit to create a database of all regulated tourism businesses and services. The plan is to update this database regularly to keep it accurate.

The database also serves as a basis for a global marketing strategy and will be used as input for designing an interactive website that will allow potential visitors to plan a number of different travel routes around the country.

The audit also helped identify gaps in the country's tourism portfolio. It is being used to develop new self-drive tourism routes, which will be marketed through the website.

Two routes have been identified for development: the Cape – Namibia Route and the Northern Central Namibia Route. The Cape – Namibia route will involve co-operation between the Western Cape, Northern Cape and the Namibian Tourism Board. The Northern Central route is at an advanced planning stage.

Community-based tourism

During the year, ComMark undertook a review of NACOBTA's (the Namibian Community-Based Tourism Association) approach to support for community-based tourism in rural conservancies.

The review identified shortcomings in the way support services were provided to NACOBTA's members and made recommendations about sustainability and the possible longer-term integration of many of these projects into commercial tourism channels.

This research is now being used by NACOBTA for an internal review before making decisions about the strategic direction of the organisation.

A copy of the report *Community-based Tourism in Namibia* is available in the Research and Learning archive on ComMark's website, www.commark.org

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For ComMark's other projects see <http://www.commark.org>