

3. Private sector variable: client service, community partnership

Under ideal circumstances, the private sector and the community have much to gain by working cooperatively together as partners in the wildlife industry. Such advantages include skilled local labor force, cost-effective wildlife policing, reduction in land use disturbances, and ultimately increased profits for both stakeholders. In recent years ADMADE has facilitated dialogue between these two parties and there is now growing evidence that some operators are adopting more CBNRM-oriented practices in the running of their businesses with increases in gross profits (see 2nd USAID Quarterly Report). Differences among the operators in terms of relative commitment to these practices, however, are still quite varied. In 1998 these differences were scored using various criteria. To recognize companies with high scores for demonstrating community partnership, the Ministry of Tourism presented to the winning companies the 'Conservation Bullet Award' at a formal public ceremony.

If there is a strong relationship between private sector commitment to CBNRM and sustained profits in the wildlife industry on communal lands, then it becomes increasingly important for Government to continue strengthening this link. One clear example of how this is being done is illustrated by the way Kasonso GMA was retendered in 1999. After it was shown that the current lease holding company defaulted on its lease agreement, the area became open to tender applications from different operators. The review committee set up by Government to judge these applications selected the company that was awarded the Conservation Bullet Award with distinction the previous year. By making such a choice, the industry was essentially told that CBNRM standards for running a wildlife industry in a communal area will be an important consideration for future tender selections.

While compliance to CBNRM standards may help promote long-term growth and sustainability in the industry, the more immediate concern of providing quality commercial services to clients generally takes priority throughout much of the hunting season. This is certainly understandable from the operator's point of view. If the operator is to successfully market its services in the future, then the operator must honor its pledges to clients, who often pay as much as \$1300 to \$1500 per day for these services. It is therefore unreasonable to expect a company to make CBNRM its primary concern, and indeed, there is much reluctance on the part of many operators to get formally involved with ADMADE by attending local meetings and reviewing issues and problems with the community. The reality, however, is that the industry conducts its business on communal lands and the importance of being constructively engaged with the community is of key importance to the long term future of not just the industry but the resource as well.

A major complaint that has been raised by a number of operators is that communities expect far too much from the operators for solving their development needs (building wells, repairing roads, buying relief food, etc) as opposed to using their own ADMADE funding with greater reliance on their own leadership. Over-dependence on safari operators will almost certainly result in frustrations and disappointments of local communities, who will likely respond with continued land use disturbances, such as snares, bush fires, and so forth.

Variables and general concepts

The solution to this problem requires a careful analysis of how the private sector together with the community can build a more competitive industry by working together to sustain conservation, community development needs, and higher profits. This section examines several variables that are likely to be important factors in this analysis.

1) Investment in the hunting area by the safari operator

Efforts by the operator to increase wealth for the community would be a visible demonstration of the positive role the private sector can play to improve the value of their wildlife resources through legal markets. One of the more obvious indicators of such investments is the development of hunting roads to allow clients to access more animals that could sustain larger profits. Other forms of investment include boreholes for wildlife camps, boreholes for wildlife in areas where water is a limiting resource, and wildlife restocking where species need reintroduction.

2) Extent of safari hunting area utilized by operator

Percentage of total hunting area accessed by hunting roads is another measure of an operator's commitment to develop the safari industry in the area

3) ADMADE investment in wildlife management

NPWS (ZAWA) has given the community through its ADMADE policy the responsibility to manage wildlife resources on their land and to control disturbances that may threaten the resource or lower industry profits. The ability to fulfill this obligation will most certainly depend on the financial support the community receives for basic wildlife management costs.

As argued in earlier sections, there is a large economic advantage for local residents to participate fully in wildlife management to ensure communal areas remain viable for commercial uses. Variables influencing the success of this process include the timeliness and amount of remittances paid by WCRF to support these efforts, the planning and use of these funds by local managers, and the accountability of these funds for achieving verifiable results.

4) Compliance to lease agreements

Compliance to lease agreements is a good indicator of a particular operator's commitment to observe rules and regulations laid down by Government to promote desirable standards in the industry. Lease agreements therefore provide a useful framework of private sector commitments to various principles of good hunting and business practices laid down by Government. Current lease agreements also contain a number of cardinal requirements for promoting partnership between the private sector and the community.

5) Equitable financial return to the wildlife producer (community) vs service provider (operator)

Unless the community as a whole sees an economic return from its efforts to manage and protect wildlife on their lands and believes this return is fair, competing reasons to snare and poach may prevail. In such cases community cooperation to support the industry in providing quality wildlife products will be compromised. Various factors that can be measured play a critical role in this perception by the community:

- a) Absolute amount of money returned to the community
- b) Procedure for sharing wildlife profits within the community
- c) Use of money to meet community needs

Results

1) Investment in the hunting area by the safari operator

Direct investments in Zambia's hunting areas are being made by the private sector but vary considerably among the individual operators. Over the past three years of the current lease agreement, four companies have had their lease agreement revoked for reasons related to insufficient financial and technical capacity to run a viable industry for their area. Unfortunately, each of these four areas has suffered revenue losses due to poor operator performance and the delay in retendering the area. These areas included: Mumbwa East, Kasonso, Lunga-Lushwishi and Upper West Zambezi, which remains untendered.

The actual amounts that operators have invested in their concession areas are not well quantified, but a preliminary ranking is provided according to relative contributions and is shown in Table 16 below. Investments listed include only major capital improvements or procurements that improve wildlife production in the concession.

Table 16
Company Area Contributions to wildlife management, excluding fuel and ration supplies support

Company	Area	Contributions to wildlife management, excluding fuel and ration supplies support
Luangwa Crocodile	Sandwe	Opened new safari roads, repaired unit leader's land rover,
Luangwa Crocodile	Busanga	Repaired Unit's vehicle, purchased 11 bicycles for scouts, helped construct new camp with 3 houses, 4 tents and backpacks assisted HQ construction, lend use of radios for patrolling
Maninge Safaris	Lushwishi	Bonus system for poacher arrests, handcuffs for all scouts Repaired Unit Leader's vehicle
Africa Conservation	Mulobezi	nil
GameTrackers	Sichifulo	Repaired two borehole pumps
Eastern Safaris	Rufunso	(Data not collected)
Exclusive Safaris	Chifunda	Graded road access into GMA, 6 bicycles for scouts
Tudor Conservation	Luawata	Over 150 km of hunting roads graded
Nyampala	Nyampala	(Data not collected)
Hunters & Guides	W. Petauke	Over 100 km of new hunting roads, boots for scouts
Nyumbu	Mwanya	opened new roads, new fly camp, supported labor costs for opening up access road to area, borehole at U/HQ
Horizon Safaris	Chanjuzi	nil
Busanga Trails	Mumbwa West	(Data not collected)
Msikizi Safaris	Mumbwa East	Donated vehicle, employs area manager, resting area
Nyanga Safaris	Chikwa	Construct stores shed, opened up new roads on east bank
Sofram Safaris	Bilili/Nkala	nil
Hunt Zambia	Lower Luano	nil

2) Extent of safari hunting area utilized by operator

Safari hunting roads provide access for clients to the different hunting areas in a GMA. For the most part they are simple dirt-surfaced roads, annually cleared and maintained by the safari operator. Their distribution generally overlaps with the primary concentrations of wildlife, but in some cases wildlife resources remain under-utilized because of limited access. Figure 32 shows the distribution of safari hunting roads in five ADMADE hunting concessions in Luangwa Valley (excluding Sandwe and West Petauke). Roads were buffered with 2 km on each side to show the areas most likely visited by safari clients. Of the five units listed in Table 17 below, Luawata (upper concession in Munyamadzi), Fulaza (west bank of Chikwa/Fulaza concession), and Mwanya have benefited the most from increased road construction by the safari operator. In both these areas roads were extended away from the river to increase access to new hunting areas.

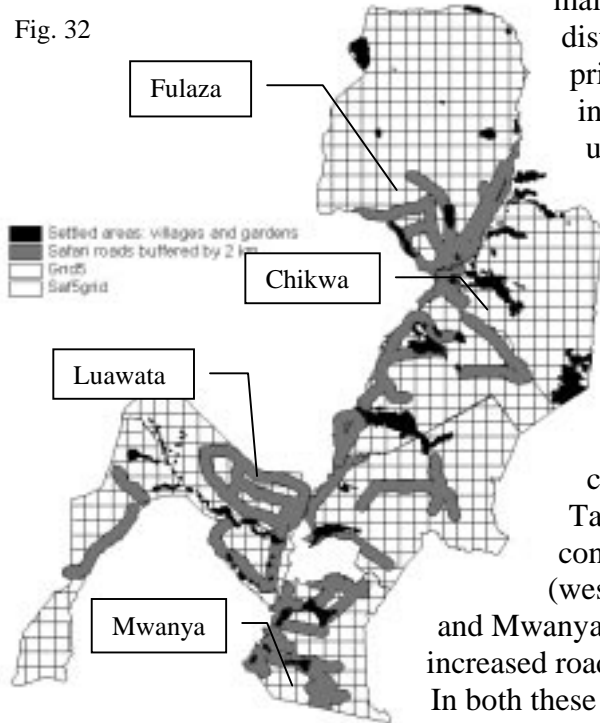


Figure 32 shows the distribution of safari hunting roads in five ADMADE hunting concessions in Luangwa Valley (excluding Sandwe and West Petauke). Roads were buffered with 2 km on each side to show the areas most likely visited by safari clients. Of the five units listed in Table 17 below, Luawata (upper concession in Munyamadzi), Fulaza (west bank of Chikwa/Fulaza concession), and Mwanya have benefited the most from increased road construction by the safari operator. In both these areas roads were extended away from the river to increase access to new hunting areas.

An operator that invests in an increased road distance network in the hunting area and maintains the road annually will more likely provide increased hunting opportunities for his clients and thus offer a more successful hunt. In such cases road work becomes a major source of pre-season employment for local residents. In Luawata concession, for instance, approximately 60 people are employed each season just to help maintain the roads. In Mwanya about 20 people were employed. Roads can also provide an efficient way of patrolling the hunting area during the dry season to monitor the presence of poacher activity.

Only in Chikwa was there a major concern about inadequate road development because hunting roads have not been extended to areas where the community has helped control poaching and produce increases in wildlife. As a result, there has been

ADMADE Unit	2 km buffered safari roads	Total area (km ²)	Percent w/ buffered roads
Chikwa	125	2425	5.2%
Fulaza	749	4675	16.0%
Chifunda	707	2104	33.6%
Chanjuzi	519	2555	20.3%
Munyamadzi	934	3176	29.4%
Mwanya	705	1587	44.4%

no added income to reward their efforts. A likely reason for this is related to the large area of the hunting block, Chikwa plus Fulaza, which is 7100 km². With a limited 5 year lease, the operator has presumably limited his investment to the prime hunting areas rather than

developing new areas.

Risks are associated with building new roads in a hunting area, especially if roads increase the level of human activity in the area to the detriment of the wildlife industry. One such case is Mumbwa where logging concessionaires made use of the hunting roads to access timber resources. This particular conflict was resolved by community pressures to force the timber licensing authority to ban timber cutting on their lands unless the local ADMADE leadership grants permission.

In both Lupande areas there has been a recent expansion of donor-supported all weather roads throughout much of the hunting areas. Unlike most other hunting areas where hunting roads terminate within the area, the new roads being built in Lupande are connected to access roads leading out of the GMA. Correlated with this road build-up is one of the highest outbreaks of elephant poaching over the past five years. Ivory dealers from local towns are now using vehicles to drive into the area from various directions at odd hours of the night to collect ivory from local hunters. Though these movements of ivory have been well documented for much of 1999, there have not been any arrests yet, suggesting increased difficulties in enforcing wildlife laws as the number of roads leading to urban areas also increase. Undoubtedly, there is movement of game meat out of the area as well.

3) ADMADE investment in wildlife management

a) Background

The basis for a strong and profitable partnership between the operator and the local community is for each to complement the other with their respective strengths and capacities to produce more wildlife for the commercial markets. There is some suggestion, however, that communities are having difficulty playing their intended ADMADE role in combating poaching and controlling land uses harmful to the industry. This difficulty is centered around the problem of revenues earned by ADMADE not being returned in full to the rightful community to support these management costs. As a result, a cascade of problems is beginning to develop in a number of ADMADE areas where high expectations are being matched with growing frustrations with the way ADMADE is being administered. Such problems include the following:

- a) Professional hunters are being frequently requested to assist unit leaders with fuel and rations because the unit leaders complain they have no funds. Such over-dependence on the professional hunters increases the risk of denying the client the full services of the professional hunter. Not surprisingly, there is growing frustration among professional hunters with the way ADMADE is supporting scouts and field operations in their hunting area.
- b) Absence of support to purchase rations for patrols has placed increased pressures on field staff to hunt illegally for game meat while on patrols. Such practices are illegal and can encourage field staff to expand this practice to support illegal marketing of game meat on a more serious scale. One such incidence occurred in Mulobezi in 1998 and resulted in the arrest of five scouts and the suspension of the unit leader for the area.

- c) With improved training of village scouts and with the introduction of trained book-keepers who monitor revenue earnings, most scouts know the revenues their areas have earned and are also aware of the imbalance of funds not being returned to support their work. Trained and employed to protect wildlife resources for their community, village scouts in many units are expressing frustration that they cannot do the work they were trained for because funds are not reaching their units. As a result, morale is lowered and work output reduced.

b) Analysis of problem

Table 18 below provides a preliminary account of revenues earned in 1998 and their subsequent disbursements to the units as part of the 40% meant for wildlife management costs. Given that such disbursements represent the economic basis for ADMADE to promote community participation and commitment for wildlife management, it is of critical importance to evaluate how well the system works.

Table 18

Unit	Revenue:	Fixed costs:	Variable costs:	Monthly financial support:		Balance:
	40% share	Monthly fixed costs	Monthly balance for field operations	Total expected remitted per month to unit	Estimated actuals remitted to unit per month	Monthly outstanding not remitted
Chifunda	\$20,560	\$750	\$1,005	\$1,755	\$1,583	\$172
Chikwa	\$21,480	\$558	\$1,273	\$1,832	\$868	\$964
Mwanya	\$26,480	\$608	\$1,640	\$2,248	\$733	\$1,515
Mulobezi	\$31,970	\$569	\$2,137	\$2,706	\$1,042	\$1,664
Munyamadzi	\$53,464	\$1,021	\$3,476	\$4,497	\$1,229	\$3,268
Sichifulo	\$24,234	\$750	\$1,311	\$2,061	\$1,083	\$978
Chanjuzi	\$29,050	\$754	\$1,708	\$2,463	\$883	\$1,579
Mumbwa	\$24,500	\$854	\$1,229	\$2,083	\$1,208	\$875
	Average:	\$733	\$1,722	\$2,455	\$1,078	\$1,376

The figures presented in Table 17 are based on safari hunting returns from the 1998 season and from financial reports provided by unit leaders and unit book-keepers. Monthly fixed costs are primarily salaries, bank charges and deductions for NPF. The monthly balance is the amount remaining after fixed costs are paid based on monthly allocations from total revenues earned for that year. In practice, funds were disbursed over periods of two to four months at levels that produced monthly averages provided under the column 'Estimated actuals remitted to Unit per month'. As shown in the last column, there were significant discrepancies, suggesting as much as half of the 40% share meant for wildlife management support was not returned to the unit.

It should be stressed that this analysis is preliminary and is only intended to demonstrate that an appreciable amount of funds meant for wildlife management in the field may not be reaching their intended targets. While these results should be corroborated with financial records from WCRF, they do provide a compelling explanation for the attitudes and perceptions among a growing number of field staff that management in the field is failing to adequately protect wildlife resources because full financial support is not forthcoming.

For example, 36 village scouts who participated in an advanced village scout training in data monitoring in May 1999 were interviewed to assess their views on adequacy

of patrolling in their area and factors contributing to it. In total they represented 13 different ADMADE units. 64% felt that they were unable to patrol their units effectively and 45% expressed the view that lack of patrol rations was one of the main reasons for this problem. Additional factors cited as contributing to the low patrolling results were lack of uniforms, no tenting during wet season, poor transport, inadequate fuel, and lack of boots. Results are summarized in Table 19 below.

Table 19.

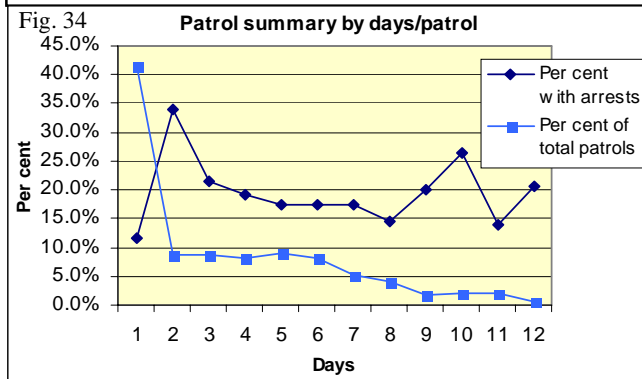
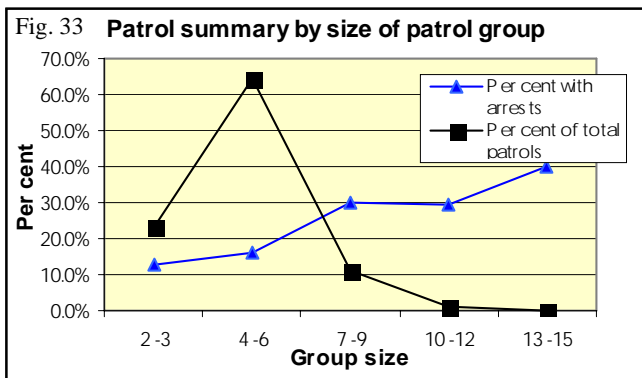
Item	Count	Percentage
Inadequate rations	26	45%
No tents	6	11%
No boots	4	7%
Inadequate fuel	4	7%
Poor transport	4	7%
No uniforms	4	7%
Few ammunition	2	3%
Poor roads	1	2%
Vehicle repairs	1	2%
no shortage	6	10%

Of these 36 village scouts, 16 expressed the view that morale among village scouts was low because of poor salaries and another eight felt morale was low due to such factors as poor accommodation and lack of field equipment as well as poor salaries. Only seven felt morale was high.

Both Unit Leaders and Village Scouts conceded that wildlife

management was not being well supported by WCRF and that current levels of management were not adequate to protect wildlife in most ADMADE areas. The relatively small sums being provided for operational costs and the high percentage of scouts complaining of inadequate support for patrols (rations, tents, boots, etc.) tell a fairly compelling story that a potentially serious problem exists in the way units are being supported by their 40%. It is noteworthy to point out that this problem is recognized by many ADMADE-practicing communities, who have had to resort to using their own community development funds to assist in paying for costs of wildlife management. This was recorded for Chifunda, Mwanya and Munyamadzi. On the one hand it illustrates the level of commitment local leadership is making toward their wildlife but it also undermines the economic and social benefits ADMADE needs to support in order for communities to fully accept their responsibilities in protecting wildlife from wasteful and destructive uses.

Figure 33 summarizes the results of scout patrols in ADMADE area and clearly shows a positive relationship between size of patrol group and the percentage of patrols succeeding in making an arrest. It also shows the relatively high percentage of patrols having small patrol group size, a situation that would be expected if units are under-funded and experience shortages of rations. Similarly, length of the patrol would be expected to decrease if patrol rations were insufficient. Figure 34 demonstrates that one-day patrols are by far the most common but experience the lowest percentage of arrests.



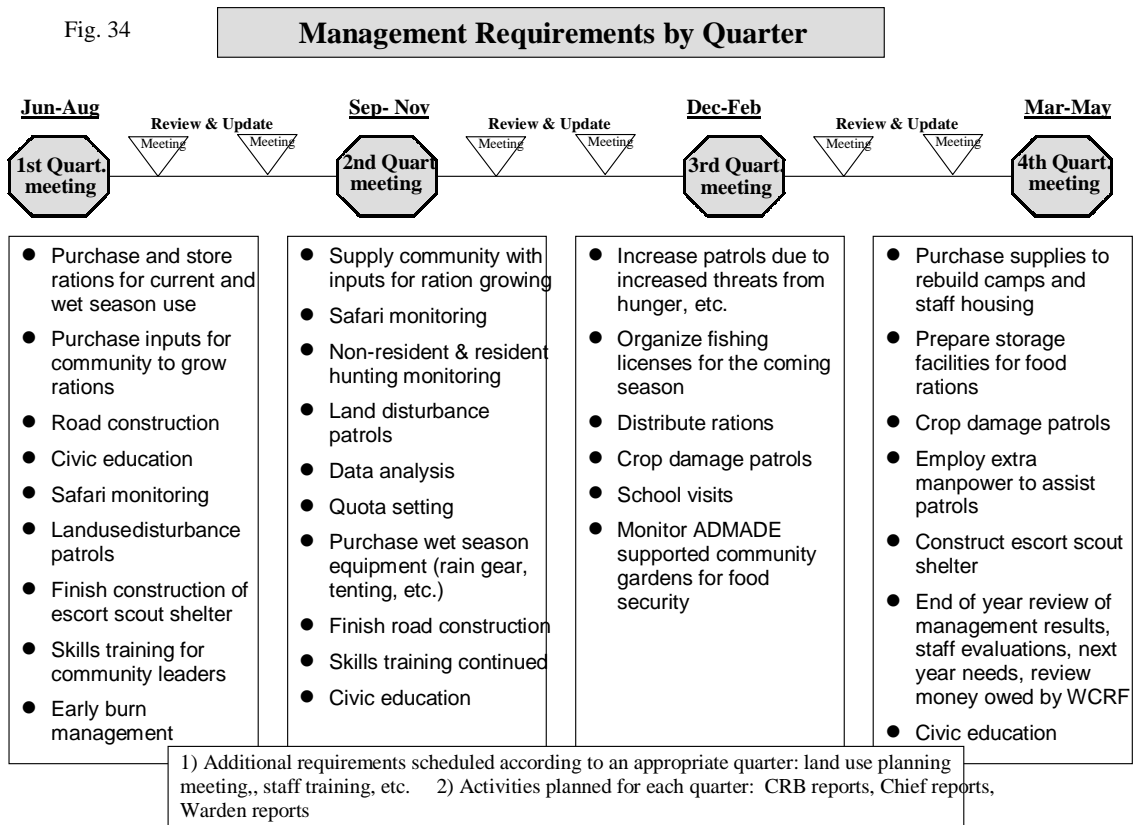
Of the eight units examined in Table 18, only Chifunda received its 40% share in full, although even in this case the amounts received were not consistent with quarterly budget requirements proposed by community leaders together with their unit leader. This problem was experienced among all unit leaders interviewed in this study and as a result they were often prevented from solving many management problems that predictably occur during the year and which could have been solved if funds had been transferred as recommended in the 1998 submitted budgets. Unit leaders complained that WCRF appeared not to be taking unit budgets seriously and felt that the annual budgeting exercise required

of all unit leaders was largely a waste of time.

c) Proposed solution

Realizing that a primary objective of wildlife management in ADMADE is to increase wildlife production, key requirements that may be constraining production need to be identified and acted on as part of a quarterly workplan. It will also be necessary to budget these quarterly activities within the constraints of anticipated earnings for a given fiscal year and to insure these funds are remitted during the early part of each quarterly period. An analysis of these management requirements was carried out through a participatory appraisal process with 13 different unit leaders and a generalized quarterly workplan was formulated as recommended template for most units. This workplan is illustrated below:

Fig. 34



WCRF has the critical responsibility of providing the financial services to the ADMADE wildlife management units with the revenues needed and earned by local authorities to carry out the above workplan. The revenue returned to WCRF, representing 25% of ADMADE total earnings for a given unit, is provided in order that such financial management services can be provided. If funds are delayed or not paid in full, then the potential income earning capacity of the units as well as the private sector will most certainly suffer. WCRF should therefore adopt a reliable and transparent mode of payment to the units that corresponds to the quarterly budget needs of the units. Likewise, WCRF should also provide regular financial statements to the units and conduct periodic audit inspections to ensure unit budgets and required financial procedures are being followed.

Given the critical importance of WCRF's function to ADMADE's success and the fact that this study has suggested possible problems with the way resource management needs for the ADMADE units are being financially supported, a meeting has been scheduled by relevant officers of NPWS to adopt corrective measures as needed. This meeting has been scheduled for early July 1999.

4) Compliance of lease agreements

Monitoring compliance of lease agreements is an extremely important way for evaluating relative performance of individual operators in meeting industry standards.

Furthermore, such measures could be important criteria for awarding future tenders as a way of improving the industry in becoming more competitive with its neighboring African states.

In recent years monitoring efforts by NPWS have improved considerably and this has come about largely by a trend toward increased information flow on operator performance and compliance to the lease agreement. Where serious violations have occurred, NPWS has shown decisiveness in canceling leases, which has been extremely positive for maintaining acceptable and competitive standards in the industry.

One particular problem that has arisen on numerous occasions is the allegation that an operator sub-contracts his area to another, more qualified operator. Such a procedure is highly unacceptable because it passes on higher costs to the client and lowers reinvestments to the concession area. It is a problem attributed to low ADMADE performance in Mumbwa East, Lunga-Lushwishi and Kasonso where previous operators lost their concessions. A possible weakness with the current lease agreement is that it does not provide explicit language on what legally constitutes sub-contracting and therefore accused parties typically deny charges and Government finds difficulty in defending its position. This is one area in which the current lease document needs to be carefully reviewed and strengthened before any new tendering.

In cases not as serious, other measures have been taken. Already mentioned is the awarding of the Conservation Bullet Award that recognizes operators for their commitment to the lease agreement. Recent efforts to improve dialogue between Government and private sector representatives to discuss issues and problems related to the industry have also been a constructive way to deal with problems of lease agreement compliance. One recent example concerned the employment of a public relations officer by the operator to help resolve conflicts and misunderstandings between the operator and the community. Initially the idea was met with skepticism and reluctance on the part of the private sector, though the requirement to employ such a person was part of the lease agreement. Documented information showed there were growing conflicts between local communities and the operators in a number of areas and that such conflicts were detrimental to the industry (e.g. theft of clients' property, vandalizing lion baits, excessive disturbances around lion and leopard baits, high incidence of snaring, etc.). Following discussions on this issue in April 1999, thirteen companies donated K300,000 each to Nyamaluma Institute to have a qualified local resident trained as a Community Liaison Officer. Subsequent to this training, two professional hunters from different areas were interviewed over their expectations of the liaison officers recently trained and now employed. Both expressed guarded optimism that the work of these community liaison officers would improve local cooperation with the industry and that they were willing to work with the liaison officers to help make their work successful.

5) Equitable financial return to the wildlife producer (community) vs service provider (operator).

This section examines the flow of revenues to the various stakeholders in the industry and in particular if revenue shares are likely to promote strong community support for managing wildlife through ADMADE in partnership with the private sector.

a) Revenue shares

Table 20 below examines the actual flow of gross revenues generated from a particular hunting area in 1999. These data were based on actual fees and numbers of animals shot.

Table 20.

Revenue description for single hunting block - 1998			
Revenue category	Rate/client	No. clients	Total
Classical safari fee	\$5,050	4	\$20,200
Mini safari fee	\$750	10	\$7,500
Animal fees			
	No. spp.	No. animals	Total
	15	92	\$56,750
Operator fees			
	Rate	No. days	Total
Operator daily rate	\$1,300	120	\$156,000
License markup	20%		\$11,350

Fourteen clients hunted a total of 120 days and harvested a total of 92 animals, representing 15 different species. A total of \$56,750 was paid for animal license fees. Four clients hunted classical safaris and paid \$5050 each for concession fee, sometimes called hunting rights fees. Ten

hunted mini safaris and paid \$750 for these concession fees. This particular company charged a daily rate of \$1300 for all services inclusive.

Table 21

Distribution of revenue earned				
Revenue category	Community	WCRF	GRZ	Company
Concession fees	\$20,775	\$6,925		
Animal fees	\$21,281	\$7,094	\$28,375	
Daily rates				\$156,000
License mark-up				\$11,350
Total:	\$42,056	\$14,019	\$28,375	\$167,350

The distribution of income is provided in Table 21 to the left. Based on the current percentages of income earned by the community, total revenue accrued to

the community from animal license fees and concession fees was \$42,056 and the balance of \$42,394 was collected by WCRF (\$14,019) and GRZ (\$28,375). The amount earned by the community, regarded as the wildlife producer since the resource is being produced largely on communal lands, totaled 25% of the gross earnings of the company. As shown in Table 22, the total license value of wildlife produced on

Table 22

Value of wildlife produced on communal lands					
Income	Gross value	WCRF tax	GRZ tax	Net value	% of total
Licenses	\$56,750	12.5%	50.0%	\$21,281	37.5%
Hunting rights	\$27,700	25.0%	0.0%	\$20,775	0.75

communal lands was taxed 62.5% and fees paid by clients for the right to hunt on communal land was taxed another 25%. These deductions represented a loss of potential revenue for the wildlife producer of \$42,394.

The \$42,056 accrued to the community is then shared between community needs and resource management costs. The net revenue for community benefits was approximately \$21,500 in 1998. It is unclear what the operating costs for the operator are, but assuming his costs are 50% of the gross, the private sector still makes about four times what the wildlife producer earns. The community also incurs additional

costs from living with wildlife, most notably crop loss and human injuries and in some cases human death.

Strictly on a percentage basis, communities appear relatively disadvantaged by being heavily taxed for producing wildlife (62.5% on licenses and 25% on concession fees). Given the added responsibilities and costs communities are burdened with to reduce poaching and land use disturbances (e.g. shift settlements away from hunting areas, control local fishermen, etc.), the industry would be better supported by imposing less deductions on community shares to encourage increased production of wildlife.