



# Destination Mutual Benefit

A Guide to  
Inclusive Business  
in Tourism



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# Acknowledgements

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## Partners

This study was conducted by **Endeva** and **GIZ**.

**Endeva** finds business solutions to poverty. As an independent institute, we conduct research on inclusive business, transfer knowledge through trainings and workshops, and apply insights through consulting.

The **GIZ Responsible and Inclusive Business Hubs** assist companies in developing inclusive business models and in promoting sustainable business activities. Hub managers Rebecca Szrama, Jonas Naguib, Bernhard Rohkemper and Michael Janinhoff as well as Regina Schönberger contributed ideas and guidance.

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## Case study authors

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A Guide to  
Inclusive Business  
in Tourism

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*ACTION* 

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# Case studies

Nine case studies on pioneering tourism companies that work with low-income people as business partners accompany this paper as separate documents.

CLICK ON THE NAME  
TO JUMP TO  
THE CASE STUDY



**COMPANY, COUNTRY**      **CASE STUDY**

Al Tarfa Desert  
Sanctuary,  
Egypt      **A luxury lodge  
fostering  
entrepreneurial  
spirit**

Semiramis  
International Cairo,  
Egypt      **Corporate gifts  
from paper  
recycling**

**COMPANY, COUNTRY**      **CASE STUDY**

Wild Jordan,  
Royal Society for  
the Conservation of  
Nature, Jordan      **Managing natural  
resources  
through  
ecotourism**



**COMPANY, COUNTRY**      **CASE STUDY**

Damaraland,  
Wilderness Safaris,  
Namibia      **Creating luxury  
ecotourism with  
the local  
community**

Phinda Private Game  
Reserve,  
andBeyond,  
South Africa      **Strong commu-  
nity partnership  
through long-term  
land leasing**

Spier Leisure,  
South Africa      **Local procurement  
strengthens a  
hotel's business  
base**

**COMPANY, COUNTRY**      **CASE STUDY**

Kampoeng Kepiting  
Ekowisata Bali,  
Indonesia      **A crab restaurant  
protects mangroves**

Papua Expeditions  
(CV. Ekonexion),  
Indonesia      **Community  
conservation of  
the great Papua  
wilderness**

Rinjani Trek  
Management Board,  
Indonesia      **Bringing local  
guides together  
with international  
tourists**

## *Our bags are all packed ...*

This publication marks the beginning of a journey. Our destination? Mutual benefit.

The partners behind this publication, the GIZ Responsible and Inclusive Business Hubs and Endeava, share a mission to empower innovative business approaches and make poverty a thing of the past while conserving resources for the future. We have been interested for quite some time in tourism as a sector because of its enormous potential for innovative business solutions that create opportunities for low-income people and companies alike. With the establishment of the Responsible and Inclusive Hubs in Egypt, Indonesia and South Africa, three premier tourist destinations, it was clear that we needed to start packing.

By developing the present guide to inclusive business in the tourism sector, we charted our course. The guide maps out the opportunities and demonstrates why working together makes sense for companies as well as for communities. Certainly, there are challenges for both as they explore these new paths. But companies willing to take the risk can reap the considerable rewards of being able to offer a more authentic, attrac-

tive, friendly and efficient tourism experience. A variety of public and private partners stand ready as travel companions and guides for this endeavour. And some pioneers are clearing the way: The nine case studies that accompany the guide provide inspiring examples of tourism companies that have already achieved mutual benefits with local communities and low-income people.

We invite all companies from the tourism sector, including hotels, restaurants, tour operators, souvenir makers and shops, transport companies and many others to join us on this journey. Over the next months, we will invite companies to contribute to the conversation with us at workshops, roundtables, fairs, conferences and online. We are interested in hearing what you have to say: Where do you see opportunities for mutual benefit in your business? Which opportunities have you acted on? And where can we support you in advancing towards these goals?

As a well-known African proverb says: “If you want to travel fast, travel alone. If you want to travel far, travel together.” In this spirit, we look forward to the journey towards mutual benefit – together with you!



Endeava team



GIZ Responsible and Inclusive Business Hubs team

## The journey in brief

Each year, more than one billion people travel across international borders. Roughly the same number of people live on less than one U.S. dollar per day. Inclusive business strategies bring these two groups together and create opportunities for both.

### From the margins to the core of business

People living in poverty, whether they earn one or four dollars a day, are often already participants in tourism's value chains. However, these individuals usually participate informally and at the margins, as porters, cleaning ladies, farmers and so on. Because employment and entrepreneurship opportunities are often irregular and associated with significant risks and little upward potential, the tourism sector is often unattractive to these individuals.

Looking ahead, tourism could become the sector of choice for many bright people seeking a way out of poverty. This entails, however, that companies offer decent working conditions, access to career opportunities, and sound partnerships with local communities and individuals along the value chain.

**This guide shows businesses working along the tourism value chain how to align development impacts with core business goals and thereby achieve mutual benefits.**

Based on desktop research, case studies, and expert interviews and feedback, this guide maps out opportunities for inclusion along with challenges, solutions and partners who can provide support.

### Who should read this report?

This report primarily addresses companies along the tourism value chain. International and local tour operators, transport companies, hotels, restaurants, souvenir producers and vendors, and activity providers can find inspiration and guidance on how to work more closely with local communities in generating business and development benefits. To make insights actionable, the report provides opportunities for self-assessment, idea generation and planning.

NGOs, development agencies, donors and other supporting actors in the so-called third sector will likely find this report useful as it explores development opportunities through the private sector's eyes. Rather than delivering new insights on the links between

## *Inclusive, pro-poor and responsible tourism – What's the difference?*

**Inclusive business in tourism can be defined as tourism that increases business linkages between people from low-income communities and tourism-industry actors for long-lasting mutual benefit.**

Inclusive business in tourism stands for a distinct attitude. While pro-poor tourism is defined as "tourism that results in increased net benefits for poor people", inclusive business has as its goal the collaboration of companies and poor people as business partners in order to achieve mutual benefits. Conceptually, it incorporates development goals into business strategies and is therefore well-suited to collaboration between the private and public sectors. Nevertheless, many useful insights can be gained from the literature on pro-poor tourism.

Inclusive business in tourism offers one means of achieving sustainable and responsible tourism. Whereas responsible tourism is defined as that which "maximises the benefits to local communities, minimises negative social or environmental impacts and helps local people conserve fragile cultures and habitats or species", sustainable tourism involves the commercial perspective in achieving the so-called triple bottom line of sustainability. Inclusive business differs once again in its attitude: it focuses on the impact of tourism on poverty without losing sight of environmental effects and commercial viability.

SEE CHAPTER 1

development and tourism, this report presents current knowledge in a way that is easy for companies to grasp and use. Third sector institutions active in this area can use the report and its case studies to inform their engagement with companies, discovering opportunities for mutual benefit.

**What is inclusive business in tourism?**

Inclusive businesses include people living in poverty as customers, employees and entrepreneurs at various points along the value chain for mutual benefit. These business strategies may be developed by entrepreneurs or by managers within existing companies, whether large or small. In the tourism sector, low-income people are active primarily on the supply side as employees or entrepreneurs. Entrepreneurship in tourism can entail doing business with individuals or with entire communities, in particular when conducting activities on land owned by traditional communities or engaging in activities that rely on the local culture as a resource. Inclusive business in tourism stimulates the local economy while promoting social dialogue and cultural and environmental preservation.

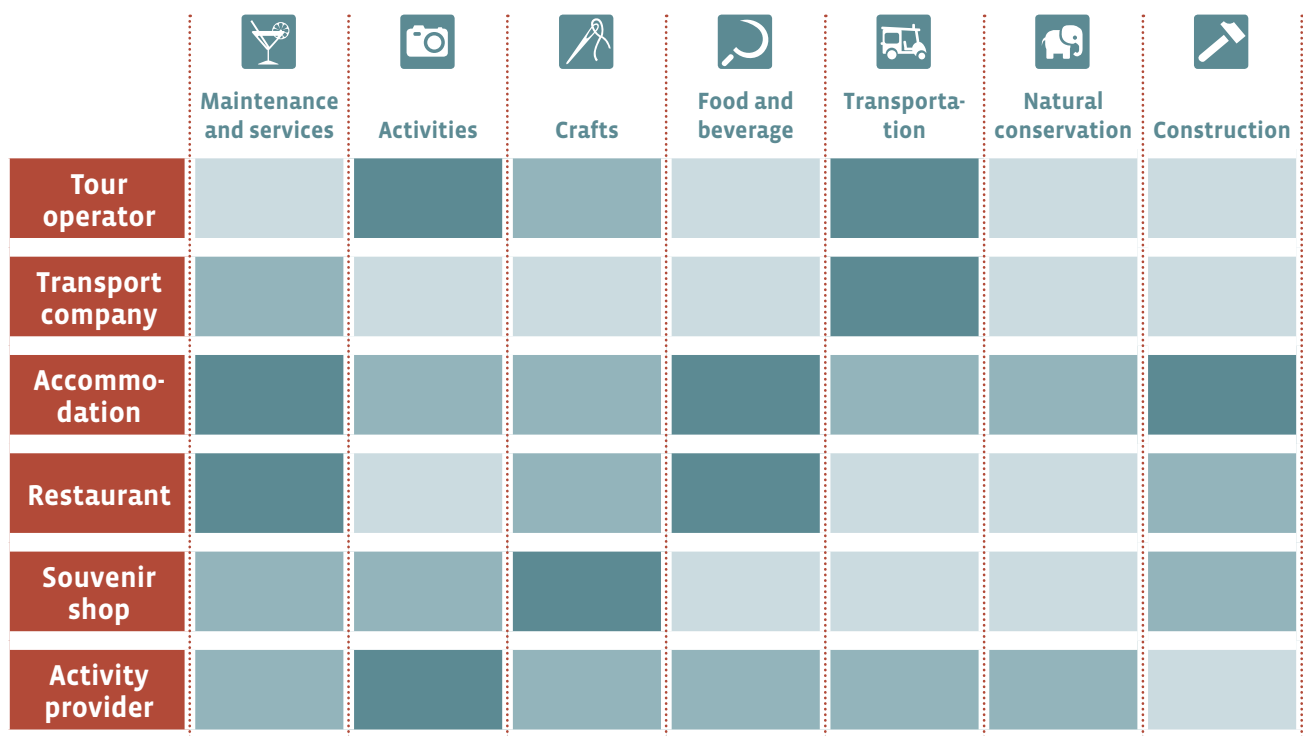
**What are the benefits of collaboration?**

Inclusive business is about identifying and realising mutual benefits.

Companies that collaborate with local communities and low-income people benefit from improved product quality and innovation, as products become more authentic and unique. Working together with local communities improves a firm's reputation not only within the community, but also among guests, government authorities and across the broader public. Companies can reduce costs by sourcing locally and, at the same time, actively manage risks associated with socio-economic frustrations within communities.

Communities and low-income people, on the other hand, benefit from opportunities for income from employment and entrepreneurship. Acquiring new skills and improved knowledge enables them, in turn, to access better jobs. Tourism that is soundly integrated into the local economy and culture provides incentives and funds for the conservation of natural, cultural and historical resources. Finally, structural benefits from improved infrastructure and public services create broad-based benefits for everyone.

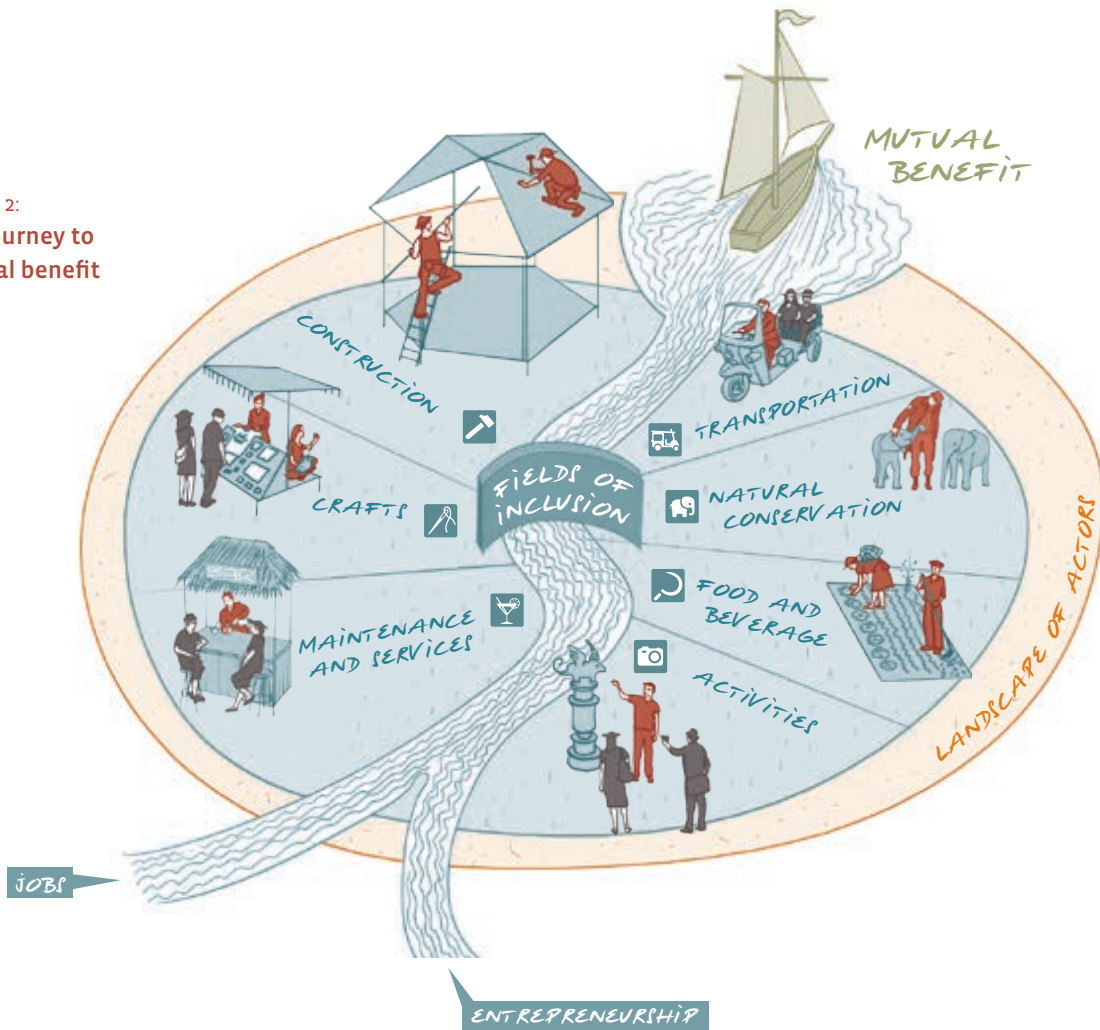
Figure 1: Fields of inclusion of low-income people along the tourism value chain



Color code =Opportunities for Inclusion ■ Frequent ■ Irregular ■ Rare



Figure 2:  
The journey to mutual benefit



**Where are the opportunities for inclusion?**

Tourism companies can chose between two paths to inclusion: employment and entrepreneurship. Seven fields of inclusion can be distinguished:

- 1. Maintenance and services
- 2. Activities
- 3. Crafts
- 4. Food and beverage
- 5. Transportation
- 6. Natural conservation
- 7. Construction

Different types of tourism companies, from tour operators to restaurants and hotels, will find different opportunities for inclusion. The matrix on the left provides a generic prioritisation of opportunities by type of company. But each company is distinct. Chapter two\* provides a hands-on framework for companies to identify opportunities, points out possible challenges and suggests solutions that can be pursued in collaboration with people from low-income communities.

\* SEE P. 16

**Who might provide support?**

Realising opportunities for inclusion often requires the support of additional actors. Inclusive business therefore typically promotes the interaction of and creates linkages between the public and private sectors, communities, and NGOs. Companies act within an “ecosystem” of stakeholders who collectively work towards achieving sustainable development goals. Chapter three\*\* discusses the importance of the tourism inclusive business ecosystem and offers concrete suggestions on how to strengthen it. A support guide listing useful partners to contact can be found at the end of this chapter.

\*\*SEE P. 30

**Getting started**

Each chapter includes a hands-on assessment for companies to identify, prioritise and plan inclusive business opportunities. Case studies from different countries around the world are attached and referred to throughout this guide, providing examples and inspiration from peers who have already taken action.\*\*\* However, the final step in achieving mutual benefit has to be taken by you and your company. We therefore encourage you to identify opportunities in your own value chain, map out what is needed to realise them and take action!

SEE P. 34

\*\*\*OVERVIEW ON P. 3

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# Chapter 1

# Mutual benefits

Discover your own inclusive business case in tourism and learn how you can make a development impact.

**By the end of this section you'll be able to:**

- ✦ Define what business benefits you aim to achieve by working with local communities and low-income people.
- ✦ Identify the development benefits you aim to generate through inclusive business practices.



# A growing industry driven by personal encounters

Tourism is a people business. The experiences tourists pay for are created by the people they meet. In developing countries, this creates many opportunities to integrate local communities more directly into the market, thus enhancing the tourist experience.

### 1 billion international tourists

Everybody wins when inclusive business practices are used: tourists, businesses, and local communities. Local artisans crafting unique souvenirs, guides showing off the beauty of their natural environment, waiters that serve delicious local dishes with a smile and a greeting in the local language, communities welcoming guests and protecting their natural environment ... there are many ways to achieve mutual benefit.

But first a look at the big picture: In 2012, 1 billion tourists travelled across borders, compared to 25 million in 1950. According to the U.N. World Tourism Organisation (UNWTO), the tourism industry is responsible for 9% of global GDP, provides one in 11 jobs and generates USD 1.3 trillion in global exports annually.<sup>1</sup> In some countries, such as Jordan and Namibia, almost every fifth employee works in tourism.<sup>2</sup>

With annual growth rates of 2.2%, tourism is one of the fastest growing industries worldwide. Moreover, growth in emerging economies is forecasted to be twice as high as in developed economies, with compound annual growth rates of 4.4% expected. This means that by 2030, we will pass the 1 billion yearly arrivals mark in emerging economies alone.<sup>3</sup>

### The “new” tourist looking for experiences

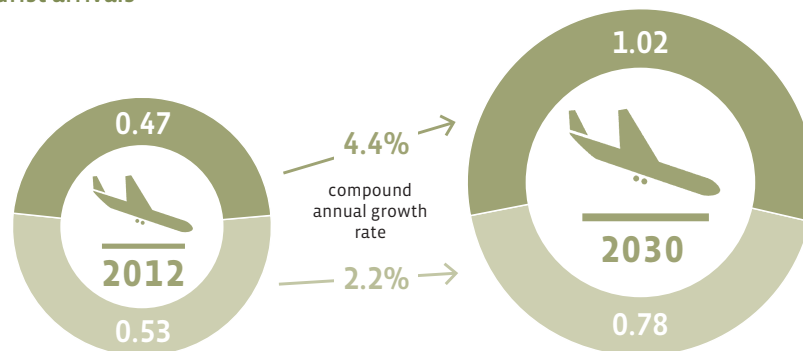
In parallel with this overall growth, experiential travel is on the rise. The “new international tourist” seeks memorable experiences that resonate on an emotional level. As a result, growth within experiential markets, including adventure and cultural tourism, is outstripping that of mainstream segments. The market for adventure travel alone has grown by 65% per year since 2009.<sup>4</sup> To engage with these new tourists, tourism companies are developing products that are more adventurous, more personalised and more attuned to local culture. Tour operators also expect an increasing demand for learning about the visited country and people, and opportunities to meet locals in their daily life surroundings, outside of touristic hotspots.

SEE FIGURE 4, P. 10

Consumer awareness is another trend fuelling the development of inclusive business practices in tourism. The 2010 TUI Sustainability Survey, which included tourists across Europe and the United States, revealed high levels of interest in fair trade and labour standards (62%) as well as in social and community issues (61%).<sup>5</sup> Tourism companies are asked to be more conscious with regard to where and how they include local people in their operations.

Figure 3: International tourist arrivals in billions per year

- Emerging economies
- Developed economies



1 UNWTO (2013). Tourism Highlights.

2 WTTC (2014). Travel & Tourism Economic Impact 2014 Jordan; WTTC (2014). Travel & Tourism Economic Impact 2014 Namibia.

3 UNWTO (2013). Tourism Highlights.

4 Peak and Skift (2014). The Rise of Experiential Travel.

5 TUI Travel Sustainability Survey (2010). Group Marketing TUI Travel. International Consumer Research.

# 10

## Business benefits

With demand for tourism and authentic experiences increasing in developing countries, inclusive business approaches create long-term opportunities for competitive advantage and growth.

### Product quality

Working with people from low-income communities can strengthen the quality of touristic products. Employees and business partners from local communities enrich the local identity of touristic services. Hiring staff members locally enables your customers to enjoy authentic exchanges with people of other cultures. Investing in employees' professional development additionally leads to excellent quality of service, while investing in their well-being ensures a loyal, positive and solid staff base. For example, Wild Jordan, the business arm of Jordan's national parks service, hires its entire staff from local communities. Guests value the warm resulting welcome and local flavour.

### Innovation

Collaborating with local low-income people can also help to develop innovative products and services. Handmade gifts that come with a story of empowering local communities are more attractive and memorable than imported anonymous trinkets. Semiramis Intercontinental Cairo, for example, works with a local women's cooperative to create and sell corporate gifts made from recycled materials. Moreover, many travellers are interested in unique on-site activities. Well-travelled tourists in particular, a group that is increasing in size,

are interested in new topics and unusual experiences. Area residents' deep knowledge and cultural embeddedness makes local communities perfect partners for developing unique experiences. Papua Expeditions, for example, takes birdwatchers to otherwise inaccessible places thanks to its collaboration with indigenous people and communities.

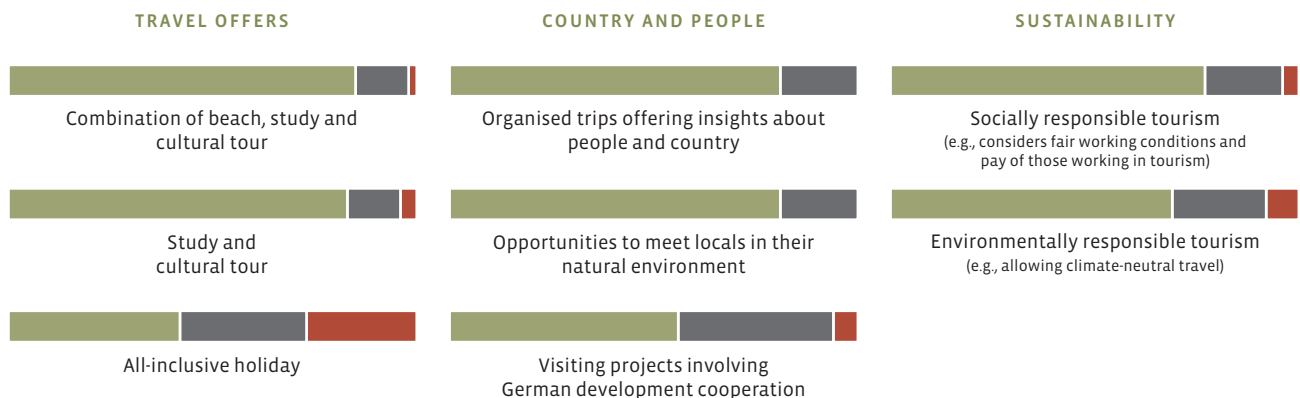
### Reputation management

Inclusive business practices enhance reputations and improve relations with key stakeholders. As most guests' first point of reference, local employees and partners are ambassadors for a tourism company. Their stories will resound when guests travel back home. By sincerely working to increase positive impacts and minimise negative effects, and by making this work clearly visible, companies can strengthen their networks and build solid reputations with local authorities, business partners, development partners and the broader public. For its sustainability-focused achievements, the eco-luxury hotel Al Tarfa in Egypt received the Award of Excellence from the Egyptian Ministry of Tourism in 2012, the Condé Nast Traveller International Award, and has been featured in *The Independent* and the *Financial Times*, all of which contributed to increased recognition among potential guests and others.

Figure 4: Expected changes in demand for touristic offers by 2022

52 German tour operators were asked: "What changes do you expect in the tourism market by 2022?"

■ Increase ■ No change ■ Decrease



Source: Studienkreis für Tourismus und Entwicklung (2013). *Tourismus in Entwicklungs- und Schwellenländer*. 52 well-known German tour operators were interviewed on their expectations about the future development of the German market.

### Risk mitigation

Sharing profits and other benefits associated with tourism with local communities can also be a way to mitigate risks. Most cultures have deeply rooted traditions of hospitality towards guests and strangers. But the frustration of exclusion can cause people to turn against tourists rather than welcoming them. Including local communities as business partners helps to gain their support for tourism in their region, allowing guests to enjoy the local culture of hospitality, minimising the risks of crime and hostility, fostering pride in the unique beauty of the landscape, and encouraging environmental protection. For example, Phinda's collaboration with the local community around its lodge in South Africa, and the benefits the community receives through ownership of the land and associated income opportunities, ensure continuous support for the lodge's efforts to preserve the local natural environment and wildlife. While neighbouring lodges have lost many rhinos to poachers, the communities around Phinda alerted rangers every time poachers approached the area.

### Cost reduction

Finally, engaging people from low-income communities can also reduce costs. In remote locations, employing people from local communities can save on costs otherwise associated with housing employees from abroad or another region, while shortening the time needed for employees to travel home on leave. Contracting with local providers rather than importing or sourcing from other regions can save on transportation (and CO<sub>2</sub>) costs, and reduce inefficiencies. Spier Leisure, a South African hotel and conference centre, managed to reduce its costs for laundry services by 25% by contracting with a local business for services. Companies can also nurture the development of stronger local supply chains in this way. Helping local suppliers improve internal capacities ultimately facilitates local sourcing, thus reducing costs and risks in the supply chain.

In sum, treating local communities as business partners will make it easier to identify the benefits associated with working inclusively. It will keep your company on the frontier of industry developments, while contributing to the economic, social and environmental resilience of the tourism destination you are working in.

## Matthias Leisinger, Head of Corporate Responsibility, Kuoni



Photo: Kuoni

**Kuoni Group is a global travel-related service provider. As a global employer, Kuoni works with many people from low-income communities. Kuoni systematically delivers high-quality jobs and entrepreneurship opportunities by implementing its employee and**

**supply-chain codes of conduct, and by engaging in ongoing stakeholder collaboration that allows it to monitor and intervene on important issues.**

#### Why does Kuoni work with low-income people in the supply chain?

Often, the products that provide an authentic experience, like community visits or local handicrafts, are offered by poor people. We source them because our customers look for authenticity. If the quality of the product is fine, a tour operator is likely to work with low-income communities because they can offer extremely interesting products. In addition, consumers expect more and more to make a positive contribution at the destination level, and to see that travel is also benefiting the local population.

#### What are the primary challenges when Kuoni collaborates with the poor as entrepreneurs?

Often, those entrepreneurs have very good ideas and are very passionate about what they do, but the quality and standard is often not what our customers expect.

#### What can a company like Kuoni do to help communities improve product quality?

We have developed excursion guidelines with ideas on how to benefit local communities on a destination level. Together with our supplier code of conduct, this serves as a resource for the members of our product-management team who work closely with communities, allowing them to provide recommendations on how the communities can improve their products.

#### What do you recommend to other companies to advance inclusive business practices within their operations?

It is important to look for allies within the company and find synergies. Although the push for inclusive business can come from the CSR team, integration with your day-to-day business processes is essential to really make a business case. These issues are of interest to the health-and-safety and service-quality teams as well. The more internal buy-in you get, the more attractive it becomes for your company to do this kind of work.

The next thing is to be transparent with regard to what you have achieved and what you have not achieved. And be transparent about why you did not achieve something even though you tried. The more transparent you are, probably the higher the expectations, but at the same time you show that you have nothing to hide.

I always tell my peers: "You have to start the journey somewhere. Nobody expects you to be perfect, but people acknowledge if you start doing something."

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## Development benefits

Human development is about expanding opportunities. Beyond simply earning an income, people can make use of and develop their talents, establish their own businesses, pursue a career, and gain freedom of choice and security.

### Job creation

First and foremost, local people earn an income as business partners in the tourism value chain. This income can be higher and more reliable than income from traditional sources such as farming or fishing. A good example of this is found in Indonesia, where the community-owned crab restaurant Kampoeng Kepiting provides a reliable market for local fishermen and has created 30 jobs for their families. In other cases, tourism can offer an additional source of income, for example when a village directly receives occasional guests, or via lease fees for community land.

### Enterprise development

For farmers, artisans and other micro-entrepreneurs, business from one company can be enough to create and grow a new enterprise. In Egypt, for example, business with the Al Tarfa luxury lodge enabled the establishment of a locally owned and run transportation company. In Cairo, Semiramis Intercontinental purchases its corporate gifts from a local NGO that employs underprivileged women who earn an income by upcycling paper waste from the hotel into handicrafts. The hotel also occasionally invites the NGO to sell their products directly to tourists in the hotel lobby.

In general, increasing tourists' length of stay and creating more linkages to services offered by people from low-income communities increases the amount of tourism revenue that reaches this latter group. These opportunities for continuous, diversified and increased incomes may allow household heads in rural areas to stay with their families rather than migrating to the city or abroad. It may also enable younger family members to stay longer in school.

### Skills and career

Employment and entrepreneurship opportunities also allow people to acquire new job skills and build a career. Companies usually provide their staff with training and career-development opportunities. Wilderness Safaris, operating in Namibia and other countries in southern Africa, trains local residents on the job. To increase their pool of local service providers, they also offer free guide training to residents not yet working in the tourism sector. Companies may also train suppliers, or collaborate with development agencies or NGOs for capacity building. To meet the high expectations of its luxury safari customers, and Beyond uses its NGO, the Africa Foundation, to offer agricultural extension and business-development support to its fresh-produce suppliers. People can use the skills thus gained to move along their career path or set up their own companies.

SEE PHINDA CASE STUDY ↩

### Conservation

Tourism that is well integrated into the unique identity of a destination provides incentives and funds for the conservation of natural, cultural and historical resources, enabling them to be managed in a more sustainable manner. The case studies of Damaraland Camp, Papua Expeditions and Phinda Game Reserve illustrate several different models of community land ownership and enterprise activity that successfully protect the natural ecosystem while making use of local community knowledge and skills ranging from designing structures appropriate for the local climate to storytelling and spotting wildlife. In all three cases, local people gain an income through land ownership and employment, and are given motivation to learn more about sustainable forms of resource use.

SEE DAMARALAND  
CASE STUDY ↩

## Who are the poor?

Despite the simplicity of this word, it is not always easy to define who is poor and who is not. Poverty has many causes and many faces.

Income is usually used as an indicator for poverty. As an international standard, the World Bank has established thresholds of USD 1.25 per day for extreme poverty and USD 2 for moderate poverty (both measured in terms of local purchasing power). Based on these figures, 1.22 billion people were living in extreme poverty and 2.4 billion in moderate poverty in 2010.<sup>6</sup>

The problem of poverty, however, can be better described as a lack of valuable opportunities.<sup>7</sup> To a large extent, this view is shaping development work today. People living in poverty do not have the freedom to choose to live fulfilling lives. This may entail a lack of access to simple basic needs such as food, education and career choices, but also relates to opportunities to

shape and participate in society. Income allows access to these opportunities but is also one result of realising one's potential.

Reaching the poorest of the poor can be complicated for companies, since members of this group often lack the means to be business partners. It is often easier to concentrate on groups that have capital of some kind, whether in the form of knowledge, land or social networks, but are unable to benefit from it because of inadequate market access.

In this publication, we often speak about “people living in poverty” rather than “poor people” to make it clear that it is the living environment of those affected that leads to poverty. Poverty in developing countries is largely a structural problem rather than an individual problem. The lack of proper infrastructure, information, training and skills, a conducive regulatory environment, and widespread access to financial services constrains market activity and perpetuates poverty.<sup>8</sup>

### Structural improvements

Finally, touristic activity in a region can bring about a multitude of structural improvements. It can stimulate the development of new infrastructure and transport services that can be used by local people as well as visitors. Spier Leisure, for example, has established a medical clinic on its premises to ensure staff members are healthy and productive. Further, enterprises contribute to the income of national and local governments through taxes and license fees. The net revenues of Wild Jordan, the business arm of Jordan's Royal Society for the conservation of Nature, cover about half of the society's operational costs.

### Avoiding negative impacts

While tourism can also have negative impacts on local communities, looking at the world through the inclusive business lens helps companies detect these negative effects. People living in poverty can feel degraded when they are visited and stared at like animals in a zoo. Tourism can also disrupt local culture and nurture discontent, especially among youth who may lose interest in their own heritage. People are sometimes included in ways that do not expand their opportunities, perhaps because business practices are abusive, unfair or even socially unacceptable, as in the case of prostitution. Companies that work inclusively recognise these negative effects, and understand how they can undermine the foundations of business sustainability. They manage their companies so as to mitigate such effects, while contributing strategically to mutual benefits in order to foster long-term success.

<sup>6</sup> [www.worldbank.org/en/topic/poverty/overview](http://www.worldbank.org/en/topic/poverty/overview)

<sup>7</sup> Defining poverty in terms of limited capabilities to generate valuable outcomes is an approach developed by Amartya Sen initially in his 1999 book “Development as Freedom”.

<sup>8</sup> UNDP (2008). *Creating Value for All - Strategies for Doing Business with the Poor*.

*Peter-Mario Kubsch, managing director, and Ruth Hopper-Kubsch, Quality, Sustainability Management and Social Responsibility Manager, Studiosus Reisen München GmbH*



**Studiosus is a German family-owned travel business. Founded in 1954, the company has grown to become Germany's largest operator of study trips,**

**with more than EUR 230 million in annual revenue. Each year, 310 employees and 600 tour guides, the "faces" of the company, take around 100,000 tourists on 1,000 different routes in more than 100 countries. The company is guided by a clear statement of mission and values, which underlines respect and intercultural exchange and learning.**

**Studiosus is a company based in Germany. How do you work with people living in poverty in developing countries?**

First of all, it is important to define what we mean by poverty. The people we consider as poor are often not considered as poor in their own societies. So, I would rather not talk about poverty alleviation but rather about increasing opportunities. Certainly, many of these low-income people help to provide the tourism experience to our clients, even though we don't know how many exactly.

However, when we talk about the poorest of the poor, the destitute, we as a tour operator have little means to reach them. Visiting the destitute, as for example in a leprosy hospital ward, is degrading for those visited and overstrains the visitors. The exhibition of poverty comes close to voyeurism and is a no-go for us. On the other hand, our clients are challenged by the confrontation with beggars. We tell them clearly not to give money

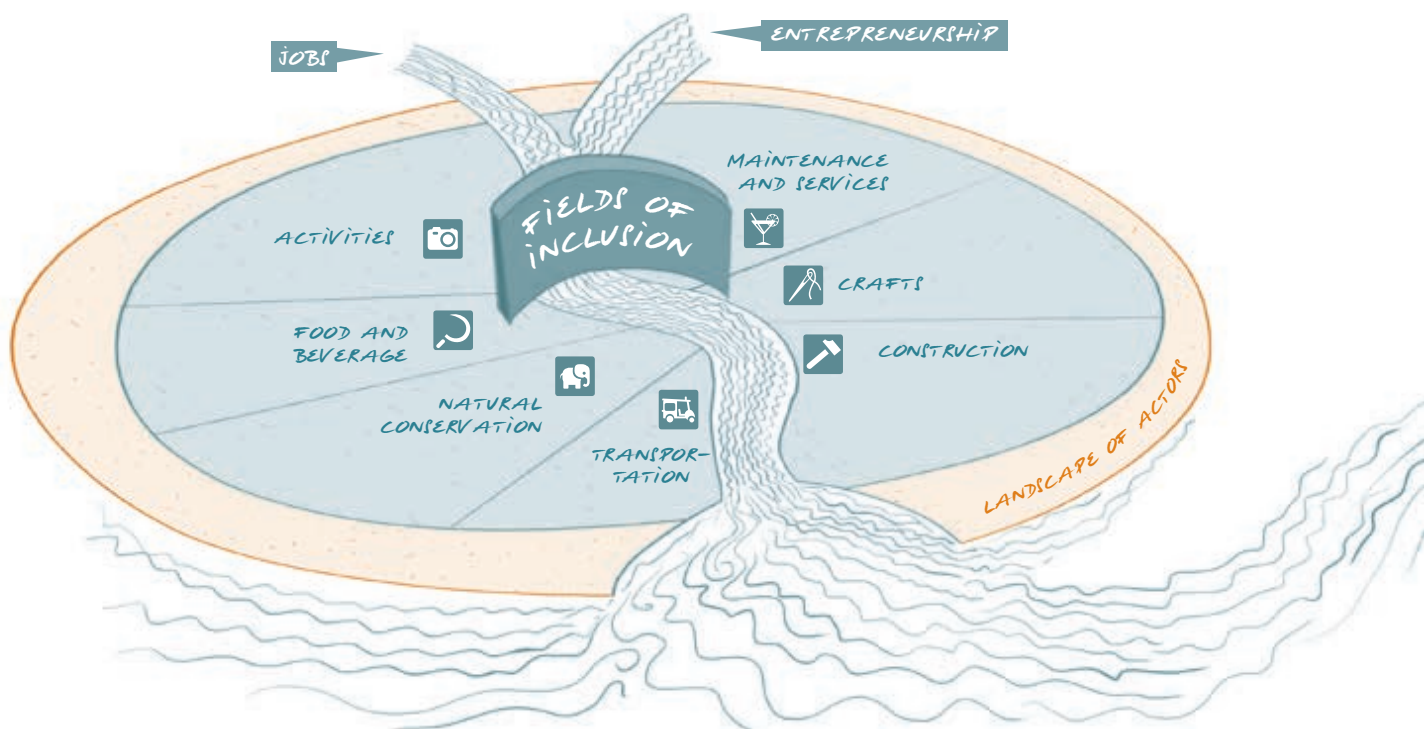
to begging children, for example, since this rewards staying out of school. Rather, we show them educational initiatives where they can give money and have a really sustainable impact on poverty.

**Studiosus also supports educational and other philanthropic initiatives via the Studiosus Foundation e.V. Are there connections between this commitment and your business?**

In our trips, we also visit social projects, including those the foundation supports. Sometimes, we see great developments over time. In Turkey, for example, we have been supporting women's entrepreneurship by funding the space where a women's cooperative has set up a restaurant. Our clients come to eat at this restaurant, learn about the stories of these women, and enjoy traditional food. Today, the women are able to pay the restaurant's rent themselves.

**Is the focus on respect and mutual benefit part of Studiosus' business strategy?**

For us, it's about sustainability. We have seen over decades now that our business is sustainable when everybody wins. And we have introduced management systems to monitor the satisfaction of our stakeholders and detect areas for improvement as well as for innovation. For example, we are conducting "forums of the visited" in destinations, where local stakeholders share their views of our tours. This helps us to maintain good relations and local support as well as to optimise the quality of our products. This approach has served us very well in the past, and with increasing awareness on issues of sustainability, it is only becoming more relevant in the future.





## Which benefits have priority for you?

Every business has different priorities and motivations for their engagement with local communities. The table below summarises the business and development benefits outlined above. Enter your own priorities on a scale from 0 (not important at all) to 3 (very important). You can use these priorities later to identify which fields of inclusion are most relevant to you. You can add a rationale or description to each priority. At the end of this exercise, you can assess whether your identified actions will deliver results towards these priorities.

Figure 5: Business and development priorities assessment

Business benefits	Priority	Description/rationale	Development benefits	Priority	Description/rationale
Product quality			Job creation		
Innovation			Enterprise development		
Reputation management			Skills and career		
Risk mitigation			Conservation		
Cost reduction			Structural improvements		



Figure 6:  
Destination:  
Mutual benefit



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# Chapter 2

# Opportunities for inclusion

Explore the fields of inclusion and discover more opportunities for collaboration with people from low-income communities for mutual benefit.

Each tourism business is unique in location and objectives, but some basic principles serve as a point of departure for everyone. Make sure you're informed about the fundamentals of human rights and working conditions in tourism. Then, use the seven fields of inclusion in this chapter to look for opportunities to increase inclusion throughout your value chain.

## This chapter will enable you to:

- ✘ Identify fields of inclusion that fit your aims and activities.
- ✘ For each opportunity, understand the benefits, risks, challenges and solutions, while ranking opportunities by potential benefit and feasibility.
- ✘ Prioritise the most beneficial and feasible opportunities for working with people from low-income communities.



## Working in partnership

Inclusive business in tourism describes an attitude rather than a new business solution. It implies that companies collaborate with low-income people as business partners.

Most tourism companies operating in developing countries already directly or indirectly include low-income people in their business processes. Sustained collaboration is dependent on mutual benefits, which in turn require respect and an understanding of each others' interests. Like in any business partnership, these interests are best identified in dialogue with business partners.

### Dimensions of inclusiveness

A variety of factors determine whether people in poverty actually benefit and can expand their opportunities when they are included in the tourism value chain. Alongside financial rewards, the amount of risk they are exposed to, the ability to make their voices heard, the creation of opportunity and the ownership of assets all play a role. These dimensions are based on the decent work agenda developed by the International Labour Organisation (ILO). To provide a contrast, the table below shows what collaboration looks like in cases where local people are not treated as business partners,

and what inclusion means for employment and entrepreneurship.

### Degrees of inclusiveness

Inclusiveness is a matter of degree rather than of absolutes. A business relationship where low-income people have to accept whatever conditions are presented to them, be it low financial rewards, long hours, short-term contracts or even health hazards, for lack of better options is not inclusive at all. The first step towards inclusion is ensuring that human rights are respected, including labour rights. The Roundtable on Human Rights in Tourism has provided guidelines on how this can be achieved. On the other end of the spectrum is a situation in which local communities and individuals act as equal business partners, can negotiate fair rewards, maintain ownership of their assets, and can influence the development of the partnership based on their own ideas and interests. Naturally, there are many positions in between these poles.

Figure 7: Dimensions of inclusiveness

Dimension	In non-inclusive business, low-income people...	In inclusive businesses,	
		low-income people as employees ...	low-income people as entrepreneurs ...
<b>Remuneration</b>	<ul style="list-style-type: none"> <li>• are underpaid and exploited.</li> </ul>	<ul style="list-style-type: none"> <li>• earn a decent income.</li> </ul>	<ul style="list-style-type: none"> <li>• receive fair payment for goods and services.</li> </ul>
<b>Risk</b>	<ul style="list-style-type: none"> <li>• fear accidents.</li> <li>• fear abuse by colleagues or customers.</li> <li>• have no secure income.</li> </ul>	<ul style="list-style-type: none"> <li>• work in a safe place.</li> <li>• receive a reliable salary.</li> <li>• benefit from social protection, as do their families.</li> </ul>	<ul style="list-style-type: none"> <li>• have access to insurance.</li> <li>• can manage liability risks.</li> <li>• have access to health care.</li> </ul>
<b>Voice</b>	<ul style="list-style-type: none"> <li>• lack ways to address grievances, offer their perspectives or shape their own futures.</li> </ul>	<ul style="list-style-type: none"> <li>• can express their concerns.</li> <li>• can organise to increase their bargaining power.</li> <li>• are involved in decisions that affect their lives.</li> </ul>	<ul style="list-style-type: none"> <li>• can form associations.</li> <li>• engage in social dialogue with companies to address needs and perspectives.</li> </ul>
<b>Opportunity</b>	<ul style="list-style-type: none"> <li>• lack access to resources for their professional development.</li> <li>• are unable to realise their potential.</li> </ul>	<ul style="list-style-type: none"> <li>• have access to further training, education and support for personal development.</li> <li>• are respected by their communities for their job.</li> <li>• are treated equally, no matter what their gender.</li> </ul>	<ul style="list-style-type: none"> <li>• have access to further training.</li> <li>• have access to potential customers and market information.</li> <li>• have access to start-up capital.</li> </ul>
<b>Ownership</b>	<ul style="list-style-type: none"> <li>• lack formal ownership of assets, or this ownership is not respected by other parties.</li> </ul>	<ul style="list-style-type: none"> <li>• participate in the profits of the business (e.g., via a bonus system).</li> </ul>	<ul style="list-style-type: none"> <li>• hold ownership of assets and can reap the benefits (e.g., via land lease agreements).</li> </ul>

## Two paths to inclusion

In general, there are two paths for collaboration between tourism companies and low-income people: either through employment or entrepreneurship. Which one is more appropriate depends on the frequency and exclusiveness of the collaboration.

### Employment

Employment of low-income people is the appropriate framework when work is needed on a daily basis, or the amount of work is such that it fills a full- or part-time position. Companies also want to employ people when they expect them to acquire specific skills for their business, and train them to their own standards. Tourism generates many employment opportunities in maintenance and service, in particular in hotels and restaurants. Other companies in the tourism value chain, such as tour operators, activity providers, and souvenir makers and shops employ people in many other areas as drivers, guides, artisans and so on. Many low-income people prefer employment over entrepreneurship, since it promises security and a stable income over the medium or long term.

### Entrepreneurship

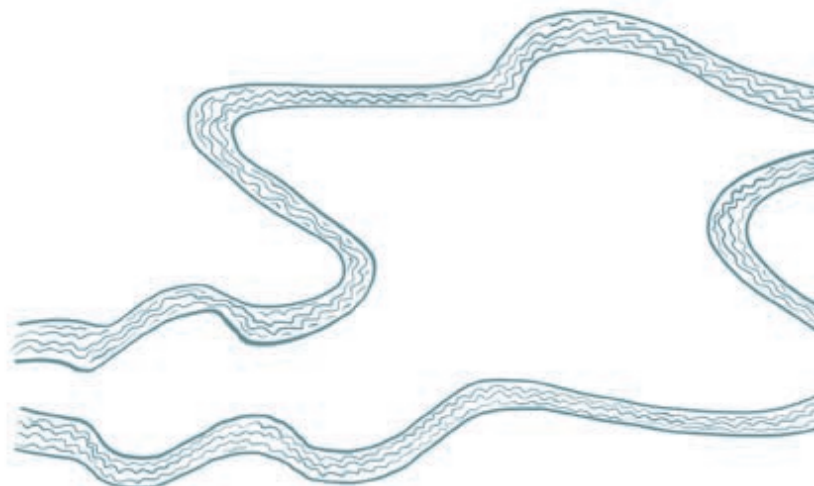
Companies work with independent entrepreneurs when they require their products or services, but prefer to buy them on the market since demand is limited or fluctuating, or when they want to make sure they always get the best quality. Low-income people are often in a unique position to provide goods and services. Smallholders can provide fresh local produce. Artisans and craftspeople master typical local techniques. Guides know their local environment and can interpret local languages and customs. Some low-income people prefer to work as entrepreneurs, since they enjoy freedom in organising their work and have a greater ability to influence their incomes and negotiate with clients.

In principle, the choice between employment and entrepreneurship is a pragmatic one. Both paths can lead to inclusion in any of the seven fields.

### Making inclusiveness part of your business DNA

Inclusive business as an attitude and strategic approach needs to be embedded in business processes, especially for larger companies that operate at multiple locations. Whether for employment or entrepreneurship, procedures can be formalised through codes of conduct or other types of corporate policy. Employee codes of conduct, supplier codes of conduct, and human rights policies can provide a useful starting point\* for broader activities. If they wish to bring their impact to a larger scale, and ensure the consistency and credibility of their inclusive business approaches, companies can use these policies to screen and select their suppliers and business partners. Reporting on both the achievements and failures relative to these policies is an important aspect of transparent business practices, and necessary in order to keep all stakeholders satisfied in the long term. Be a leader by integrating these attributes into your core business and communicating your ongoing progress in implementation.

\* SEE SUPPORT  
DIRECTORY  
ON P. 34



# Seven fields of inclusion

The seven fields of inclusion identify areas of activity in which local communities and low-income people can add particular value, based on their skills and existing activities.

These include:

- 1. Maintenance and services
- 2. Activities
- 3. Crafts
- 4. Food and beverage
- 5. Transportation
- 6. Natural conservation
- 7. Construction

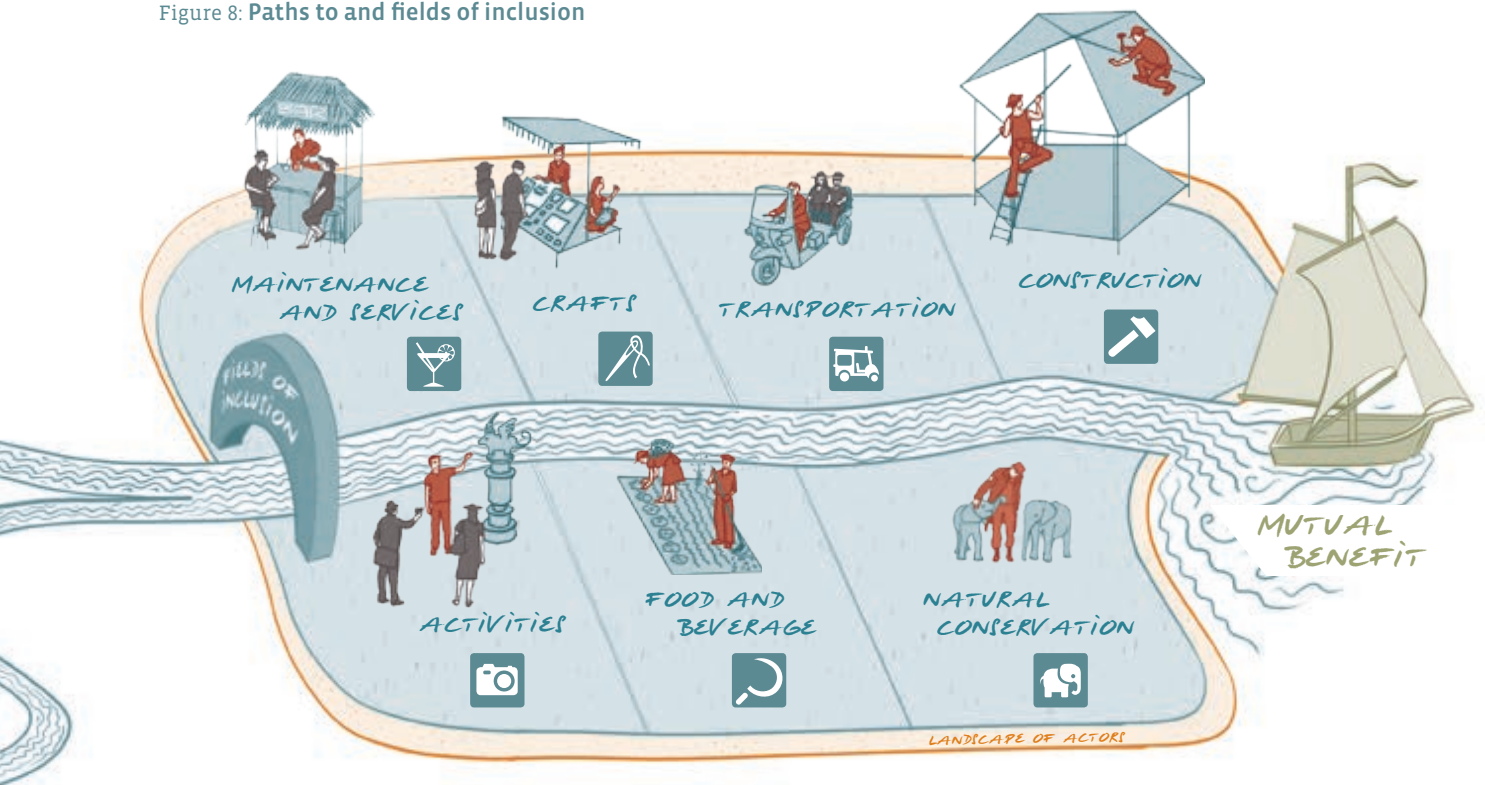
Each of these fields can be reached by either of the inclusion paths. Which field has priority and which path to inclusion makes most sense to pursue will depend on your company's specific activities and role in the tour-

ism value chain, as well as on your strategic objectives. For example, hotels will usually find opportunities to include local people as employees for maintenance and service functions, while contracting with local service providers for activities, transport and crafts. Activity providers will employ local guides and may contract out the cleaning of facilities.

On the following pages, these fields are further explained, with a closer examination of their individual opportunities, benefits, challenges and solution strategies. At the end of this chapter, you can identify your own highest-priority fields of inclusion.

SEE P. 29

Figure 8: Paths to and fields of inclusion



# General challenges and solution strategies

## General challenges

### *Skills and education:*

(Potential) employees have little prior experience or education in the tourism sector. In addition, people living in poverty lack tourism experience as customers. Both factors contribute to low skill levels. A lack of language skills is also common.

Those who are educated often find their training does not match reality. Teaching methods are often outdated (e.g., memorising facts and including little practice).

There is a lack of high-quality on-the-job training, as many managers lack the practical experience needed to guide employees or are reluctant to invest in staff members who may leave and take their skills elsewhere.

There is a high turnover rate among both skilled and unskilled workers.

### *Quality, quantity and continuity of production:*

The quality and quantity of local products, whether activities, crafts or agricultural products, may not match the requirements of companies serving customers that expect international standards.

Suppliers may go out of business or switch to other products if demand drops for a period of time.

Choosing multiple (local) suppliers can result in high bookkeeping and turnover costs, making it financially and logistically unattractive to procure locally.

Continuity of production may be disrupted by seasonal conditions or logistical challenges.

### *Social structure and exclusion:*

The social structure of low-income communities may not be easy to understand or work with. For example, there may be a difference between communities' formal and informal representatives, and power structures can be more complex than are evident from an outside perspective. Building good relations with the right representatives and individuals can be tricky.

In many cases poverty coincides with a lack of ownership. A loss of formal land rights or a history of forced migration can hinder opportunities to do business with low-income communities.

People may not have access to start-up capital and other support helpful in creating a locally owned enterprise.

While working with local communities and people as business partners can provide mutual benefits, establishing this relationship is not always easy. Some challenges exist across all fields of inclusion. They are introduced here, along with the most common solution strategies. Many of them reappear in a more specific form on the following pages.

## Solution strategies

### Capacity building:

- Improve working conditions, thereby improving the reputation of the tourism sector enough that it becomes worthwhile for people to invest in acquiring skills and education, including language proficiency.
- Improve the quantity and quality of vocational training by offering internship opportunities to enrolled trainees.
- Engage in dialogue with the local government to better match government training institutes' curriculum to the realities of tourism.
- Encourage staff loyalty through performance-based compensation and career-development opportunities.

### Supplier development:

- Provide information on demand to business partners, for example on customers' activity interests or required food items, and include quality expectations.
- Collaborate with government bodies, donors and NGOs that invest in capacity-building for local entrepreneurs.
- Facilitate access to loans for necessary investments in means of production.
- Create multiple market linkages to make it viable for producers to boost their capacity.
- Cooperate with and support the establishment of cooperatives that can coordinate the efforts of local suppliers and function as a local one-stop shop.
- Adapt product offers to seasonal availabilities, bringing diversity and local flavour to your own products.
- Work together with the local government and donors to improve infrastructure over the long run.

### Participation and ownership:

- Start to get to know the people you want to work with as early as possible.
- Seek advice from or collaborate with NGOs or other experts that already have insight into community dynamics.
- Create long-term partnerships that are mutually beneficial, keeping channels for community dialogue open in order to detect issues early and react to them.
- Support public and civil-society institutions in creating formal community-ownership structures that enable leasing or co-usage of land.
- Raise awareness of organisations providing microcredit and start-up support.
- Support promising start-ups by giving them business opportunities.



# Maintenance and services

Due to a lack of education and training, people from poor backgrounds are often limited to maintenance and service positions. However, case studies show us that companies that provide training and career opportunities enabling employees to grow professionally are rewarded with high-quality work, loyal staff members and good retention rates, as well as strong community relations. Moreover, contracting with specialised locally owned companies for maintenance and services can reduce costs, increase efficiency and strengthen the local economy.



Photo: Spier Leisure

In South Africa, Spier Leisure contracts with a local business entrepreneur for its laundry services.

## Opportunities

- Hire and train local staff members from low-income communities in different areas of customer service (e.g., as receptionists and waiters in hotels and restaurants).
- Give more business to people from low-income communities for cleaning and laundry services, gardening, plumbing, and other services.
- Tap into local knowledge by inviting local health-and-wellness-related practitioners from low-income communities to offer services on your premises.
- Work with local waste-management or recycling initiatives (e.g., local waste collectors) to process your waste.

## Benefits

- Establish good relations with surrounding communities by providing economic opportunities, while enabling your business to foster meaningful interactions between guests and staff from the surrounding area.
- Reduce staff turnover and time off for home visits.
- Increase the local community's acceptance of tourists.
- Reduce transportation costs and greenhouse-gas emissions by localising your service supply chain.
- Diversify health-and-wellness services available to guests.
- Strengthen environmental awareness.

## Challenges

- Potential local staff members may not have the skills to deliver services at international quality standards, including language skills.
- Local communities may hold prejudices against working in the tourism sector; may particularly be considered inappropriate for women.
- Investments in training may be lost if staff members join other companies.
- Services needed may not be locally available, or demand may be insufficient to stimulate entrepreneurship.
- Working conditions in suppliers' companies may not be acceptable.

## Solution strategies

- Create in-house training programmes or partner with other actors for vocational-training and capacity-building programmes.
- Provide an employee code of conduct, inform employees about their rights and obligations, and implement a grievance policy and procedure.
- Create acceptable job opportunities; for women, engage in dialogue to discover how to offer them appropriate work environments.
- Create career-path programmes to retain staff.
- Partner with other businesses to create enough demand for local services, and collaborate with organisations that support entrepreneurship through means such as microloans.
- Provide formal contracts and implement a supplier code of conduct.



# Activities

Tourists increasingly seek immersive experiences and customised trips, combining a beach holiday with a traditional cooking class, or a safari trip with a visit to a local market. Activities are a people-oriented business, opening up countless opportunities to work with locals. Focusing on including locals from low-income communities can strengthen the quality of the destination and your product. The challenges of language, liability and intercultural competence can be overcome, opening a wealth of memorable experiences for your guests.



Photo: Rinjani Trek Management Board

Local guides and porters associated through a cooperative give tourists insights into local life and culture in Indonesia.

## Opportunities

- Collaborate with local guides.
- Partner with communities that offer activities based on local skills and culture.
- Design tours that integrate activities offered by locals into existing touristic routes.
- Encourage guests to make excursions in the local surroundings and provide information.
- Work with small businesses and entrepreneurs to market your destination jointly.

## Benefits

- Provide your guests with direct insights into local life, and give them access to authentic local culture.
- Create innovative and unique products for which customers have a higher willingness to pay.
- Increase length of stay, number of return visits and potential of viral marketing by offering memorable experiences.
- Encourage conservation of local culture and traditions.
- Communicate a coherent message about what your destination has to offer and align product development with marketing.

## Challenges

- Lack of presentation skills, intercultural competence and language skills among local guides.
- Pricing of local activities may not be transparent to customers.
- Risk of creating excessive or negative expectations in communities and interfering with their ongoing work.
- Engaging local communities can be very time intensive and complicated.
- Liability issues for activity providers and operators.
- Customers may behave in inappropriate ways, ranging from disrespectful photography to engaging in prostitution with minors.

## Solution strategies

- Train local guides in intercultural communication, language and presentation skills.
- Formalise contracts and build awareness of long-term advantages of transparency, while being transparent with your guests.
- Consult community representatives on the best times for and forms of interaction with guests.
- Work together with community representatives to understand community structures and perspectives.
- Help local entrepreneurs to upgrade and ensure safety standards to minimise risks.
- Provide guests and partners with information on good visitor practices, and create appropriate channels for reporting harmful incidents.





# Crafts

The field of crafts holds great potential for inclusion, as local artisans often have unique skills and techniques for producing attractive products. In many places, crafts are offered in informal markets, and merely formalising business relations can make a difference by providing people with more reliable income opportunities. Where quality and aesthetics are a challenge, long-term partnerships can be a key to innovation, leading to increased income for artisans and your enterprise, while providing your guests with the perfect ambience and memorable gifts to take home.



Photo: Semiramis Intercontinental Cairo

Women at the A.P.E. NGO produce corporate gifts from recycled paper for Semiramis Intercontinental in Egypt.

## Opportunities

- Buy souvenirs from local artisans.
- Procure furniture, bed linings, dinnerware, office supplies and decorative materials from local producers.
- Provide space and time for artisans to sell their products.
- Give guests tips on buying locally produced souvenirs (including what not to buy: e.g., products made from endangered species) and visiting local artisans.
- Provide artisans with appropriate waste for reuse in handicrafts (e.g., for recycled-paper products).

## Benefits

- Augment and expand your product range by giving it a recognisable local identity.
- Save costs in the long run by shortening supply chains.
- Reduce hassle from informal vendors for guests.
- Create an authentic shopping experience for guests.
- Enhance waste management through recycling.

## Challenges

- Lack of market knowledge among suppliers.
- Lack of quality, quantity, reliability and availability of crafted products.
- Street vendors' selling style may be too aggressive for guests.
- Artisans may be reluctant to diversify product range, preferring sure sales.
- Local artisans may not want to engage in upcycling, due to stigmatisation of dealing with waste products.

## Solution strategies

- Provide detailed information on your product needs and those of your guests.
- Partner with cooperatives and other actors to help build local artisans' capacity.
- Work with local authorities and/or other businesses to provide informal sellers with access to formal markets, strengthening their presence and reducing their need for aggressive sales techniques.
- Create a platform with other local enterprises to create sufficient demand for a diversified product range.
- Work with local NGOs to explore possibilities for upcycling.

# Food and beverages

After a period of intense globalisation within food supply chains, a movement towards localisation is gaining ground. Sourcing food locally not only has a positive economic impact on surrounding communities, it also reduces a company’s carbon footprint and, in the long run, costs. The related possibilities for creating local and fusion menus can enchant guests. You may not be able to source locally immediately for many reasons, but if you plant seeds now, a rich harvest awaits.



Photo: andbeyond

Local farmers provide fresh vegetables to Phinda’s lodges in South Africa.

## Opportunities

- Procure food from local farmers and fishers.
- Procure cottage-industry products (e.g., jam, honey).
- Procure beverages locally (for example, coffee).
- Procure fair-trade, ethical or sustainably-produced goods.
- Produce food yourself, hiring local community members to maintain your produce.

## Benefits

- Save costs in the long run by shortening supply chains.
- Improve availability of produce and products that are rare in the local market.
- Respond to consumer demand for local experiences and sustainability and demonstrate your local commitment by introducing local ingredients and recipes into your menu.
- Give guests the opportunity to visit local production sites and learn about local food products.

## Challenges

- Quality and quantity of local products does not match demand.
- Logistics and cooling systems may not be in place, reducing reliability.
- Lack of knowledge of appropriate farming, post-harvest and hygiene techniques.
- Risk of overtaxing natural resources like water or soil.
- Demand by one enterprise may not be enough for farmers to invest in supply infrastructure.
- Contracts must be unbundled into smaller contracts to procure from smallholders.

## Solution strategies

- Provide information on type, quantity and quality of products required, enabling farmers and local distributors to meet demand.
- Collect products directly from farmers.
- Partner with development agencies and NGOs on infrastructure development and capacity-building among smallholders.
- Partner with NGOs and academia to be aware of environmental and community risks.
- Partner with other businesses and supermarkets to form a market large enough to support suppliers.
- Support the establishment of co-ops to centralise bookkeeping.



# Transportation

Whether for guests, staff or goods, most companies need transportation. Especially in urban areas, where it can be hard for guests to figure out the local transportation system, a pool of good drivers is a valuable asset. Sourcing drivers from low-income communities provides you with local experts who know their way around and can share interesting insights about the destination with your guests. Demand from tourism companies can enable entrepreneurs to start a business, expanding the positive impact on the community.



Photo: Orascom Development Holding

Business provided by Al Tarfa enabled Mohamed Kamal to start his own transport company in Egypt.

## Opportunities

- Hire drivers from low-income communities to transport your guests and your own staff members.
- Partner with local transportation-sector entrepreneurs and formalise business relationships.
- Provide information enabling guests to use drivers from low-income communities for independent excursions.
- Integrate traditional forms of transportation, such as boats or rikshaws, into activities.

## Benefits

- Local drivers are experts on the streets and can provide guests with insights into local life.
- Formalised collaboration provides you with reliable business partners and reduces risk.
- Traditional forms of transport can enhance guests' experiences and strengthen your product, while contributing to cultural preservation.

## Challenges

- Drivers may lack language and customer-service skills.
- Lack of transparent pricing when guests deal directly with drivers.
- Concerns about guest and driver safety, and liability on the part of drivers and the companies hiring them.
- Potential driver-entrepreneurs may be unable to obtain a loan for a vehicle or vehicle improvements.

## Solution strategies

- Work with a language school or provide in-house training for selected drivers.
- Require drivers to provide price lists or systems in advance.
- Work with drivers belonging to one local company, and arrange transparent prices with them.
- Create a pool of reliable local drivers that you can recommend to guests; set and enforce a safety standard for vehicles in cooperation with local authorities.
- Enable entrepreneurship by providing a contract with which potential drivers can obtain a bank loan to invest in their vehicle.

# Natural conservation

Whether a company's product is nature-based or not, a healthy environment is the basis for a thriving destination. Tourists are highly sensitive to the aesthetics of destinations, which can be spoiled by poor waste management, pollution and a loss of wildlife. Low-income communities may face hardship due to resettlement from national parks, or may not have the means to conserve the area they live in. By working together, you can find solutions and ensure that the natural environment continues to provide a solid basis for your activities.



Photo: Kampong Kepiting, Ekwisista Bali

Indonesian crab fishers at Kampong Kepiting developed a technique to increase catches and protect mangroves at the same time.

## Opportunities

- Lease land from local communities to prevent expropriation (land loss or grabbing) and provide communities with revenue from their property.
- Exchange knowledge on sustainable land use with local communities.
- Facilitate activities that employ rangers, wilderness guides and game keepers from local communities.
- Support conservation programmes that guests can visit and volunteer for or donate to.

## Benefits

- Preserve the quality of the natural environment and reduce environmentally harmful practices by providing tourism revenue as additional or alternative income stream for local communities.
- Benefit from and increase local knowledge on conservation techniques and sustainable practices.
- Strengthen your reputation by communicating your conservation work.

## Challenges

- Tourism revenue may not be enough to induce people to stop other environmentally harmful practices.
- Programmes engaging locals as rangers, wilderness guides or game keepers may not exist.
- Potential conflict of interest between companies, conservation and local livelihoods.
- Levels of environmental awareness may be low among the local population.

## Solution strategies

- Support and engage in long-term participatory processes in order to understand local community needs and find solutions; increase community's financial and non-financial benefits.
- Partner with authorities managing protected areas and other actors in programmes that aim to include people from low-income communities.
- Engage with local communities in a deliberative stakeholder process to develop appropriate compromises.
- Create incentives for waste collection, and partner with authorities and other actors to support awareness campaigns targeting the local population.





# Construction

From scouting for land to finishing the final decorations, using an inclusive business lens in your construction activities can enable you to build solid business foundations from the start. Local craftsmen may be aware of useful traditional building techniques and materials that are appropriate for your planned structure and would suit the local climate. Collaboration at the beginning of your business operations also helps to build good community relations from day one.



Photo: Dr. Anna Spenceley

Damaraland employed community members and used local materials and techniques to build the camp in Namibia.

## Opportunities

- Lease land from local communities.
- Procure local construction materials (considering local environmental conditions).
- Contract with local construction companies that have decent working conditions.
- Work with local experts and artisans who use traditional architecture and craftsmanship techniques.
- Save energy using traditional methods of climatisation.

## Benefits

- Protect land from overexploitation and maintain good community relations.
- Reduce carbon footprint of your construction project by reducing transport trips.
- Build a solid reputation with tourists and residents from the start.
- Enhance your guests' experiences by providing an authentic architectural atmosphere.
- Save on energy costs while keeping valuable traditional knowledge alive.

## Challenges

- Lack of skilled local workers.
- Lack of people with sufficient knowledge of traditional architecture.
- Traditional architecture and local materials may not conform to customer expectations; for example, air conditioning may not be necessary with traditional climatisation techniques.
- Potential for unsustainable harvest of local building materials.
- Newly built facility may put pressure on local water, energy and waste-management infrastructures.

## Solution strategies

- Partner with development agencies to provide training.
- Support local programmes aimed at preserving local architectural knowledge, and partner with architecture departments at local universities.
- Inform and educate customers about the benefits of traditional architecture.
- Invest in conservation programmes that ensure sustainable resource use and preserve local communities' access to resources.
- Implement efficient water, energy and waste-management systems.

# Prioritising opportunities for inclusion

There are many opportunities for inclusion, as the previous pages have shown. But which one do you choose? And where to start? You can use the matrix below to identify the top-priority fields of inclusion for your company.

Priority is determined by understanding which fields hold the most strategic importance for you, and where inclusive practices will be easiest to implement or expand. Fill in the boxes responding to the following questions. Use a scale from 0 (not important at all/not present at all) to 3 (very important/widely present) to rate each field of inclusion for each question.

Obviously, this is just one process designed to help you think through the various aspects to be considered as you decide to act inclusively. The process is more important than the end result. You can adjust it by adding your own criteria or changing the weight of individual categories.

Figure 9: Priority fields for inclusion assessment

	Maintenance and services <i>*9.15</i>	Activities	Food and beverage Crafts	Natural conservation Transportation	Construction
<b>A</b>	<b>Potential to meet business priorities:</b> Go back to the business priorities you identified at the end of chapter 1.* How much potential does each field of inclusion hold with regard to helping you achieve your business priorities?				
<b>B</b>	<b>Potential to meet development priorities:</b> Go back to the development priorities you identified at the end of chapter 1.* How much potential does each field of inclusion hold with regard to helping you achieve your development priorities?				
<b>C</b>	<b>Overall strategic importance:</b> Add up your ratings for business and development priorities to determine the overall priority for each field of inclusion. Now you can see which fields of inclusion hold the most strategic importance for your long-term business development. Divide by 2 to ensure equal weighting.				
<b>D</b>	<b>Existing direct collaboration:</b> Where does your company already collaborate with low-income people and local communities as direct business partners?				
<b>E</b>	<b>Existing indirect collaboration:</b> Where are low-income people and local communities indirectly included in your business? For example, do your guests rely mainly on local rickshaw drivers for transport? Do your suppliers buy produce from local farmers?				
<b>F</b>	<b>Existing service providers not yet included:</b> Where do low-income people and local communities already provide goods and services, but without being a direct or indirect part of your business? For example, are there farmers who can produce food for your restaurant? Is there a tradition of handicrafts among local women?				
<b>G</b>	<b>Existing support organisations:**</b> Are there partners that can help to implement or expand a collaboration, for example by providing technical support, capacity building, or start-up finance and advice?				
<b>H</b>	<b>Overall feasibility:</b> How feasible is it to collaborate with low-income people? Add up your ratings in dimensions D, E, F and G, and you can see the fields of inclusion in which collaboration can most easily be established or expanded. Divide by 4 to ensure equal weighting.				
	<b>Overall priority:</b> Adding together your results for strategic importance (line C) and overall feasibility (line H) indicates your overall top priorities.				

\*\*SEE NEXT CHAPTER FOR MORE INFO



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## Chapter 3

# Mapping the ecosystem of partners

No company is an island. And though there is much you can do with just your own team, some opportunities only emerge through the support of others. Many of the solution strategies presented in the previous chapter are best implemented by building on the strengths of others.

**This chapter provides an overview of potential partners on your journey to achieving mutual benefit. By the end of this chapter, you will be able to:**

- ✘ Distinguish different types of collaboration and when to use which.
- ✘ Identify those actors critical to implementing your inclusive business idea.
- ✘ Understand their motivations and organisational logic, and begin conceptualising forms of collaboration.





## Managing collaboration

Tourism companies are used to collaborating closely with a multitude of players in providing guests with an overall enjoyable experience. The concept of a “business ecosystem” is therefore not foreign to them.

### Partners in the ecosystem

When it comes to collaborating with low-income people and local communities as business partners, new and non-traditional actors may become relevant in order to overcome certain constraints. For example, NGOs and development agencies may often be able to provide support in capacity building and in organising groups of suppliers.

Inclusive business ecosystems are defined as communities or networks of interconnected, interdependent players whose actions determine whether or not a company’s inclusive business model will succeed.<sup>9</sup>

The figure on the next page provides an overview of the landscape of players that may be relevant for your inclusive business initiative. The role each type of actor may play is briefly explained. Concrete suggestions for potential partners are listed in the support directory.

### 3 strategies for collaboration

In general, three strategies can be employed to collaborate with partners in the support landscape:<sup>10</sup>

**Private initiatives** are the default operational form employed by companies. Private initiatives involve contracting partners for certain services or coordinating actions with them, albeit at arms length, that is, without sharing resources or explicitly pursuing joint goals. This may be the least complex approach, but it is not always sufficient.

**Project-based alliances** may be necessary where specific services are not readily available on the market and in cases where your company relies heavily on the resources and capabilities of another actor. A project-based alliance brings two or more players together under a formal agreement to accomplish a certain objective within a set time frame. For example, you may join forces with a development agency to build capacities for local sourcing with farmers and within your own company as well.

**Platforms** may be necessary to act collectively with several players, pool resources or coordinate action. Platforms can be used to create shared infrastructure, such as a hospitality training centre or a water treatment facility. Tourism associations often already provide a platform for companies to achieve joint objectives with their peers.

### Draft your own support ecosystem!

Ecosystems are naturally complex. You can use the figure on the next page to map out who you need to work with to cultivate a field of inclusion.

Circle the field of inclusion that represents the highest priority for your company, drawing here on the assessment at the end of chapter 2. // → SEE P. 29

Identify the constraints you may face in developing an inclusive business activity, using the profile of the field of inclusion as a starting point. // SEE FIELDS OF INCLUSION IN CH. 2

For each constraint, define solutions. Underline the solutions that cannot be fully implemented in-house but need or benefit from the support of others.

For the solutions that require support, identify partners in the landscape and circle them. You can use the descriptions on the next two pages as an inspiration. Write next to them what their role and motivation for support may be. You can also use the support directory at the end of the chapter to locate concrete support organisations. // → P. 34

Connect partners with fields of inclusion, using one, two, or three lines to indicate the kind of collaboration (private initiative, project-based alliance or platform).

You can repeat this exercise for each field of inclusion. You can also use the figure to discuss solutions and partnerships with local communities and partners.

<sup>9</sup> Gradl and Jenkins (2011). Tackling Barriers to Scale - From Inclusive Business Models to Inclusive Business Ecosystems.

<sup>10</sup> For more information about these three strategies, and on when and how to use them, see Gradl and Jenkins (2011). Tackling Barriers to Scale - From Inclusive Business Models to Inclusive Business Ecosystems.

SEE NEXT  
PAGE!

## Types of partners and their roles

There are a variety of players who can work together to generate tourism that benefits all stakeholders. The profiles below draw a rough sketch of each type of actor and the roles they typically fulfil within the support landscape. Clearly, these profiles are not exhaustive. As you map your ecosystem, the reality of your specific context is likely to yield several unforeseen nuances.

A variety of actors can turn into partners for implementing your initiative for greater inclusion. They can take different roles in creating demand, facilitating collaboration, building capacities and organising suppliers.

### **Local communities**

Communities consist of many different people with different interests and capacities. Building direct relations with formal and informal representatives of various groups within the community can help companies and firms understand locals' interests and capacities and therefore foster successful long-term business relations. Working with community organisations or local suppliers facilitates smooth-running logistics and sound bookkeeping. Even if your organisation works primarily with individuals, being able to understand the specifics of their social context can only help facilitate your mutual success in collaboration.

### **Tourists**

Guests often take an interest in local social conditions and are willing to support initiatives that create valuable opportunities for locals and people living in poverty in particular. Companies can involve tourists in such efforts by informing them of the initiatives, allowing them to participate in the initiatives, or enabling them to experience first-hand how they operate, for example by visiting a farm, thereby establishing direct contact with local business partners. Tourists can also contribute financially and sometimes even offer their own skills and contacts.

### **Other companies**

Your peers can provide models of good practice. You may also find that collaborating with peers helps establish the necessary scale for your business. For example, peer collaboration may help you create demand great enough to make local procurement financially viable for new entrepreneurs. You can also join forces with other companies on a shared agenda and lobby for policy changes or public investment, aim to influence training curricula and approaches, or build joint infrastructure such as training centres or crafts markets.

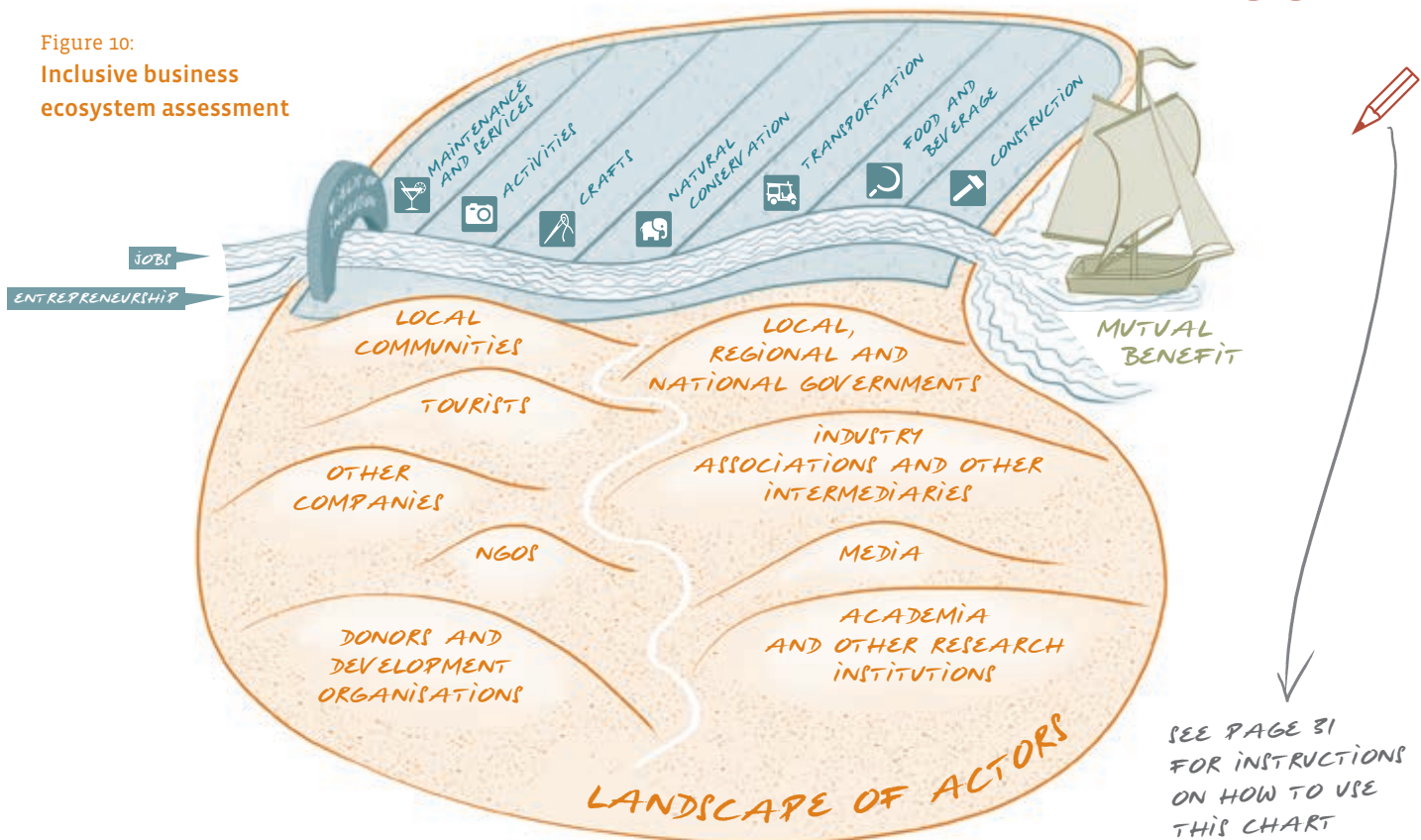
### **NGOs**

NGOs inform policy reforms, create training facilities, build capacities, help organise communities, and sometimes even act to represent communities. NGOs are experienced in participatory methods and have often already established long-term relations with communities. Therefore, NGOs can be ideal partners for building entrepreneurship opportunities, for instance by establishing artisan workshops or developing touristic activities based on local traditions.

### **Donors and development organisations**

Development organisations support capacity-building within local communities, help build organisational infrastructures for communities and advise governments on how to bring about structural transformation through policy measures. Some donors provide direct financial and technical support for starting up new inclusive business initiatives via development partnerships or challenge funds. Tourism companies can link into existing donor programmes within the tourism value chain or collaborate with donors to establish new programmes and initiatives.

Figure 10:  
Inclusive business  
ecosystem assessment



Tourism companies can also join forces with others to strengthen the ecosystem for inclusive business. This includes favourable policies, helpful standards and guidelines, broad-based awareness, and increased knowledge and understanding of inclusive business practices.

#### Local, regional and national governments

Governments have the mandate to adopt new policies and regulation; provide public infrastructure such as roads, markets or conservation areas; and provide or support services like health, education and utilities. Governments also commission development or long-term plans for tourism that often set the regulatory framework within which your inclusive business will operate. Governments need to understand what inclusive businesses need, particularly with regard to priorities and opportunities. Industry associations often provide an effective platform for voicing these interests.

#### Industry associations and other intermediaries

Associations and other intermediaries provide access to information and training as well as implementation support. They also represent their members' interests, presenting them to other parties and organising collective action. They can help companies and tourist destinations market their inclusive business and sustainability credentials.

#### Media

Media raise awareness, influence social and cultural norms, create momentum for change, and provide information to your customers. Find the right professionals to tell your story. Keep in mind that transparency is key to effective persuasion.

#### Academia and other research institutions

Researchers create knowledge that can guide business and development decision-making processes. Invite them to monitor and evaluate your activities, learn from their findings, and let your work inspire others.

Who can provide support and how is certainly unique to each situation. The descriptions of typical roles and the distinction between implementation and systems-strengthening support simplify real-world complexity, as the overlap in descriptions already shows. Finally, who will become a partner often depends much more on the motivations and capacities of individual people than on organisational mission statements. Again, entering into dialogue is already the first step in identifying joint objectives and opportunities.

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# Support directory

A variety of players offer support to tourism companies in developing inclusive business.

The list below provides contact information for organisations that address inclusive business in the tourism sector at the international level.

Donors, NGOs, business associations or universities can act as a first point of contact for information and orientation. These organisations provide funding, expertise and implementation support, often through local offices. They can also provide further links to relevant players at the local level.



## Donors and development organisations

### Aga Khan Fund for Economic Development (AKFED)

AKFED's Tourism Promotion Services (TPS) seeks to develop tourism potential in selected areas in the developing world, in underserved regions in particular. It builds, rehabilitates and manages hotels and lodges that contribute to economic growth and the overall investment climate in an environmentally and culturally sensitive manner.

[www.akdn.org/akfed\\_tourism.asp](http://www.akdn.org/akfed_tourism.asp)

### Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)

GIZ offers customised solutions to complex challenges. As an experienced service provider it offers demand-driven, tailor-made and effective services for sustainable development. On behalf of the German Ministry for Economic Cooperation and Development (BMZ), GIZ has been working on development partnerships in the tourism sector for more than ten years. It provides expertise as well as opportunities for collaboration. GIZ's Responsible and Inclusive Business Hubs (RIBHs) provide enterprises with access to knowledge in the field of sustainable development with a focus on inclusive business, thus helping to ensure that their activities contribute to the achievement of global development goals.

[www.giz.de](http://www.giz.de)

### International Labour Organization (ILO) / HCT Sector

In the hotels, catering and tourism (HCT) sector, the ILO tackles problems associated with working conditions through sectoral activities related to the ILO's four pillars. These activities constitute the ILO's Decent Work agenda in promoting labour standards, employment, social dialogue and social protection measures.

[www.ilo.org/tourism](http://www.ilo.org/tourism)

### Swiss Agency for Development and Cooperation (SDC)

The Swiss Agency for Development and Cooperation (SDC) is Switzerland's international cooperation agency within the Federal Department of Foreign Affairs (FDFA). The SDC funds projects aiming to strengthen tourism destinations and improve the economic impact of tourism on local communities.

[www.sdc.admin.ch](http://www.sdc.admin.ch)

### Swisscontact

The development organization of the Swiss private sector fosters and develops sustainable tourism approaches, e.g. by promoting destination management organisations.

[www.swisscontact.org](http://www.swisscontact.org)

### United Nations Development Programme (UNDP)

Since 1966, the UNDP has been partnering with people at all levels of society to help build nations able to weather crisis, and drive and sustain the kind of growth that improves the quality of life for everyone. The UNDP's vast network links and coordinates global and national efforts to achieve the Millennium Development Goals. The UNDP supports various tourism-related projects with a focus on inclusive business.

[www.undp.org](http://www.undp.org)

### World Bank Africa Region Tourism Strategy

The programme works to coordinate tourism institutions, professionalise tourism services, strengthen tourism value chains, and increase the competitiveness of tourism products in sub-Saharan Africa.

<http://go.worldbank.org/ALVNILZA20>

### World Tourism Organisation (UNWTO)

This United Nations agency promotes tourism as a driver of economic growth, inclusive development and environmental sustainability. It also offers leadership and support to the sector in advancing knowledge and tourism policies worldwide.

[www2.unwto.org](http://www2.unwto.org)

## Industry associations and other intermediaries

### The Adventure Travel Trade Association (ATTA)

The ATTA delivers solutions and connections that propel members towards their business goals and the industry towards a responsible and profitable future.

[www.adventuretravel.biz](http://www.adventuretravel.biz)

### AGEG Consultants

This consulting company for development policy and international cooperation offers professional know-how and services to a variety of organisations, including private companies. Sustainable tourism is one of its fields of expertise.

[www.ageg.de/fields-of-expertise/sustainable-tourism](http://www.ageg.de/fields-of-expertise/sustainable-tourism)

### Endeva

Endeva supports inclusive business development in tourism through research, training and consulting.

[www.endeva.org](http://www.endeva.org)

### Fair Trade Tourism (FTT)

Fair Trade Tourism encourages and publicises fair and responsible business practices carried out by tourism establishments in southern Africa and beyond.

[www.fairtrade.travel](http://www.fairtrade.travel)

### The Global Partnership for Sustainable Tourism (GPST)

A global initiative launched in 2011 to inject sustainability principles into the mainstream of tourism policies, development and operations.

<http://sdt.unwto.org/en/content/global-partnership-sustainable-tourism-gpst>

### Global Sustainable Tourism Council (GSTC)

This international body fosters increased knowledge and understanding of sustainable tourism practices. It promotes the adoption of universal sustainable tourism principles and builds demand for sustainable travel.

[www.gstcouncil.org](http://www.gstcouncil.org)

### High Impact Tourism Training (HITT) for the informal sector

The European Commission-funded High Impact Tourism Training for Jobs and Income (HITT) programme delivers market-driven training to informal and potential workers. HITT focuses in particular on women, young people, the unskilled and the semi-skilled, as these groups are almost always excluded from vocational training.

[www.hitt-initiative.org](http://www.hitt-initiative.org)

### The International Centre for Responsible Tourism (ICRT)

The ICRT is a network of people who support the Cape Town Declaration through their work and has a number of sister organisations. The ICRT's structure is best understood as a network with a hub in the UK and nodes in a number of countries and regions.

[www.icrtourism.org](http://www.icrtourism.org)

### The International Ecotourism Society (TIES)

TIES' global network of ecotourism professionals and travelers leads efforts to make tourism a viable tool for conservation, protection of bio-cultural diversity and sustainable community development.

[www.ecotourism.org](http://www.ecotourism.org)

### International Tourism Partnership (ITP)

The International Tourism Partnership (ITP) brings together the world's leading international hotel companies to provide a voice for environmental and social responsibility in the industry.

[www.tourismpartnership.org](http://www.tourismpartnership.org)

### mas|contour

A Berlin-based international consulting firm operating in the fields of tourism, regional development and organisational consulting.

[www.mascontour.info](http://www.mascontour.info)

**Pacific Asia Travel Association (PATA)**

The Pacific Asia Travel Association (PATA) is a membership association acting as a catalyst for the responsible development of the Asia Pacific travel and tourism industry.  
www.pata.org

**Roundtable Human Rights in Tourism**

The multi-stakeholder initiative defines itself as an open platform aiming to advance human rights in tourism. It provides incentives for enterprises, organisations and institutions that campaign for the respect of human rights in tourism.  
www.menschenrechte-im-tourismus.net/en

**Solimar International**

A tourism development and marketing firm with a focus on sustainable global development.  
www.solimarininternational.com

**Sustainable Tourism Certification Alliance Africa (The Alliance)**

The Alliance represents a collaborative, integrated approach to sustainable tourism standards-setting and certification in Africa for the benefit of people, the environment and business. It serves as a platform for generating and sharing knowledge, skills, capacity, networks and other resources to create a more enabling environment for sustainable tourism standards and certification in Africa.  
www.sustainabletourismalliance.co.za

**The Travel Foundation**

The Travel Foundation is an independent charity working with the travel industry towards a sustainable future.  
www.thetravelfoundation.org.uk

**Travelife**

Travelife is an international sustainability certification scheme. It helps its 1,300 hotel members around the world improve their environmental, social and economic impacts cost-effectively. Hotels that meet the Travelife standard are formally recognised with a Travelife award to promote their achievements.  
www.travelife.org

**Tourcert**

Tourcert is a German non-profit that provides CSR training and the "Tourcert" CSR certification to tourism enterprises.  
www.tourcert.org

**Tour Operators Initiative (TOI)**

The initiative unites tourism stakeholders from around the world to promote the development, operation and marketing of tourism in a sustainable way.  
www.toinitiative.org

**World Association of Chefs Societies**

The World Association of Chefs Societies (Worldchefs) is a non-partisan professional organisation dedicated to maintaining and improving the culinary standards of global cuisines through education, training and the professional development of international members.  
www.worldchefs.org

**Youth Career Initiative**

The Youth Career Initiative (YCI) is a 24-week education programme that provides disadvantaged young people with life and work skills. The purpose is to empower young participants to make informed career choices and realise the options available to them, enabling them to improve their employability and enhance their long-term social and economic opportunities.  
www.youthcareerinitiative.org

**Academia and other research institutions**

**Center for Responsible Travel (CREST)**

This US-based non-profit research institute promotes responsible tourism policies and practices globally so that local communities may thrive and steward their cultural resources and biodiversity.  
www.responsibletravel.org

**Centre for Responsible Tourism at Manchester Metropolitan University**

The MSc in Responsible Tourism has a Unit on Tourism and Local Economic Development which draws on the work of the Pro-Poor Tourism Partnership in which the Centre's Director, Professor Harold Godwin, was a partner. The Unit is also available as a short course which can be taken by Distance Learning, or as an intensive short course taught in a destination. The Centre also has a group of PhD students working on inclusive tourism and poverty reduction.  
www.crtmmu.org

**Eberswalde University for Sustainable Development**

The German post-graduate "Sustainable Tourism Management" programme enables post graduates to develop ecological and economic concepts for sustainable tourism and to act as connecting agents within complex networks.  
www.hnee.de/en

**International Institute for Sustainable Development (IISD)**

This Canadian-based research institute has done work on the tourism sector, focusing mainly on investment and trade policies in relation to sustainable development.  
www.iisd.org

**Leeds Metropolitan University**

The university offers a masters programme in responsible tourism management. Students are trained in methods for implementing responsible business practices that improve communities' quality of life and conserve the environment and culture of destinations.  
http://courses.leedsbeckett.ac.uk/responsibletourism\_msc

**Lucerne University of Applied Sciences and Arts |**

**Institute für Tourismuswirtschaft (ITW)**

The ITW provides extensive knowledge in tourism training and education, applied research and praxis-oriented consulting.  
www.hslu.ch/wirtschaft/w-outside-navigation/itw/w-itw-ueber-uns-2.htm

**Organisation for Co-operation and Development (OECD) |**

**Tourism Committee**

The Tourism Committee, created in 1948, acts as the OECD forum for dialogue, and for monitoring policies and structural changes affecting the development of domestic and international tourism. It actively promotes sustainable economic growth within the tourism sector. The annual OECD Tourism Trends and Policies report provides comparative policy- and data-driven surveys, through thematic chapters and country-specific policy and statistical profiles.  
www.oecd.org/cfe/tourism

**Overseas Development Institute (ODI)**

The ODI is the UK's leading independent think tank on international development and humanitarian issues. The ODI has multiple projects and publications focusing on pro-poor tourism.  
www.odi.org

**Universität Bern | Research Unit Tourism**

This interdisciplinary unit addresses tourism issues most broadly from an economic point of view, but incorporates other relevant approaches and disciplines to understand the full spectrum of the tourism sector. It is also an established contact centre for problems associated with tourism and regional economic development.  
www.cred.unibe.ch/content/research\_unit\_tourism

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### Pro Poor Tourism

Pro Poor Tourism provides information on increasing benefits for poor people through tourism including a library with pro-poor tourism literature and case studies.

[www.propoortourism.info](http://www.propoortourism.info)

### Skift

Skift is a travel intelligence company that offers news, information, data and services to professionals in the travel industry and professional travelers to help them make smart decisions about travel.

[www.skift.com](http://www.skift.com)

### TrainingAid

TrainingAid supports skills development for tourism professionals through practical online learning courses, helping translate information, data, and resources into practical knowledge, skills and solutions.

[www.trainingaid.org](http://www.trainingaid.org)

## About the implementing partners

This guide to inclusive business in tourism was produced in partnership by Endeava and the GIZ Responsible and Inclusive Business Hubs.

**Endeava's** mission is to inspire and support enterprise solutions to the world's most pressing problems, making poverty a thing of the past and preserving ecosystems for the future. In our projects, we build, share and apply knowledge to develop, implement and grow inclusive business models. The people at Endeava share a passion for positive change and inspiring collaboration.

As an independent institute, we work closely with partners from all sectors.

- We support companies, social businesses and NGOs in developing inclusive business practices through training, market research, business model development, partnership facilitation and the establishment of social performance management systems.
- We support donors, development agencies and governments in developing support programmes and policies for inclusive business, through research, training, strategy development and facilitation.
- We conduct research and provide thought leadership on inclusive business solutions in collaboration with universities, foundations, donors and companies.

Find out more on our website [www.endeava.org](http://www.endeava.org)!

Get in touch with Christina Tewes-Gradl  
([c.gradl@endeava.org](mailto:c.gradl@endeava.org))!

**The Deutsche Gesellschaft für Internationale Zusammenarbeit** (GIZ) GmbH supports and partners with the private sector in the field of sustainable development. On behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ) GIZ established a worldwide network of Responsible and Inclusive Business Hubs (RIBHs), currently operating in Jakarta, Cairo and Pretoria.

The RIBHs operate regionally and assist companies in developing inclusive business models and in promoting sustainable business activities.

We

- Support companies in evaluating their value chain and pilot projects with businesses.
- Develop training measures and business development services for smaller business.
- Establish new networking spaces to foster exchange and learning on inclusive business practice.

Companies benefit from GIZ's longstanding experience in sustainable development and within the regions. Find out more on our website [www.giz.de/ribh](http://www.giz.de/ribh)!

Get in touch with the RIBHs for Middle East and North Africa (in Cairo), Southeast Asia (in Jakarta) or Southern Africa (in Pretoria):

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This publication was researched and written by Christina Tewes-Grادل as the director, Mariska van Gaalen as the lead author and Christian Pirzer as the project manager.

**Dr. Christina Tewes-Grادل** is a founder and managing director of Endeava. Christina has co-authored more than 20 publications and led more than 50 projects on inclusive business and sustainable development. She is also a strategic advisor to the UNDP Growing Inclusive Markets Initiative and a Research Fellow at the CSR Initiative of the Harvard Kennedy School. Christina has completed a Ph.D. on the business model concept. Before founding Endeava, she worked as a strategy consultant with McKinsey & Company and with rice farmers in Madagascar. Christina believes that tourism companies can become development hubs by connecting international guests with local communities, for a much more inspiring tourism experience.

**Mariska van Gaalen** is an independent consultant specialised in the socio-economic perspective of tourism in developing countries. She has a strong interest in our rapidly changing planet and engages both on theoretical and practical levels to create better places for people to live and visit. Her study on Travellers Perspectives was well received at the 2012 Eco-tourism and Sustainable Tourism Conference in Monterey, USA. Mariska holds a master's degree in sustainable tourism management from the Eberswalde University of Applied Sciences (FH).

**Christian Pirzer** works as a consultant and project manager with Endeava. He holds a master's degree in political science from the Freie Universität Berlin and Universidad de Granada and is graduate of the SLE (Centre for Rural Development). Christian is especially interested in areas where sustainable tourism activities contribute to the preservation of nature and the adaptation to changing environments. He recently published a study on ecosystem-based adaptation to climate change and is keen to explore the potential of the tourism sector for natural conservation further.

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**Cover photo:**

This fisherman working at the ecotourism business and restaurant Kampoeng Kepiting in the mangrove forest of Tuban (Bali, Indonesia) is carrying bamboo pens for crab cultivation. The fishers developed a sustainable method of crab cultivation that minimises environmental damage by placing the bamboo pens beneath the mangrove trees so that crabs can live in their natural habitat. In addition to offering high-quality seafood at its restaurant, the business also offers educational tours of the mangrove forest and guided boat rides for tourists.

Copyright: Kampoeng Kepiting Ekowisata Bali

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Destination Mutual Benefit –  
A Guide to Inclusive Business in Tourism

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When tourism companies incorporate local communities and low-income people in their business as employees and entrepreneurs, they create a more authentic, unique and welcoming experience for guests. While tourism companies can strengthen their business foundations, local people gain access to income and development opportunities.

This guide shows tourism companies how to discover and reap their inclusive business potential.

Destination: Mutual benefit.





# Creating luxury ecotourism with the **local community**

## Executive summary

Wilderness Safaris has a joint-venture partnership with the Torra Conservancy, a community in Namibia, to operate Damaraland Camp, a luxury ecotourism enterprise. Wilderness Safaris pays lease fees to the Torra Conservancy, provides jobs for community members, uses local skills and materials in construction, and purchases local products and services.

As implemented, the model demonstrates that a joint-venture partnership can be profitable for both the private-sector operator and the community. Moreover, it illustrates that encouraging communities in remote locations to diversify their income streams can be important in order to reduce dependence on a single tourism operator for employment and business opportunities.



**COUNTRY**  
Namibia

**NAME**  
Damaraland Camp

**COMPANY**  
Wilderness Safaris

**TYPE**  
Luxury Ecotourism

**FIELDS OF INCLUSION**  
Construction, maintenance and services, activities, natural conservation



## How the business model works

Wilderness Safaris was founded in Botswana in 1983. To date it has over 50 luxury camps and safaris across nine African countries. Damaraland Camp was Wilderness Safaris' first formal camp in Namibia, with its governing agreement signed in 1996 with the Torra Conservancy, a community-registered trust. The Conservancy, covering 3,522 km<sup>2</sup>, is located in the Kunene region of Namibia, within a sparsely populated area with only 1,200 residents. The Damaraland Camp has ten luxury rooms, and offers nature drives using 4x4 vehicles, guided nature walks and mountain-bike excursions.

### Trusted relationships with local communities

Wilderness Safaris actively pursues partnerships with their neighbours in remote and biodiverse regions. The company's strategic direction is guided by the so-called 4Cs: commerce, conservation, community and culture. The sustainability of this business model is dependent on Wilderness Safaris' development and maintenance of a strong relationship of trust with their community partners. The company utilises a variety of mechanisms to ensure that this relationship persists, including paying market-price rentals, offering profit-sharing arrangements, engaging in regular dialogue and pursuing responsible business practices.

### Joint-venture partnership

With its construction of the Damaraland eco-lodge in 1996, Wilderness Safaris created the first formal joint-venture agreement between a community and a private tourism company in Namibia. The joint venture was formed as a contractual partnership between the Torra Conservancy and the private investor, with the aim of working together to establish and operate a single tourism enterprise. Wilderness Safaris funded the total cost of lodge construction, but ownership was afterwards transferred to the community at the rate of 20% a year,

beginning in the tenth year of the partnership. Once it owned 100% of the camp and its assets, the community sold 60% of the total back to Wilderness Safaris, as community leaders wanted to retain the company as a partner, and realised the marketing and management benefits of the partnership. The community retained the remaining 40% equity stake. The lodge was subsequently upgraded, with the process funded by both Wilderness Safaris and the Torra Conservancy. The Conservancy's funds were raised through the sale of the 60% equity share to Wilderness Safaris. This is one of the first instances in Namibia of a conservancy reinvesting in an ecotourism project without external support from development organisations. In addition, 10% of net accommodation fees from each guest's stay are allocated directly to the community. As a result, the Conservancy remains an equity partner, and the joint venture continues to lease the land from the Conservancy based on a percentage of revenue.

### Creating jobs and training

In addition to being joint owners of the camp, Torra Conservancy community members are employees and suppliers of goods and services, handling laundry and rubbish-removal tasks, providing firewood and conservation services, and conducting cultural tours of local communities. Local community members are also employed on a temporary basis for the construction and maintenance of rooms. Through its in-house training facility, Wilderness Safaris offers various training schemes to develop community members' skills and provides technical training to suppliers when necessary.

## SPOTLIGHT

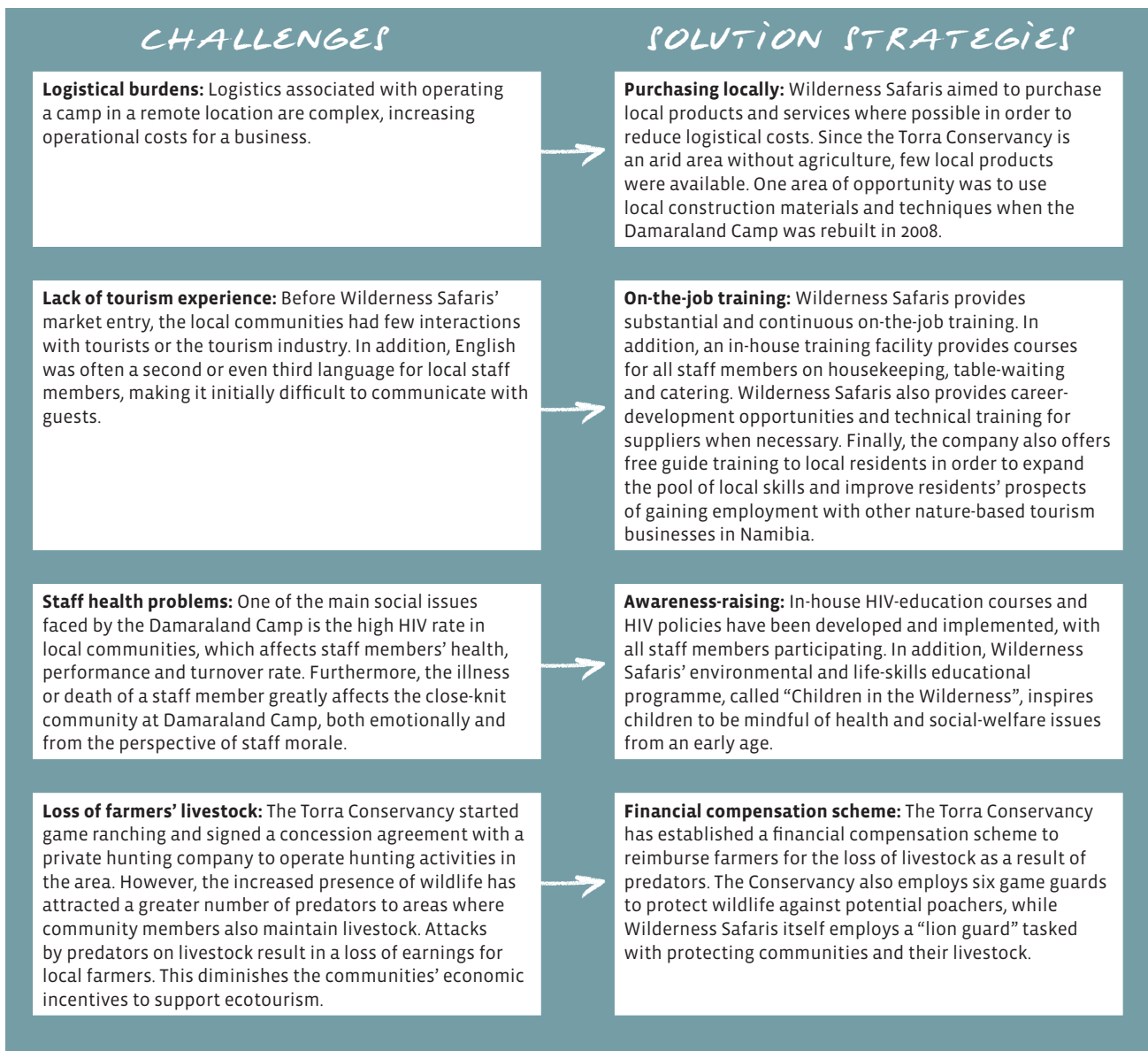
### *Pascolena Florry – from waitress to camp manager*



Pascolena (Lena) Florry, Damaraland's area manager, provides a striking example of the impact of Wilderness Safaris' in-house training. Though born in South Africa, Pascolena Florry grew up in the Torra Conservancy. She joined Damaraland as a waitress in 1997 and became the first black woman in Namibia to be hired as a camp manager. As area manager, she now represents

four camps in the northwest of Namibia. Pascolena Florry believes that the communities are proud to own their lodges: "The conservancies have become role models for reducing poverty and protecting the wildlife and environment in Namibia. It has helped a lot of women who previously simply raised children in the villages."

## Challenges and solution strategies



## Mutual benefits

### Business benefits

For Wilderness Safaris, the benefits of partnering with local communities are manifold. One central benefit of the partnership is the fact of having an award-winning camp (Eco Awards Namibia: Award of Excellence 2012) to add to its existing portfolio. Through the company's partnership with local communities, it can offer tourists rare experiences, such as the opportunity to view desert elephants. Staying in the 12-bed, self-catering Damaraland Adventure Camp accommodation, an en-

terprise owned 50% by the Conservancy and 50% by Wilderness Safaris, is another such experience. These innovative products make Damaraland a unique and memorable location, ensuring word-of-mouth advertisement and return visits.

Cost effectiveness is another important benefit. Beyond its reduction of transportation costs, the decision to build with local materials and techniques helped to improve thermal stability and sound insulation, re-

duced water penetration, provided employment for local residents, and proved to be 50% cheaper than if the camp buildings had used regular brick-based construction.

### Development benefits

Damaraland Camp's financial impact on local communities is impressive given the small size of the business overall. The annual value of payments made to the community for lease fees, laundry services and road maintenance totalled more than USD 70,000 in 2013.

The camp currently employs 30 people, of whom 75% are women and 77% come from the local community. In sum, they earn just under USD 90,000 annually in local currency. The construction of the camp required the skills of 20 to 30 construction workers, some of whom

have subsequently been employed at other Wilderness Safaris camps in Namibia. In addition, Wilderness Safaris employees from local communities receive significant training and career-development opportunities. Lena Florry provides just one of many examples of this training's value (see spotlight).

Beyond these immediate impacts, the partnership supports the diversification of the Conservancy's economic activities, thus reducing the community's dependence on Wilderness Safaris alone. In 2010, for example, Wilderness Safaris assisted the Torra Conservancy in developing and presenting a business plan to raise a commercial-bank loan in order to build the Damaraland Adventure Camp. This was the first time a Namibian conservancy had raised its own funds for construction purposes rather than turning to donor funds.

## Outlook

Future ambitions for the Damaraland Camp are simple: to generate as much income as possible for both partners. Although revenues for both partners are currently comparatively low, Damaraland was a highly successful camp before 2009 and the onset of the global financial crisis, and with an upturn in tourism could generate a significantly higher level of returns. In addition, its non-financial objective is to provide an example of a successful joint venture that other operators and conservancies can replicate. The model implemented by Wilderness Safaris demonstrates that business ventures can be profitable for both the private sector and the community; however, such success requires substantial input from the private operator, as well as a long-term approach to the business.



At Damaraland, local community members live close to the lodges.

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### INTERVIEWS

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Research for the case study was conducted in May and June of 2014

### PHOTOS

Courtesy of  
Wilderness Safaris





# Strong community partnership through long-term land leasing

## Executive summary

As a luxury tour operator active in 19 countries worldwide, andBeyond provides extraordinary experiential tours and operates 33 lodges in six countries across Africa and South Asia. One such destination, the Phinda Private Game Reserve, encompasses six lodges on rehabilitated land in rural South Africa.

Phinda represents a transitional partnership model in which the private-sector partner continues to operate, manage and market the reserve and its lodges, although a portion of the land and asset ownership has been transferred to the community. This case study demonstrates how this kind of partnership, together with philanthropic activities carried out by Phinda’s Africa Foundation, can strengthen an inclusive business approach.



**COUNTRY**  
South Africa

**NAME**  
Phinda Private Game Reserve

**COMPANY**  
andBeyond

**TYPE**  
Luxury ecotourism

**FIELDS OF INCLUSION**  
Maintenance and services,  
food and beverages,  
construction,  
activities



## How the business model works

“Care of the Land. Care of the Wildlife. Care of the People.” These are the principles underlying andBeyond’s sustainable partnerships with local communities. With Phinda Private Game Reserve, andBeyond maintains a formal partnership with the reserve’s neighbouring communities and has implemented award-winning conservation programmes.

### A high-quality safari experience

Being able to provide a luxury safari experience of the highest quality is essential to Phinda’s success. It benefits from andBeyond’s more than 25 years of experience, which began with the Londolozi Private Game Reserve in South Africa. Emphasising low-impact, high-yield tourism, the company creates mutual value for all involved stakeholders. This transitional partnership model is commercially successful, benefits poor, rural communities and contributes to conservation. In 1991, the company purchased land at Phinda and began restoring farmlands that had been degraded through years of cattle farming and the cultivation of exotic tree species. Since 1991, andBeyond has also identified a farm suitable for wildlife restocking and built several ecotourism lodges.

### Reclaiming ancestral land

In 1994, local communities in South Africa were legally empowered to reclaim ancestral lands that had been expropriated under apartheid. In 2002, the Mngobokazi and Makhasa communities filed their claims to land within the Phinda reserve. andBeyond did not challenge the claim, and received approximately USD 34.5 million from the South African government in compensation for the land and its infrastructure. In 2006, the titles to the territory and two of the six lodges located on it were transferred to the Mngobokazi and Makhasa communities.

Indicative of the strong relationship built over time between andBeyond and the Mngobokazi and Makhasa

communities, both communities invited the company to continue its operations at Phinda. This resulted in andBeyond signing a 36-year lease with an annual lease fee. The company is also committed to providing locals with solid employment opportunities. In addition, andBeyond has the option of renewing the partnership at the end of the 36-year period.

### Creating jobs for local community members

As formal partners, local community members are included in the value chain as employees and providers of products and services. Phinda employs 308 permanent staff members, approximately two-thirds of whom live in the communities immediately neighbouring the reserve. In addition, locals are contracted for construction and maintenance work. The company also sources a variety of services from members of the community, including staff transport, staff catering and shops, cultural entertainment, community tours, bush clearing and alien plant control, refuse removal, supply of fresh produce to lodges, and the production of artisanal crafts from local weavers.

### Additional community support through the Africa Foundation

andBeyond is also committed to empowering local communities as business partners in the value chain. The company pursues this through its Africa Foundation, which provides up-skilling, training and business development support to locals in rural communities adjacent to the conservation areas comprising andBeyond’s businesses. The community development support officers hired by the foundation also hail from the surrounding area. Suppliers who consistently deliver with the quality required can then provide products to other lodges within the andBeyond family. As andBeyond’s philanthropic arm, the Africa Foundation helps ensure the success of this inclusive business model.

## SPOTLIGHT

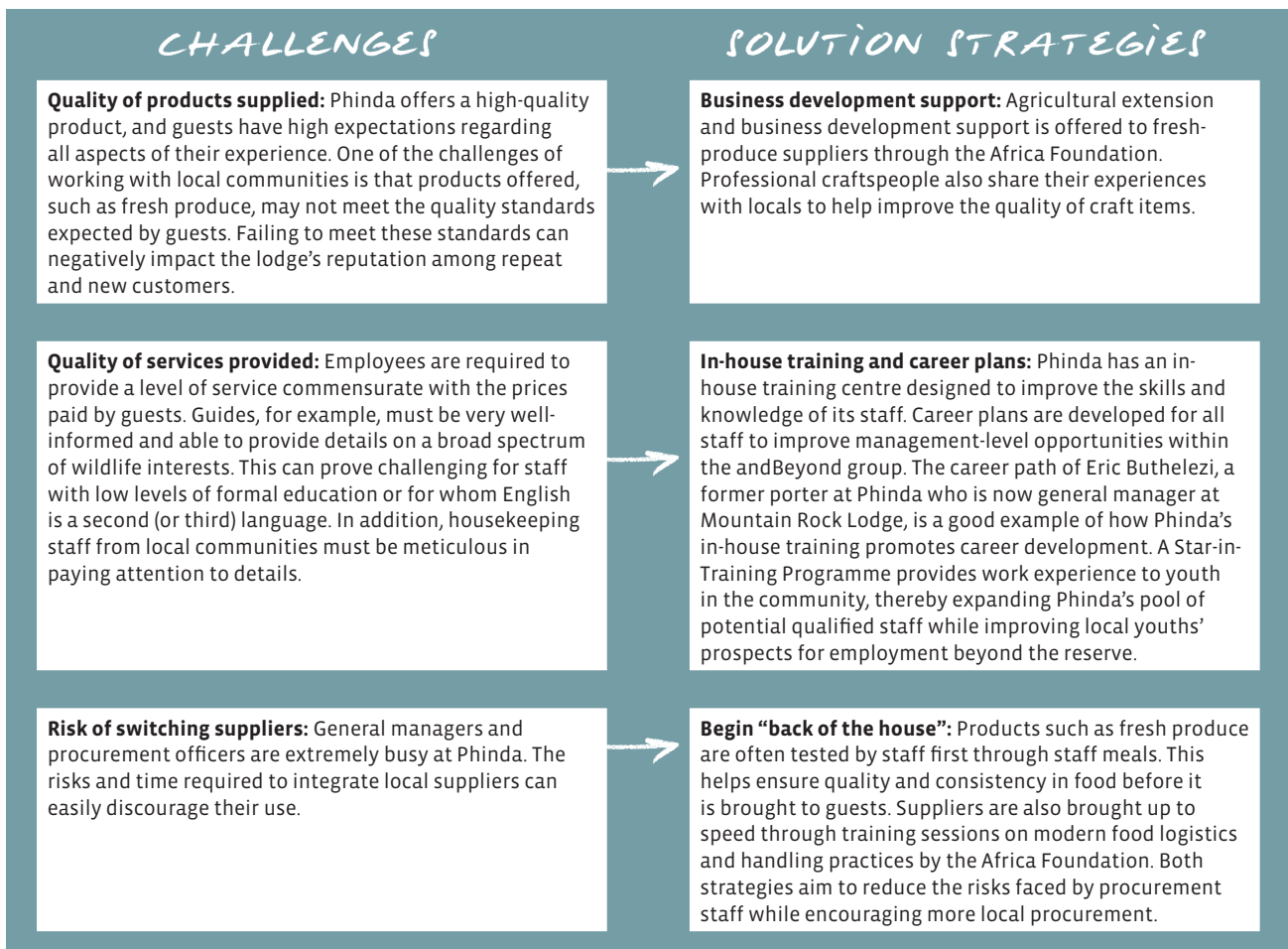
### *Pinky Lebajoa provides local and reliable food*



Pinky Lebajoa is a local farmer who provides fresh vegetables to the lodges. Her experience with the lodges has brought her not only economic benefits, but social and health benefits as well. Noting the need for food-literacy in her community, Pinky Lebajoa says: “I know exactly what the chefs like so I keep different

types of produce for each one. By the end of the month all the produce will be sold. I have now even started a food literacy programme in the community to help explain the importance of a balanced diet to children and families.”

## Challenges and solution strategies



## Mutual benefits

### Business benefits

Phinda provides a number of opportunities for guests to engage with locals and learn about conservation, while always offering a high-quality experience. Whereas the value of this inclusive business approach is less obvious in terms of attracting new customers, it is currently very valuable in terms of repeat business. The primary financial value for andBeyond thus far has been the USD 34.5 million equity sum released and paid out to the company by the South African government.

Including local community members into andBeyond's business model generates other benefits as well. This approach motivates the company's staff and strengthens its relationships with the reserve's neighbours. As Jonathan Braack, andBeyond's group sustainabil-

ity manager explains, the approach has succeeded in getting "communities to buy into the business". This generates benefits in areas such as wildlife poaching, which is on the rise as the region's population and poverty rates have increased. Pointing to locals' vested interest in preserving wildlife and good relations with the company, Braack states: "We have had three rhinos poached; our neighbours had 50. Our communities have warned us (of poaching plans) every time in advance." Partnering with local communities thus provides andBeyond long-term security in terms of its business and wildlife-conservation interests.

### Development benefits

For the local communities, this model currently carries a financial value of approximately USD 2.6 million

in lease fees paid from 2007 to 2013. In addition, these communities have benefited from the direct employment of 308 individuals in permanent positions, 52% of which are from the immediate surrounding communities. These communities also benefit from the indirect impact of employment opportunities for a total of nearly 3,000 residents. Staff from the local community receives an approximate total of USD 1.7 million in wages annually.

Phinda also hires locally for security, staff transportation, staff canteen catering and shops, cultural entertainment, refuse removal, and alien plant and bush

clearing services. This has generated approximately 100 additional jobs for local community members through outsourced labour. Procurement of local goods and services (within a 50 km radius) amounts to an average annual sum of USD 627,000.

These efforts, together with the Africa Foundation's activities, demonstrate andBeyond's long-term commitment to neighbouring communities. At the same time, these activities ensure that andBeyond has a reliable partner in its wildlife conservation efforts and in maintaining a profitable business enterprise.

## Outlook

A model such as Phinda's only works if the private investor is committed to working jointly with the communities and quantifies the value of this long-term relationship into its bottom line.

Drawing on the experience and mutual trust cultivated through its long-term relationship with local communities, Phinda is developing a sustainability plan for the future. The threefold goal here is to systematically assess the reserve and lodges' economic, social and environmental impacts; to identify opportunities that could improve performance; and to implement initiatives in tandem with neighbours. Should this plan meet with success in Phinda, it could be replicated throughout the andBeyond group and implemented at all of the company's destinations.



Phinda's luxury safari experience rests on the sustainability of natural wildlife preserved by local communities.

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Simon Naylor, Reserve Manager, Phinda Game Reserve, andBeyond

Jonathan Braack, Group Sustainability Manager, andBeyond

Bheki Ntuli, Program Officer, KwaZulu-Natal at the Africa Foundation

Pinky Lebajoa, local farmer at the Phinda Game Reserve

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Research for this case study was conducted in May and June 2014

### PHOTOS

Courtesy of andBeyond



# Local procurement strengthens a hotel’s business base

## Executive summary

Spier Leisure, part of the Spier Group, is one of the oldest vineyard and farm estates in South Africa, with agricultural activities on the estate dating back to 1692. It operates the mid-priced 155-bed Spier Hotel and conference centre in the winelands of South Africa’s Western Cape. The operation includes accommodations, restaurants, conference facilities, a picnic area and a delicatessen. Spier continuously assesses its supply chains with the aim of sourcing as many of its products locally as possible.

This case study demonstrates how a medium-sized company can restructure its procurement activities to be more inclusive and locally sourced, in the process helping to ensure long-term financial sustainability.



**COUNTRY**  
South Africa

**NAME**  
Spier Leisure

**TYPE**  
Wine farm and hotel

**FIELDS OF INCLUSION**  
Maintenance and services,  
food and beverage,  
natural conservation



## How the business model works

Spier's approach to sustainability informs all of its operations. Its mission statement is "to find innovative ways for business to succeed in balance with (the) environment and communities". Spier is owned by a South African family with a history of engagement in social and environmental initiatives.

### Making local procurement a priority

In 2004, Spier shifted its business model to incorporate more local businesses and businesses owned by previously disadvantaged groups (racial and gender groups disenfranchised during the apartheid era in South Africa) into its supply chain. Previously, Spier's approach to inclusiveness had been limited to a series of ad-hoc donations to social projects and a number of small-scale interventions, which it realised was not a proactive way of achieving sustainable development.

At the time, Spier's leisure business had a significant annual purchasing power of around USD 3 million. The company's managers realised that this power could be used to influence the local market, improving the quality and range of products available to them. It could also be used to encourage the company's existing suppliers to conduct similar reviews of their own supply chains.

Between 2004 and 2007, Spier systematically assessed and adapted its procurement system. By 2007, 79 new jobs had been created by the company's new suppliers, and USD 12.6 million in contracts had been issued. Of these jobs, 40 were held by women, and 59 by people who were previously unemployed.

### Increasing procurement from local suppliers

Today, 98.7% of Spier's total procurement budget is spent on 288 suppliers either in the local region or which qualify under the country's Black Economic Empowerment Act (BEE). Products and services purchased include but are not limited to fresh produce, beverages, building materials, construction and maintenance services, hotel room suppliers, furniture, petrol and transportation. Contracts have been agreed for wooden-deck construction, fuel-wood collection and vegetation management with local businesses predominantly staffed by previously unemployed local residents.

### Supporting supplier development and partnerships

Spier also supports the development of new local suppliers. Its laundry services, for example, were previously fully outsourced. However, the company constructed an in-house laundry centre that is today managed and operated by a local business. This helped cut Spier's costs by 25%, increased the number of people employed within the laundry business by five, and created a new and profitable small enterprise. Another such example is the joint-venture partnership created between Spier's transportation services and a previously existing transport contractor. This partnership helped Spier to satisfy its BEE requirements, while in turn providing the joint venture with 40% of Spier's non-bulk transport business.

### Increasing employment of local staff

Spier has also placed a high priority on employing local residents and members of previously disadvantaged groups. At present, local residents make up a majority of the staff within each of the company's three business branches, including wine (75% local staff), leisure (88%) and farming (100%). Members of previously disadvantaged groups work within all branches of the business (wine, leisure, farming) and at all levels, from housekeeping to marketing management.

## SPOTLIGHT

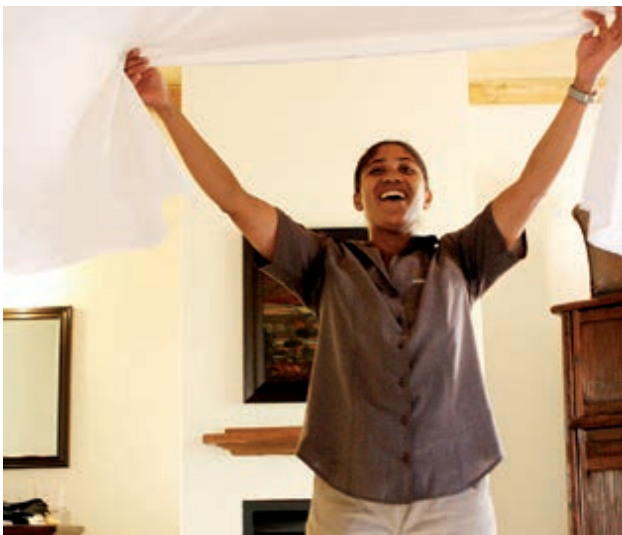
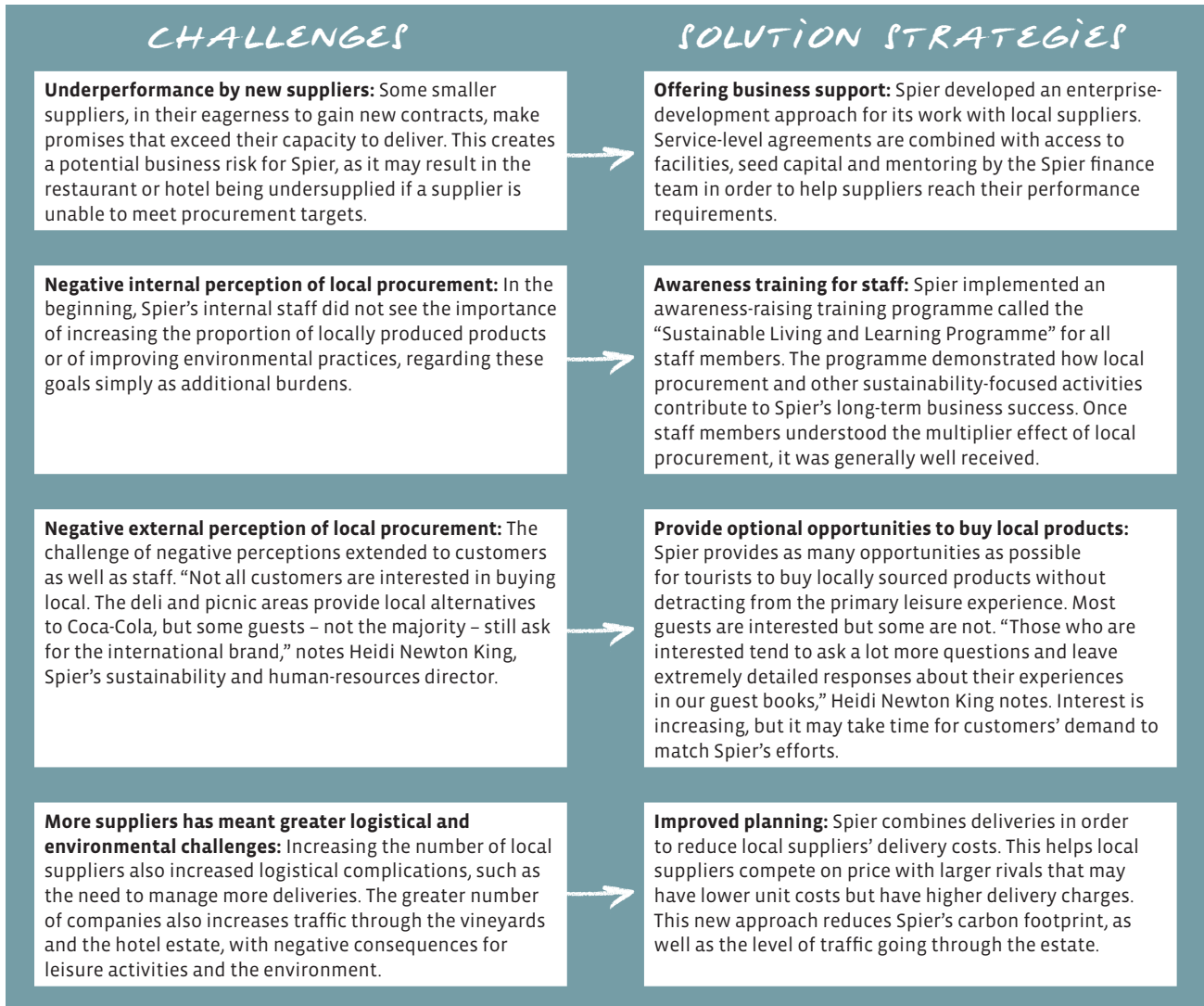
### *Bernie Samuels runs a successful laundry enterprise*



In 2004, Spier shifted from using laundry services provided by an external company to employing a local business entrepreneur working on-site. Using two containers as a workplace, local businessman Bernie Samuels, a previously unemployed father of four, today runs a successful enterprise called Klein Begin (small beginnings). He employs

five people from the local community. Samuels works hard to meet operational demands, but the creation of the business has changed his life.

## Challenges and solution strategies



Spier Leisure employs previously disadvantaged people at all levels and provides excellent training and career-development opportunities.

## Mutual benefits

### Business benefits

Spier procures locally primarily in order to gain community support and hence enhance its long-term sustainability. Short-term cost savings are therefore not the main driver of the strategy. That said, some initiatives have demonstrated a rather quick financial return on investment.

Although requiring an initial outlay of financial and technical support, replacing suppliers with local businesses has provided long-term cost savings and improved reliability for Spier. One example in this regard is the provision of laundry services. While Spier initially had to invest more than USD 11,000 to set up the laundry facility, it saved around USD 27,000 on its service contract in the first year of operation alone. At the same time, a new enterprise with multiple jobs was created, and earnings in the local community increased fourfold.

### Development benefits

The development impact associated with this business model has also been significant. The 2014 wage bill associated with the leisure business's 488 local staff members is forecast to reach USD 6.4 million. Contracts with 288 local suppliers totalled nearly

USD 2 million for the first half of 2014. Spier's additional focus on training and career-development activities within local communities has provided benefits for both the company and its employees.

As an element of this latter strategy, Spier has introduced various training programmes. In consequence, a number of second-generation employees working for Spier have reached higher positions than their parents. One such example is Letitia Mouton, a farm worker's daughter who started at Spier in an administrative function and now is a junior brand manager responsible for the leisure business. This enterprise-development approach has also helped kindle staff members' broader aspirations, empowering them to become business owners and providing Spier with new, trusted local suppliers.

Additional development benefits include the creation of a medical clinic on Spier's premises to ensure staff members are healthy and productive. Finally, with regard to the environment, Spier aims to reduce its carbon footprint by 30% by 2017. It is encouraging all staff and suppliers to contribute their emission reductions, identifying mutually beneficial strategies to reduce environmental and business costs.

## Outlook

Spier's future aim is to strengthen its level of inclusion by going beyond local employment to deal with a bigger issue, unemployment amongst South Africa's youth. The company's aim is to support 18- to 25-year-olds who have graduated from high school but have not yet managed to find employment. Spier is partnering with a not-for-profit organisation that will provide a bridging programme for these young people before they join Spier.



By combining deliveries from local suppliers, Spier Leisure reduces greenhouse gas emissions and the traffic going through the estate.

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### INTERVIEWS

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### PHOTOS

Courtesy of Spier Leisure



# A luxury lodge fostering entrepreneurial spirit

## Executive summary

Al Tarfa Desert Sanctuary is one of the first lodges to have introduced the concept of eco-luxury in Egypt. Owned by Camps and Lodges of Egypt, a subsidiary of Orascom Development Holding (ODH), the lodge provides a unique cultural experience for guests while fostering development in the local community. Al Tarfa hires locally, organises awareness sessions, trains locals on hospitality skills, and exerts considerable effort to preserve the environment and local architectural heritage.

Al Tarfa showcases the positive impact sustainable tourism can have on underprivileged agrarian communities in Egypt. In addition to creating job opportunities by introducing tourism to the area, the lodge has fostered an entrepreneurial culture amongst young locals, several of whom have established their own businesses.



**COUNTRY**  
Egypt

**NAME**  
Al Tarfa Desert Sanctuary

**COMPANY**  
Camps and Lodges of Egypt,  
Orascom Development Holding

**TYPE**  
Eco-luxury lodge

**FIELDS OF INCLUSION**  
Transportation,  
construction,  
maintenance and services,  
natural conservation



## How the business model works

Al Tarfa, is an eco-luxury lodge in the Al Dakhla Oasis in Egypt's Western Desert, which consists of 14 settlements whose combined population totals some 70,000 inhabitants. The oasis bears high potential for tourism as it includes, among other attractions, well-preserved Roman and Pharaonic temples.

With the vision of promoting a responsible approach to tourism by which locals are provided job opportunities and the area's cultural and environmental heritage is protected, Wael Abed, Al Tarfa's managing partner, joined forces with ODH within the framework of Camps and Lodges of Egypt to build the lodge. Recognising the growing interest in sustainable tourism worldwide, the organisers designed Al Tarfa to attract visitors willing to pay a premium for this kind of travel.

### Local construction techniques

Al Tarfa's complex was built in line with the architectural style of traditional oasis buildings. At once sturdy, comfortable, climate-friendly and aesthetically pleasing, Al Tarfa's buildings demonstrate the modern benefits of traditional styles and stand as examples of how the region's architectural heritage can be preserved. Currently, Al Tarfa has 20 rooms on offer, including suites available for a standard rate of USD 300 per person per night.

### Creating job opportunities

Throughout the 15 months of construction (2007-2008), the project provided employment for 60 local workers per day. Once completed, the lodge hired 100 local employees, providing them with hospitality and environmental-awareness training. With an average monthly salary of USD 210, most of these employees enjoy the benefits of long-term contracts, including medical insurance and access to career development and training. Working together with the Egyptian Ministry of Tour-

ism, the lodge also provides hospitality training programmes that are open to all local residents.

Since the onset of the Arab Spring, Al Tarfa's occupancy rate has fallen from 50% in 2010 to 10% in 2014. It has nonetheless succeeded in retaining employees and maintaining their salaries with the support of the parent company, Camps and Lodges of Egypt.

### Fostering local entrepreneurship

In keeping with its local development policy, the lodge opted to rent local trucks with their own drivers rather than outsource this service to companies in Cairo. Buoyed by increasing incomes, local truck drivers began investing in their future by purchasing new trucks, and local youth launched their own transportation company. In line with its sustainability efforts, Al Tarfa procures its food from local farmers when the items needed are available and in season. For its IT support, the lodge also works with a small Internet and mobile-phone shop owned by a young local resident. Activities such as excursions, desert-guided tours or camel-trekking are provided by locals with expert knowledge of the terrain on a subcontracted basis.

### Preserving the surrounding environment

Aiming to support local environmental conservation efforts, Al Tarfa spearheaded the move to establish Al Dakhla Dunes Park, the first national park in the oasis, by securing legal permits and government approvals.

To date, Al Tarfa has received numerous awards, including the Award of Excellence from the Egyptian Ministry of Tourism in 2012, the Condé Nast Traveller International Award, as well as honourable mentions in esteemed publications such as The Independent and The Financial Times

## SPOTLIGHT

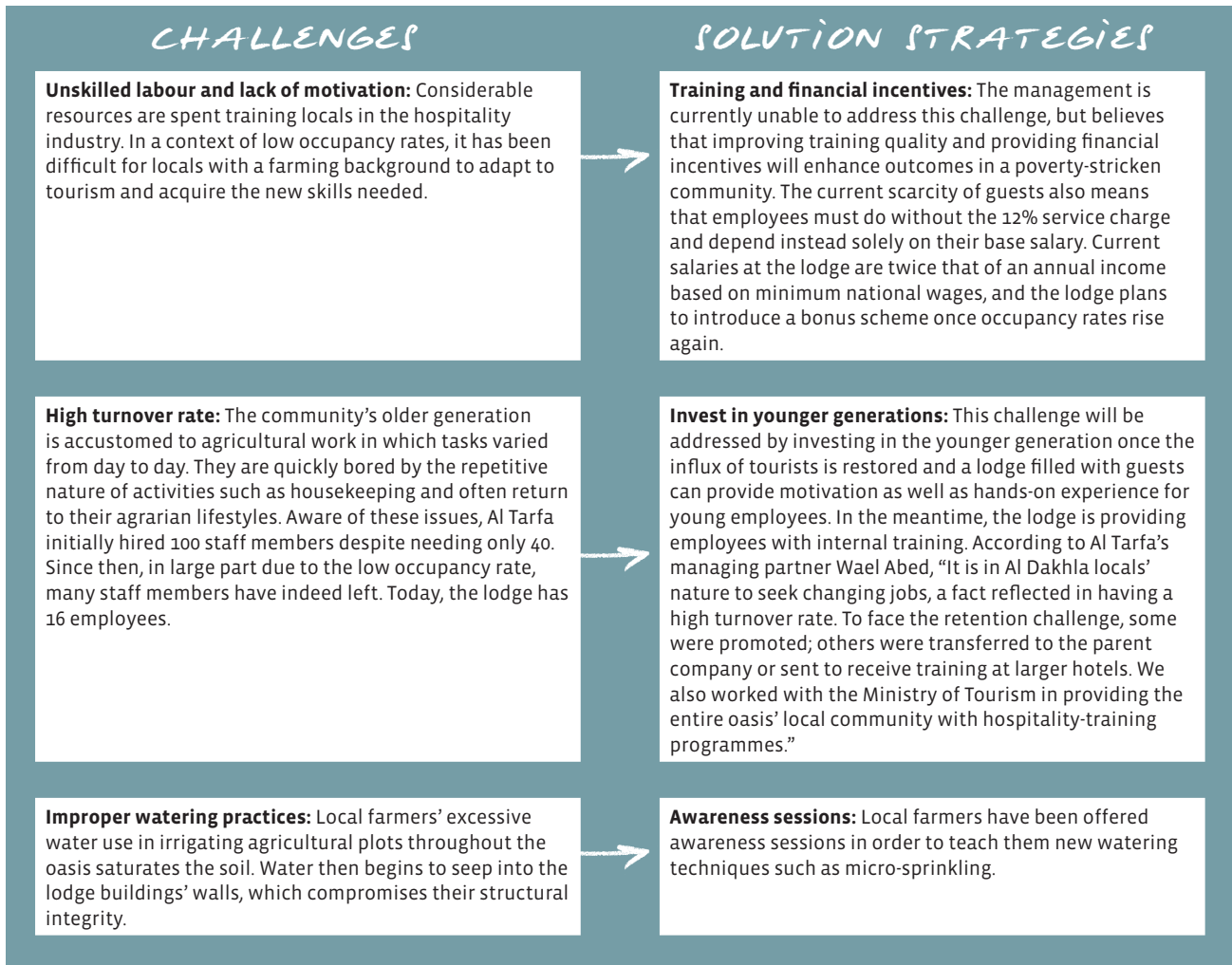
### *Mohamad Kamal builds his own transport company*



Mohamed Kamal is the owner and founder of Wahat Masr Transportation Company. He started the company in 2009 to cater to Al Tarfa and its guests. The company made a substantial profit in 2010, allowing it to expand the business and buy new cars paid on installments. As Mohamed Kamal explains: "We have been doing good business thanks to them. Al Tarfa is one of our main business

partners, we handle airport pickups as well as transport from and to different locations for their guests and staff. The idea of starting this company was there for years, but Al Tarfa's presence helped materialise it in 2009. We began operating with rentals only and now own three cars ourselves." Currently, the company also provides transportation services to locals and other companies.

## Challenges and solution strategies



**Note:** Maintaining operations throughout the off season (May to August) represents the lodge's most significant challenge. However, operating even during the hot season is important in order to ensure proper facility maintenance and

employees' financial stability. It should be noted that ongoing unrest and security concerns have affected tourism in Egypt overall since 2011. In order to ensure its viability under the current conditions, the lodge has focused on domestic rather

than foreign tourists. In recent years it has offered a reduced rate to Egyptians and foreign residents in Egypt with a promotional rate of USD 98 per person per night.

## Mutual benefits

### Business benefits

Positioning Al Tarfa as a high-end destination catering to an affluent clientele allows the lodge to charge high room rates and enables it to sustain its business during the off season. At the same time, the organisers' emphasis on responsible and sustainable business practices has enabled the lodge to survive the effects of the Arab Spring. In fact, despite the political turmoil in Egypt, Al

Tarfa has neither downsized nor shut down operations, and has maintained the financial stability of its local employees throughout the crisis, thereby gaining the trust of the local community.

The policy of hiring locally has helped the lodge maintain low costs, since employees residing nearby do not require housing or transportation. Furthermore, unlike

staff arriving from other regions, local employees do not require extensive holiday time in order to return to hometowns. Hiring locally has also allowed Al Tarfa to remain operational during the off season and throughout periods of crisis. This ensures facility maintenance and builds customer loyalty, as guests can be assured of receiving accommodation in any season.

Working with local farmers has helped the lodge save costs that would otherwise be incurred by transporting food from surrounding regions. These farmers have also helped the lodge by teaching the management about the surrounding natural environment and farming techniques for wild plants used in landscaping.

The lodge has helped instill a friendly culture by facilitating interaction between its local staff and guests. Guests often take advantage of tours and excursions led by local drivers and guides, whose knowledge of the terrain and local history enriches tourists' experience. These interactions also benefit locals as they gain exposure to an international clientele.

## Outlook

Al Tarfa's development plan includes three main projects. The first, "Organica Oasis", involves the lodge applying organic practices in planting and harvesting its own fruits and vegetables. The second project aims to expand the "Desert Library" and raise visitors' awareness of local heritage by providing books about the area's history, culture, architecture and archeology. The lodge's management also plans to encourage the local community and visitors to share ideas that have direct benefits for the environment. In one such

### Development benefits

Job creation and newfound entrepreneurship opportunities comprise the lodge's primary development impact. During construction, Al Tarfa employed 100 locals. It has since trained 100 staff members for the lodge and maintains contracts with 16 staff members.

Al Tarfa has also had an indirect impact on local handicrafts and farming. The initial influx of guests helped artisans, mostly women producing crafts such as carpets, curtains, pillows, mats and pottery, increase their sales. However, since 2011, tourist numbers have decreased dramatically, and most local artisans have returned to agrarian work. The lodge's procurement of local food has benefited farmers by generating income that was not available prior to the establishment of Al Tarfa.

In 2010, Al Tarfa collaborated with the Eye Society of Egypt to get medical convoys to come to Al Dakhla. The lodge publicised the convoy dates, handled the application process and hosted the doctors. The operations and exams took place at Al Dakhla Hospital. The convoy resulted in 600 eye consultations (including treatment) and 64 major eye surgeries, all performed free of charge. Al Tarfa thus strengthened its relationship with the locals and reinforced trust, as the service was extended to all community members, including non-employees.

case, a social entrepreneur was provided with a plot of land for planting cactus plants with therapeutic benefits.

Finally, the parent company, Camps and Lodges of Egypt, has expressed an intention to build more ecolodges. Its original plan was to replicate Al Tarfa's model every five years in different locations throughout the Egyptian desert. This plan will be reinstated once political stability returns to the country.

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### INTERVIEWS

Wael Abed, Managing Partner at Al Tarfa Desert Sanctuary  
Mohamed Kamal, Owner and Founder of the WahatMasr transportation company

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### DATE

Research for the case study was conducted in May and June of 2014

### PHOTOS

Courtesy of Camps and Lodges of Egypt, Orascom Development Holding



# Corporate gifts from paper recycling

## Executive summary

Semiramis Intercontinental, one of Egypt’s most renowned hotels, demonstrates a commitment to society and the environment. Since the mid-1990s, Semiramis has pursued an initiative to reduce its paper waste by giving it to a local non-governmental organisation that turns it into recycled products. These products are then bought by the hotel to be used as corporate gifts. This process provides underprivileged women and independent artisans with full-time jobs as well as a steady income.

This case study shows how companies can work with local NGOs to empower local communities and achieve sustainability objectives.



COUNTRY  
Egypt

NAME  
Semiramis Intercontinental  
Cairo

TYPE  
Business hotel

FIELDS OF INCLUSION  
Crafts,  
food and beverages



## How the business model works

Semiramis Intercontinental Cairo is part of the global Intercontinental Hotel Group chain and caters to tourists and business travellers. Located in a prime location in downtown Cairo, the hotel has 1,059 bedrooms, 12 restaurants and bars, and 11 function rooms.

### Sustainable corporate gifts with a story

Nabila Samak, director of marketing communications, initiated the project promoting sustainable gifts in 1995 when she was looking for locally produced greeting cards. The idea was to find an alternative to imported corporate gifts by promoting local crafts, thereby supporting local jobs and entrepreneurship. Corporate gifts are given throughout the year to VIPs, long-term guests and families with children. The company's top management levels have supported this initiative from the start, which has helped drive its success.

To produce the gifts, Semiramis partners with the Association for the Protection of the Environment (A.P.E.), a Cairo-based NGO that targets job creation and development opportunities for girls and women working as informal garbage collectors. The annual number of gifts ordered ranges from 1,000 to 2,000 depending on the hotel's needs. These major fluctuations can be attributed to the crisis ongoing in Egypt since 2011, which has had a direct impact on the hotel's occupancy rate. In 2013, the hotel purchased USD 2,000 worth of gifts from A.P.E.

The corporate gifts are inspired by Egyptian cultural heritage. Each gift has a unique story to tell that is communicated through an attached tag explaining A.P.E.'s work and how the gift has a positive impact on the women employed. Semiramis does not sell the products itself but does, on occasions such as Christmas, provide A.P.E. with space in the lobby free of charge where the

NGO can display and sell its products directly. The hotel also places small "Bedtime Story" flyers in the guest rooms that provide information about the NGO's work, the local community's living conditions and other A.P.E. products on offer.

### Coming full circle by recycling hotel paper waste

The cycle begins with hotel employees gathering all discarded paper and storing it in a designated location, which is collected by A.P.E. once a month. Using this paper waste, the women then create a range of gifts, including gift boxes, key chains, bracelets, earrings and greeting cards.

For each order of corporate gifts, Semiramis provides A.P.E. with design and quality-control specifications. Semiramis pays for the production of these gifts, picks them up, and then gives them to guests or sends them to corporate clients. A.P.E. also works with other clients such as Diwan Bookstore, Egypt Crafts Center and Markaz.

### Buying from artisans and farmers

A.P.E. is Semiramis' main partner for corporate gifts. However, the hotel also works directly with local artisans, purchasing crafts such as traditional hand-woven baskets and pottery. The hotel incorporates local products into its operations whenever possible using, for example, handwoven baskets as hampers. Recently, Semiramis also began procuring sustainably sourced food for its restaurants whenever possible or when requested by clients. In May 2014, the hotel hosted Egypt's first conference on sustainable business practices in the local food and restaurant industry. During this conference, the hotel implemented its sustainable catering concept for the dishes served throughout the event.

## SPOTLIGHT

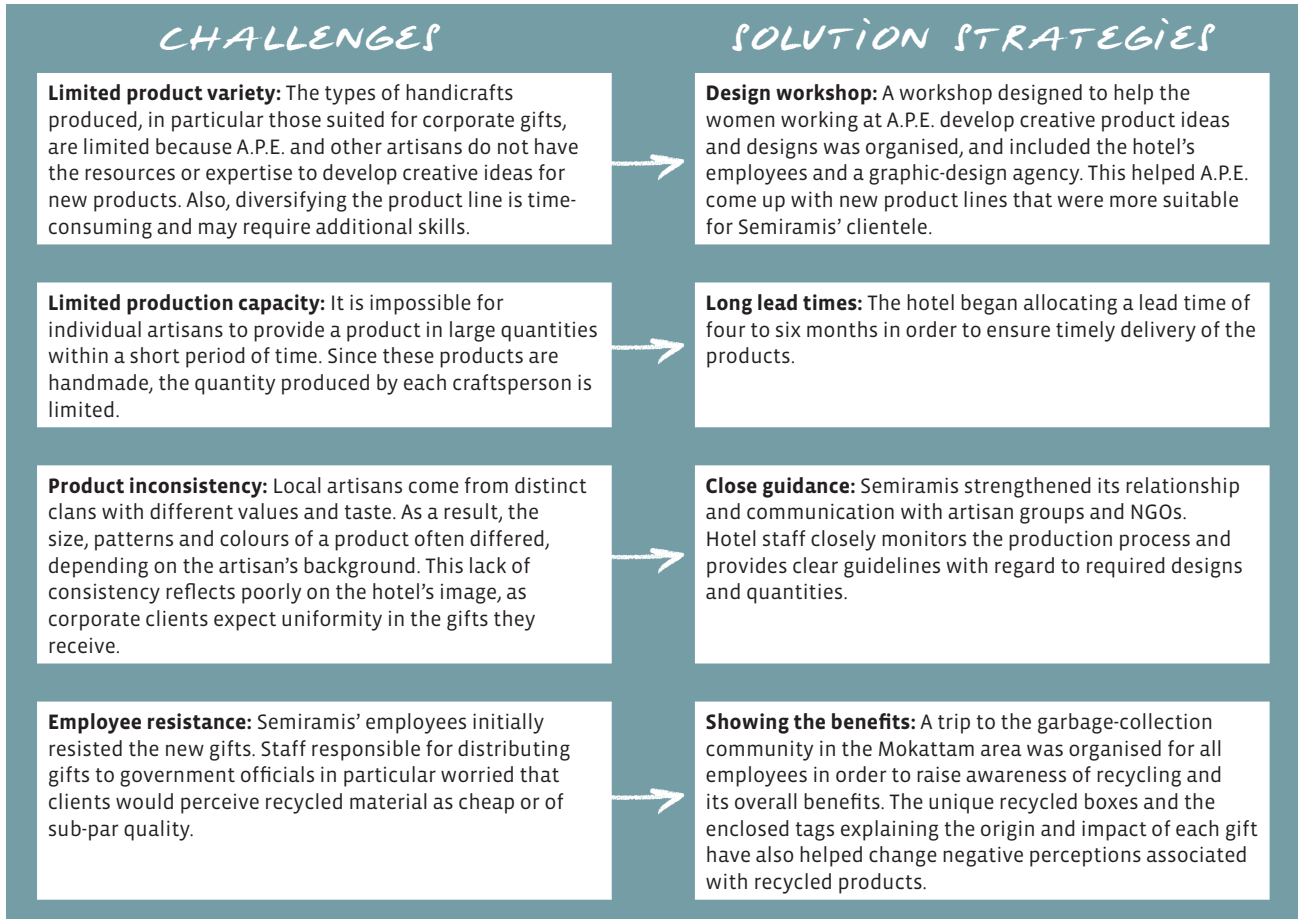
### *A reliable income enabled Hoda Fayek to invest in education*



Hoda Fayek was trained at A.P.E. as a child. Today, she heads the paper recycling project. The security of a stable income has helped her gain access to an education. Thanks to her work with A.P.E., which ensured her ongoing employment and paid holidays during exam periods, she has completed her education. Emphasising the opportunities provided by stability, she says: "Receiving orders

ensures the sustainability of the project. This means that we will get our salaries, be able to educate our children and have access to the services we need." Thanks to her work with A.P.E., Hoda Fayek was able to obtain a diploma, since the NGO provided continuous employment and allowed her paid vacations when she had exams and needed to study.

## Challenges and solution strategies



## Mutual benefits

### Business benefits

Semiramis offers its guests access to an authentic experience by making unique crafts readily available either as gifts through the concierge, as items on seasonal offer by NGOs, or as items sold directly by craftspeople in the hotel lobby. This mitigates the stress involved with dealing with local vendors in tourist areas. The culture of sustainability is felt by every guest, and the handicrafts impart a sense of doing good. Overall, this ensures repeated stays and positive reviews which, in turn, attract new guests and produce financial benefits for the hotel.

This business model has also facilitated a stronger relationship between the hotel and the local community. The positive word-of-mouth publicity about the hotel led other craftspeople to approach Semiramis about potential partnerships. This increased the pool of sup-

pliers, which increased competition amongst them and, ultimately, improved the quality of the handicrafts.

The culture of sustainability enhanced the hotel's reputation and solidified its ties to government agencies. Semiramis has received the Egyptian Ministry of Tourism's Environmental Shield Award three years in a row. Having strong government relations is of prime importance in Egypt, where bureaucracy is formidable and solid connections are essential to business growth.

Furthermore, involving hotel employees in the recycling project fostered their enthusiasm for the project and the hotel, thereby developing loyalty to and pride in their employer. This is reflected in the hotel's high retention rates and employees' hard work.

Finally, the hotel's efforts in obtaining locally sourced food provides guests with an authentically local culinary experience. Local sourcing of food will ultimately shorten the supply chain and reduce costs in the long run.

### Development benefits

A.P.E. operates out of Mansheyet Nasser, which is an unplanned urban slum in Cairo. The NGO employs 35 women and girls from the local garbage collectors community on a full-time, in-house basis and provides free day care for those with children. Responding to cultural norms prohibiting women from work outside their homes, A.P.E. also employs 20 women who work from home. The NGO aims to empower women and children in particular, as they are traditionally denied education and development opportunities in Egyptian society.

The partnership with Semiramis Intercontinental enables A.P.E. to pay their employees monthly salaries equivalent to the national minimum wage. These em-

ployees then invest their earnings into their households. A monthly income provides them with financial independence, and learning a new skill boosts their self-confidence.

The InterContinental Hotel Group's other branches in Egypt have also begun incorporating the same gifts model. Other companies have followed in Semiramis' footsteps and started sending their discarded office paper to A.P.E. This ripple effect has benefits beyond those yielded by A.P.E. and the community that it works with; it has a positive impact on the environment and supports efforts to preserve the local heritage embodied in the handicrafts.

For A.P.E., the increase in collaboration opportunities has ensured ongoing cash flows, which has helped the NGO procure machinery needed for the project. It has also allowed A.P.E. to enrol all of its employees in health programmes and literacy and English courses.

## Outlook

Semiramis Intercontinental plans to maintain its partnership with A.P.E. while, at the same time, strengthening relations with other NGOs and local artisans. The hotel is continually looking for new opportunities to link materials with local crafts to create items such as bed linens. In an effort to support the sustainability of local artisans, the hotel is considering expanding its practices and offering artisans risk-reduction measures such as advance payments or loans. Nabila Samak also advocates establishing a platform for artisans that is designed with the corporate consumer in mind in order to make placing an order easier than it is today.



Women working at A.P.E. develop creative product ideas at a design workshop.

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### INTERVIEWS

Nabila Samak, Director of Marketing Communications, Semiramis Intercontinental Cairo

Mona Hemaya, A.P.E. volunteer and founder

Hoda Fayek, head of A.P.E.

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Research for the case study was conducted in May and June of 2014

### PHOTOS

Courtesy of Semiramis Intercontinental Cairo





# Managing natural resources through ecotourism

## Executive summary

Wild Jordan is the business arm of the Royal Society for the Conservation of Nature (RSCN), a non-profit organisation with the mandate to protect Jordan’s natural resources, including wildlife and wild areas, through the establishment of reserves.

Wild Jordan manages ecotourism activities in all protected areas. The enterprise currently employs 120 people, providing local residents with employment opportunities that offer an alternative to hunting, which has been restricted for conservation purposes. Wild Jordan also oversees a range of entrepreneurial opportunities and encourages members of the local community to set up their own businesses.

This case study demonstrates that conservation efforts can be combined with ecotourism and entrepreneurial opportunities for local communities.



**COUNTRY**  
Jordan

**NAME**  
Wild Jordan, the Royal Society for the Conservation of Nature

**TYPE**  
Conservation area

**FIELDS OF INCLUSION**  
Natural conservation, maintenance and services, crafts, construction



## How the business model works

The RSCN is a non-profit organisation tasked with protecting Jordan's natural resources. It works to conserve wildlife and wild areas, in large part through the creation and maintenance of nature reserves. Its Wild Jordan business division was established in 2003 by Chris Johnson, a former head of RSCN's Socio-Economic Unit, with the aim of encouraging tourism that would raise awareness about nature conservation while having a positive impact on local communities. Wild Jordan sets up nature-based businesses such as eco-lodges, crafts workshops and restaurants with the aim of developing and providing financial resources for protected areas. The overarching goal is to conserve Jordan's natural reserves and create employment within local communities.

### Creating alternative sources of income through tourism

Prior to the founding of reserves, local community members primarily worked as goat shepherds or hunters. Neither activity ensured a steady financial income. Hunting is today limited by laws intended to protect endangered species. These laws have presented considerable problems for local residents since 1975, when the first reserve was created by RSCN. This is why alternative sources of income had to be made available to the local community. Wild Jordan addresses this problem through the creation of job opportunities in the tourism and crafts sector.

Wild Jordan is divided into three main divisions, each of which supports one another: the Wild Jordan Centre, handicrafts production workshops and tourism eco-lodges. The proceeds from each division are funnelled back to Wild Jordan to cover the operational costs of all reserves.

### Wild Jordan Centre

The Wild Jordan Centre is the operation's main promotional and marketing tool. Located in downtown Amman, the facility allows potential guests to book a

stay at any of Wild Jordan's eco-lodges. The centre also has a restaurant that uses sustainably sourced ingredients, as well as furniture and crafts shops that feature products made by the reserves' workshops. In addition, the centre offers a weekly farmers' market where local growers can sell their organic produce.

### Crafts workshops

In each of the five reserves, Wild Jordan also operates handicrafts production workshops. All of these crafts centres provide instruction in handicrafts inspired by local traditions. Locals, predominantly women, come to these facilities to work and sell their products. This serves as an income-generation opportunity for these individuals, since the crafts are sold to visitors through shops in the reserves at the Wild Jordan Centre in Amman and at other locations such as the airport. Thanks to the crafts workshops, the mostly female employees receive steady salaries, social security and health insurance for themselves and their families, as well as the opportunity to invest in saving funds.

### Tourism eco-lodges

Wild Jordan operates five tourism eco-lodges in the country's nature reserves. During the facilities' construction phase, Wild Jordan either trained and hired people from the local community for the work, or obligated a significant share of external companies' workforces to be drawn from amongst local residents, thus helping to create jobs. All lodge staff members are trained and hired locally, thus ensuring operational sustainability. This includes managers, guides, rangers and drivers. In one of the lodges, the food and beverage division has been outsourced in the form of a concession contract to a member of the local community who started as a chef in the lodge's restaurant prior to establishing his own company.

## SPOTLIGHT

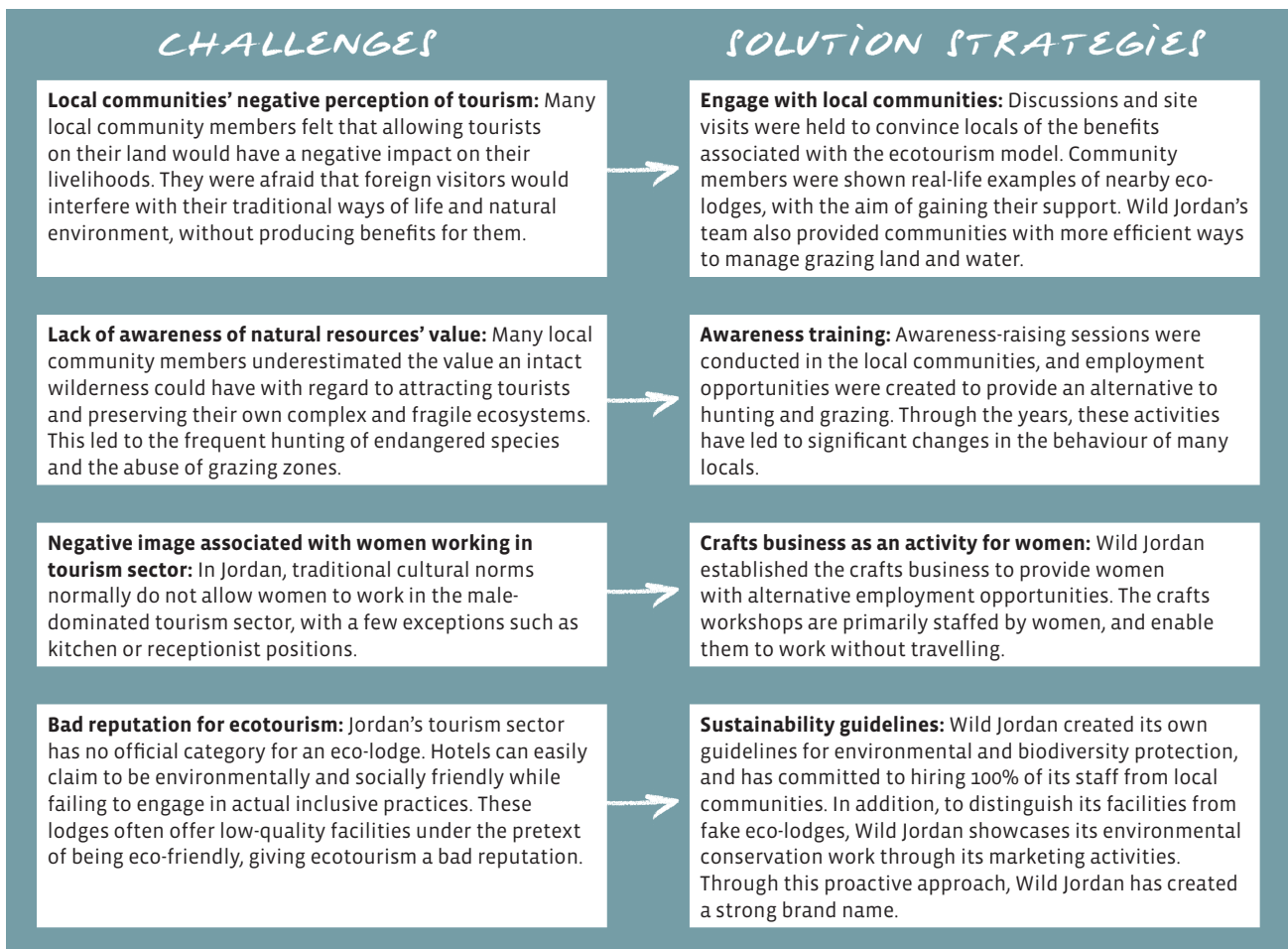
### Laith El Samady – from chef to lodge director



Laith El Samady started as a chef in Dana Nature Reserve. He went on to start his own company, and ultimately took over operation of the Ajloun lodge in the Dana reserve. "As soon as I was hired, Wild Jordan provided me with cooking training sessions for five-star hotels in the Dana reserve," El Samady said. "I was able to improve my personal skills through the

different activities offered. Wild Jordan really helped not only by providing me with a salary but by introducing me to companies in the tourism industry. This facilitated things for me when I decided to set up my own business."

## Challenges and solution strategies



## Mutual benefits

### Business benefits

Prior to the establishment of Wild Jordan, RSCN relied entirely on donors, sponsors and government grants for its funding. However, Wild Jordan today serves as a revenue-generating division that contributes to RSCN's financial sustainability. Since the commencement of business operations, Wild Jordan's revenue has grown between 15% and 20% annually, except during the years of the Arab Spring, which saw a slight decrease. In 2010, Wild Jordan's net revenue totalled USD 800,000, a sum that covered around 50% of RSCN's operational costs.

Wild Jordan's inclusion of local communities in its activities has helped it create an authentic experience for its guests. Tourists learn about the area's heritage and history through direct interactions with the staff. Fur-

**“Ecotourism is not well known in the Arab countries. When you tell the locals that you will build eco-lodges they immediately think of the traditional tourism model, with buses loaded with people invading their community. Getting them to change their mind was our biggest challenge,”** stated *Nasr Al-Tamimi, Wild Jordan's acting director.*

thermore, some guests prolong their stays in Jordan after visiting the reserves. Receiving as few as 100 visitors per year in 1994, the Dana reserve, for example, today attracts 20,000 visitors annually.

The crafts produced by reserve-based workshops are also unique to the area. Each reserve has a line of exclusive products such as jewellery, leather goods or candles, which are more attractive and hold higher value than generic souvenirs. The fact that the crafts are created on-site facilitates guests' purchases.

In 2010, Wild Jordan received the Guardian-Observer Ethical Travel Award, which bolstered its reputation as a responsible business. This has also been reflected in recommendations by travel guides such as Lonely Planet and Trip Advisor.

### Development benefits

In all protected areas, hunting and grazing are governed by very strict laws that limit local community members' ability to make a living in traditional ways. In response, Wild Jordan has created alternative employment opportunities for reserve residents. For example,

in Dana reserve, 115 jobs were created in positions ranging from lodge managers to guides, chefs and drivers. This proved to local residents that reserves hold vast potential to improve their lives, and helped make them active advocates of environmental protection.

In addition to the jobs, Wild Jordan provides local community members with capacity-building programs tailored to their identified skills. This equips them to fill positions as guides, chefs, housekeepers, managers and rangers, or to carry out other jobs needed for the eco-tourism facilities' operations.

Finally, the creation of crafts centres within the reserves helped with women's economic integration and empowerment. The workshops enable them to support themselves financially, and to improve their living conditions without challenging cultural norms.

## Outlook

In the future, Wild Jordan wants to explore the option of outsourcing management and operations for some of its activities and functions to private companies. It plans to establish a business unit that oversees the concession contracts in order to ensure that sustainable practices are maintained.

Wild Jordan would also like to create additional activities able to contribute to financing biodiversity conservation programs. Though it currently covers 50% of RSCN's operational costs, Wild Jordan's goal is to raise this figure to 100% through its own revenues. For example, it is considering lowering prices for some activities within protected areas, making them affordable to a broader segment of society.



Local residents produce and sell handicrafts inspired by local tradition in Wild Jordan's craft centres.



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### INTERVIEWS

Nasr Al-Tamimi, Acting Director of Wild Jordan

Leith El Samady, owner and founder of the Special Team for Food and Beverage Services

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Research for the case study was conducted in May and June of 2014

### PHOTOS

Title: Bernhard Rohkemper

Other photos: Courtesy of Wild Jordan, the Royal Society for the Conservation of Nature



# A crab restaurant protects mangroves

## Executive summary

Managed by a local fishermen's association, Kampong Kepiting Ekowisata Bali (Crab Village Ecotourism Bali) is an ecotourism business involving a restaurant that also offers water sports services and educational tours in the mangrove forest of Tuban in Bali, Indonesia. The enterprise purchases seafood directly from local fishermen and hires local community members for its restaurant staff. This close collaboration saves costs and helps control the quality of products and services. It has also helped local fishermen multiply their revenues by nearly fivefold since the launch of the business.

This case study provides insights into how a purely local fishery enterprise can achieve social, environmental and financial returns by managing a restaurant for tourists while providing income sources for local fishermen and conserving the indigenous mangrove forest.



**COUNTRY**  
Indonesia

**NAME**  
Kampong Kepiting Ekowisata  
Bali

**TYPE**  
Restaurant and  
fishery business

**FIELDS OF INCLUSION**  
Maintenance and services,  
food and beverages,  
natural conservation



## How the business model works

Kampoeng Kepiting Ekowisata Bali is managed by the Wanasari Fishermen's Association, a local cooperative established to improve the welfare of Wanasari fishermen. In 2009, many of the association members were affected by the development of the Nusa Dua Highway, which claimed a substantial part of the Tuban mangrove forest, altered the landscape and interfered with fishermen's activities. Local fishermen have traditionally relied on the mangrove forest to make a living through fishing and crab collection.

### A sustainable method of crab cultivation

While looking for new sources of income, one of the association members, Made Sumasa, discovered a sustainable method of crab cultivation that minimises environmental damage. The method involves placing bamboo pens beneath the mangrove trees in which crabs can live in their natural habitat.

### A locally owned and managed ecotourism business in the mangrove forest

Under the leadership of Made Sumasa, the Wanasari Fishermen's Association received a USD 32,000 start-up grant in 2010 from a state-owned company's corporate social responsibility (CSR) programme to develop an ecotourism business in a one-hectare mangrove forest, Kampoeng Kepiting Ekowisata Bali (Crab Village Ecotourism Bali). The ecotourism business was designed with four pillars in mind: crab cultivation, culinary experience, water sports and environmental education. With the annual renewal of its CSR funding, the business has succeeded in gradually expanding its capacity and infrastructure. The purpose of each year's CSR grant depends on the submitted proposal. For example, in late 2013, the business managed to open its main pillar, a 160-seat restaurant. Targeting mostly domestic tourists, the restaurant provides a high-quality seafood dining experience amid beautiful scenery in the mangrove forest. The cost of an average meal ranges from USD 5 to USD 10, which is an affordable price range in the Bali restaurant market. Run by a management team of five community members, the business today employs 30 restaurant and ecotourism staff members from local

families as cooks, waiters, cashiers and cleaners. Kampoeng Kepiting is proud of the fact that their business is owned and managed by fishermen for fishermen.

### Seafood sourced from local fishermen

The restaurant sources seafood products from local fishermen at USD 5.50 per kilogram. Groups of five to seven fishermen manage the bamboo crab pens, with each group producing up to 25 kilograms a day to supply the restaurant. In order to ensure a healthy, sustainable supply from all pens, the restaurant purchases crab alternately from each, rather than consecutive days from a single pen.

### Supplementing revenues through touristic activities

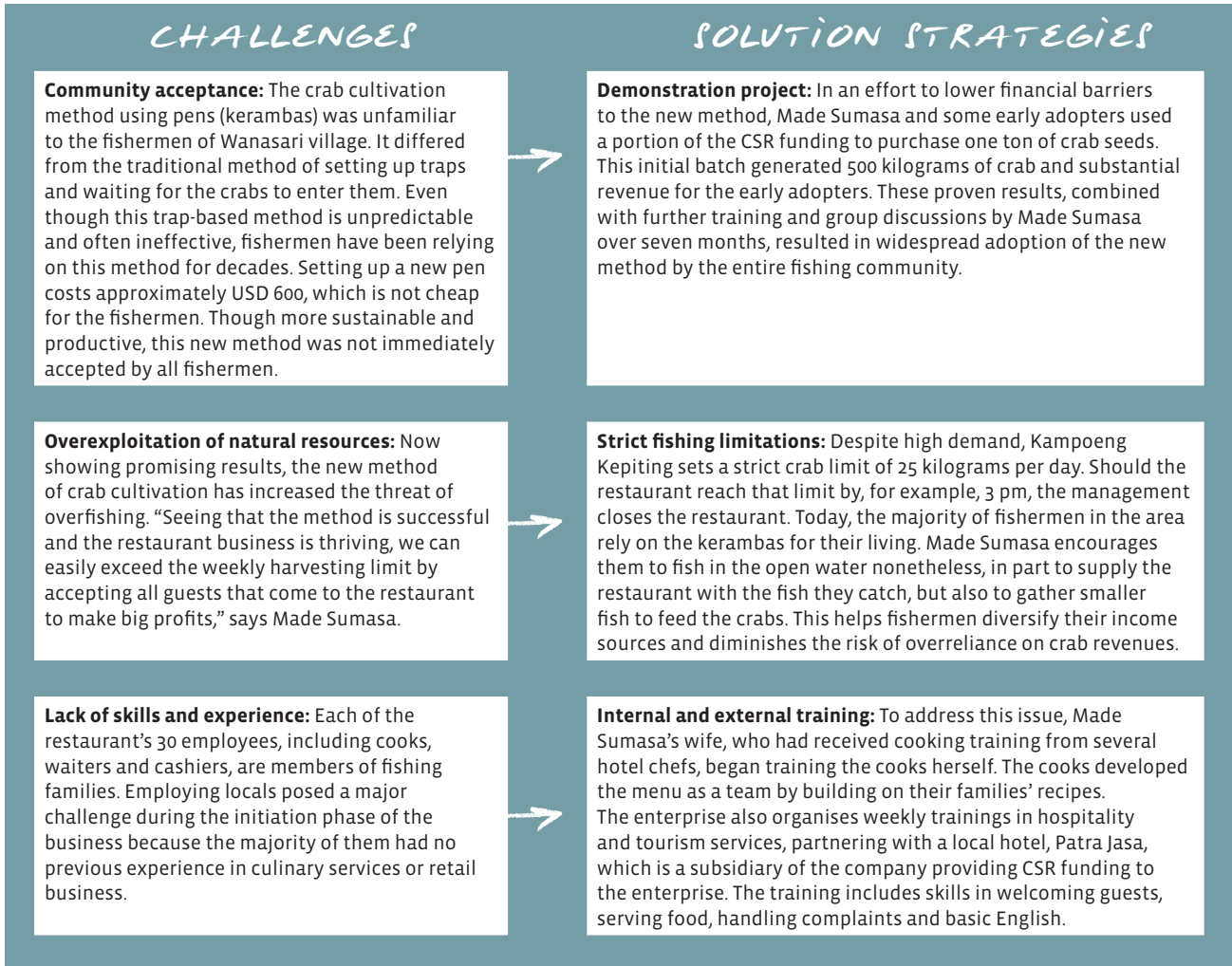
Kampoeng Kepiting also offers water sports attractions and educational boat tours within the compound. Visitors can learn about the importance of mangrove as a natural habitat for many species and see fishermen in action cultivating crab in a sustainable manner. A one-hour boat ride guided by local fishermen costs USD 6. The fishermen retain 40% of this fee and the rest is kept by the business. Local fishermen can supplement their income by renting out their boats and canoes for these water activities. The business also offers a gazebo with a 100-person capacity for meetings, weddings and corporate gatherings at a rate of USD 250 per hour. This generates limited but steady revenues for the business.

In order to attract visitors, the ecotourism enterprise works closely with an advertising agency to enhance its media presence. In 2014, the enterprise's novel approach was covered by two national television shows and several culinary and travel blogs. Shortly afterwards, the restaurant observed an increase in the number of tourists visiting.

Members of the Wanasari Fishermen's Association use environmentally friendly bamboo pens for crab cultivation.



## Challenges and solution strategies



*Made Sumasa explains,  
 "We do not want to overexploit crab cultivation, because it is our backbone. Without the kerambas, the restaurant business will not sustain itself."*



Made Sumasa, member of the Wanasari Fishermen Association is one of the leading forces behind the ecotourism project Kampong Kepiting.



In addition to crabs, fishers at Kampong Kepiting catch fish to diversify their income and avoid the overexploitation of the natural crab stock.

## Mutual benefits

### Business benefits

Kampoeng Kepiting's locally oriented business model has resulted in tangible outcomes. The company today attracts up to 150 visitors per day and generates a monthly net profit of USD 7,000 to USD 10,000. The management team is excited about the business potential since these figures were achieved within six months of the restaurant's opening.

By working closely with the fishermen who manage the crab pens, Kampoeng Kepiting ensures the quality of the products they serve at the restaurant. This partnership also reduces transportation costs, because the supplies are on site. The fact that the new cultivation method is predictable, productive and does not involve high operating costs helps keep the restaurant's prices low. The menu developed by the local cooks is a fusion of traditional Balinese fishing-community recipes, Indonesian dishes and Western-style preparations. The local flavours give the restaurant an edge in Bali's fiercely competitive restaurant market. In addition, the mangrove tours help spotlight the mangrove's role in preventing coastal erosion, while giving a glimpse of three fishermen actually engaged in sustainable crab cultivation. Making use of local fishermen's knowledge of their own environment separates Kampoeng Kepiting from other ecotourism attractions in Bali.

### Development benefits

For the fishermen, crab sales and boat rental revenues add up to USD 150 per month on average. This represents a significant increase compared to before the opening of Kampoeng Kepiting, when these sources yielded just USD 30 to USD 50 a month. In addition to the financial benefits, the fishermen received training in a more productive method of crab cultivation. The business also creates a reliable market for the fishermen's products, allowing them to take on less risk as they take advantage of bigger opportunities.

The business has provided 30 jobs for the fishermen's families, 60% of which are held by women. This employment also comes with regular training in hospitality and other services, which has immediate use at Kampoeng Kepiting, but also supports these individuals in other career opportunities should they seek employment in other tourism enterprises.

## Outlook

Kampoeng Kepiting plans to increase its staff size from its current 30 to 60 in one year and provide further English-language training to its staff in anticipation of an increase in international guests. Financially, the enterprise aims to generate revenues of USD 2,500 per day. The management also plans to build more facilities, such as a fourth gazebo for meetings and a yoga

space in the mangrove forest. Extra services such as outbound tours and corporate reforestation packages are also planned. Kampoeng Kepiting plans to keep the business strictly fishermen-owned and managed, and to forego working with big investors.

### INTERVIEWS

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Agus Diana, Secretary & Treasurer of the Wanasari Fishermen's Association

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### DATE

Research for the case study was conducted in May and June 2014

### PHOTOS

Courtesy of Kampoeng Kepiting Ekowisata Bali





# Bringing local guides together with international tourists

## Executive summary

The Rinjani Trek Management Board (RTMB) is a multi-stakeholder partnership that has created a business ecosystem enabling local enterprises and individuals to gain their share of benefits from trekking activities in the Mount Rinjani National Park on the island of Lombok in Indonesia. The RTMB was established to coordinate two formally registered cooperatives that manage the region’s 18 trek organisers and provide training for porters and trekking guides.

This case study highlights how strong community participation can trigger a series of developments that establish a dynamic business ecosystem able to offer financial, social and environmental returns for entrepreneurs and the community alike.



**COUNTRY**  
Indonesia

**NAME**  
Rinjani Trek Management Board and its affiliated cooperatives, the Rinjani Trek Centre and the Rinjani Information Centre

**TYPE**  
Ecosystem enabling public-private partnership

**FIELDS OF INCLUSION**  
Activities, natural conservation



## How the business model works

Designated as a national park in 1997, Indonesia's Mount Rinjani National Park on the island of Lombok has been a popular destination for backpackers for three decades. The trek organiser business flourished throughout the 1990s as tour packages including transportation, accommodations and tour guides grew in popularity. Many of these businesses were foreign-run/owned or involved non-Lombok-based tour operators. Despite the high volume of tourists, local communities have often been excluded from the economic benefits of tourism, and most locals have continued to struggle in poverty. Concerns have also been raised about environmental costs incurred by the growing influx of tourists, which has generated an urgent need for sustainable waste management.

### An ecotourism platform

The RTMB was established in 2003 to address these and other issues as the successor to Rinjani Trek Ecotourism, a programme that had been funded by the New Zealand Aid Programme since 1999. The RTMB has been tasked with expanding the social, economic and conservation benefits of ecotourism activities in the national park by establishing partnerships between the tourism industry and local communities. To sustain its operations, the RTMB relies on park entrance fees. It receives nearly 68.5% of these funds (USD 10.30 of the USD 15 entrance fee), and the rest is allocated to local governments.

RTMB established two community-run cooperatives – the Rinjani Trek Centre (RTC) in Senaru and the Rinjani Information Centre (RIC) in Sembalun Lawang – to serve as the focal point of all trekking activities. In addition to providing financial services such as savings accounts and loans to members, the RTC and RIC cooperatives have become registered tourism operators. Having established a roster mechanism, they act to ensure local trek organisers take turns delivering services. Local trek organisers wanting to operate in the area must register with the cooperatives and pay an annual license fee of USD 50. Foreign and domestic visitors to the Rinjani area

have three options when booking trekking packages: the RTMB's website, the cooperatives' website or tour agents.

### Building capacities

RTMB has also expanded the community's capacity to actively participate in the tourism business by providing various trainings. RTMB provides guides and porters with first-aid and rescue training in order to ensure the safety of visitors on the trails. For locals aspiring to become trek or village guides, RTMB also offers training in English-language and hospitality skills as well as basic geology and volcanology. In order to become a licensed guide, individuals must first master these subjects and gain practical experience on treks, often as porters, for periods of three to five years. To date, the RTMB has issued 200 guide licences and trained over 400 porters in the area. This kind of community-oriented platform for the large-scale training of local porters and guides is unprecedented in the country.

The RTMB also supports local initiatives by actively promoting them through the board's network. For example, several active women in the community formed the Women's Guide Association, which has recruited 40 women and provided them with basic tour-guiding and English-language training. These female guides now offer a half-day Panorama Walk tour through traditional villages, rice fields and waterfalls. The RTMB helped design the tour, ensuring that it included services and features that attract tourists, and promotes it through its marketing channels.

The RTMB, RTC and RIC have successfully integrated park management, community development and tourism, three areas that beforehand had operated separately. Together with community stakeholders, the management board works towards standardising trekking packages, ensuring that clients are provided a high-quality service and that everyone, including guides and porters, stands to gain from tourism.

### SPOTLIGHT

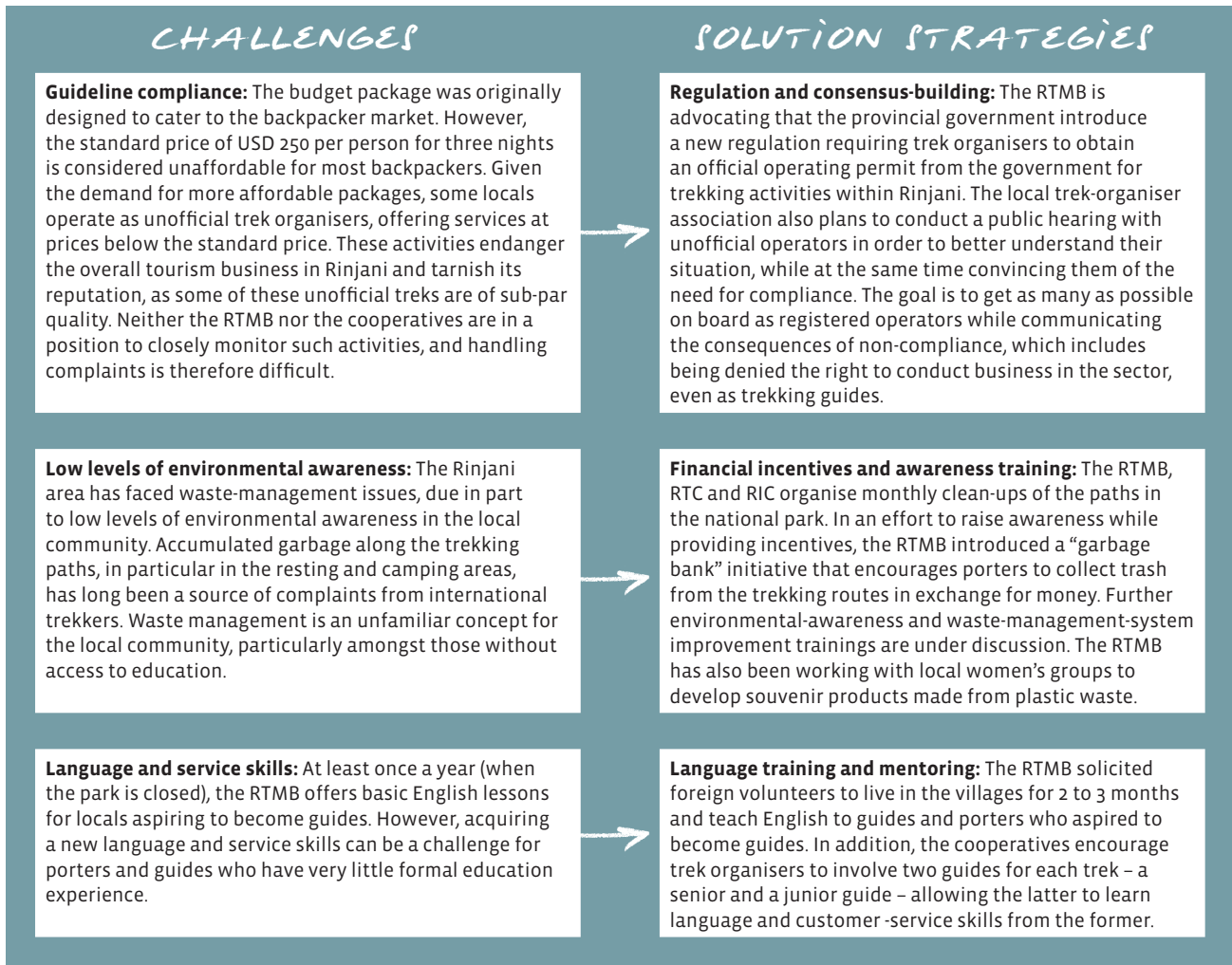
#### *Pardi's language skills opened up new career opportunities*



Pardi, a trekking guide in Senaru, recounts his experience: "I started by being a porter because I did not understand English at the time, but I then received training in English and other skills from the RTMB. I then practiced by mustering up the courage to speak with the tourists. Now,

I understand not only English, but a little bit of Dutch and French as well, which I've learned on my own." Pardi makes on an average of USD 250 per month for his various activities. He is saving little by little, aspiring to establish his own trek organiser business someday.

## Challenges and solution strategies



## Mutual benefits

### Business benefits

By engaging the local community and providing training in human-resources skills, the Rinjani tourism activities have improved the quality of services provided over the years. This is reflected in the growth in the volume of visitors. Over the last six years, Mount Rinjani National Park has seen an annual growth rate of foreign and domestic visitors exceeding 13% and 17% respectively. With 13,005 foreign visitors and 6,909 domestic visitors in 2013, individual trek organisers earned up to USD 6,600 in profits during nine months of operation. This growth in scale, linked with an emphasis on local participation, is unprecedented in the country. As a result, Rinjani has received several awards, including

the Award for Innovative Ecotourism from the Ministry of Tourism (2004) and a Legacy Award from Conservation International and National Geographic Traveler. It has also been a finalist in the Tourism for Tomorrow Destination Awards (2005 and 2008). These awards have helped strengthen its international reputation and relationships with local stakeholders.

Working with locals enables the RTMB to develop innovative tour programmes for visitors, thus offering more variety in products that are interesting to visitors and beneficial for the local community. The Panorama Walk is just one example. The RTMB can also rely on the community’s support when implementing monthly

clean-up and waste-removal programmes. In maintaining infrastructure such as shelters and trekking paths, the RTMB uses locals as construction workers, which is more cost-effective than bringing in outsiders. Working with locals has benefits in keeping costs low, which helps maintain affordable trekking package prices.

### Development benefits

There are clear and substantial development benefits generated by the Rinjani tourism ecosystem. With regards to the Panaroma Walk, for example, the chairperson of the Women's Guide Association Resi Budiana states: "Since joining the association in 2010, I can support my family financially. I receive up to USD 42 per month (from tour-guide income) and can save it up to support my family during the months when the park is closed and my husband does not have a steady source of income."

The poorest, most vulnerable individuals in the Rinjani tourism ecosystem are guides and porters. Because they operate on a freelance basis and sign up rosters held by each trek organiser, their income relies heavily on the number of trips they work on. The training provided by the RTMB in language, hospitality and safety skills allows porters to advance their career by becoming licensed guides in three to five years, thus increasing their income.

Before the creation of the RTMB, RTC and RIC, porters earned only USD 1.25 per day. In the current ecosystem, they earn ten times that amount: USD 12.50 per day. A senior porter can earn up to USD 125 per month during the low season and up to USD 250 a month during the high season. Guides, by contrast, earn USD 17 per day and can earn up to USD 330 per month during the high season.

## Outlook

In April 2014, the Indonesian Forestry Department issued a new regulation raising the entrance fee from USD 15 to USD 25 per person per day, and making the fee a "non-tax state revenue", which requires all revenues to be allocated to the Forestry Department. Together with community stakeholders, the RTMB negotiated with the government to postpone the new regulation until next year. Once the new park entrance-fee regulation comes into effect and the Forestry Department claims all revenues, the RTMB will lose the funding source it needs to provide services. Transforming the RTMB into a cooperative that manages the RIC and RTC, and generates its revenue through a share of bookings has been under discussion, but

no specific arrangement has been decided upon yet. The community-driven ecosystem currently in place and made possible by the RTMB is unlikely to collapse even if the RTMB is dissolved.

The two cooperatives, the RIC and RTC, will continue to play their role in directing visitor traffic to the registered local trek organisers. In the meantime, plans are under way to open a new trekking route in the eastern half of the island to attract more visitors. A cooperative will be established in this area to encourage the creation of new local trek organisers and provide income-generating opportunities for potential porters and guides in the community.

#### INTERVIEWS

Asmuni Irpan, Executive Director of the Rinjani Trek Management Board

John, head of the Rinjani Trek Center (RTC) Cooperative

Sumatim, Treasurer of the Rinjani Trek Center (RTC) Cooperative

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#### PHOTOS

Courtesy of The Rinjani Trek Management Board and its affiliated cooperatives, the Rinjani Trek Centre and the Rinjani Information Centre



# Community conservation of the great Papua wilderness

## Executive summary

Established as a limited partnership in 2005, Papua Expeditions offers professionally guided birding, wildlife, hiking and trekking expeditions that are led by indigenous locals in the wild frontier of western Papua. In order to promote biodiversity protection, Papua Expeditions arranges and signs conservation agreements with landowners covering the areas where tourists are allowed to visit.

The enterprise employs indigenous locals from villages surrounding these protected areas exclusively and guarantees fair remuneration for their services. This case study provides insights into how to include marginalised groups in conservation efforts.



**COUNTRY**  
Indonesia

**NAME**  
Papua Expeditions  
(CV. Ekonexion)

**TYPE**  
High-end adventure  
tour provider

**FIELDS OF INCLUSION**  
Activities,  
natural conservation



## How the business model works

West Papua is one of the last great tropical wilderness areas left in the world. As a native of this wild region, Like Wijaya has travelled extensively throughout her homeland and has seen an enormous variety of endemic birds. In 2005, she established Papua Expeditions under a limited partnership framework specialising in bird watching and began offering natural history tours throughout Papua. Together with her husband, Iwein Mauro, an acclaimed birder with extensive experience across Asia, Like Wijaya has succeeded in attracting tourists to enjoy Papua's great wilderness areas.

### A high-quality tourism experience

Papua Expeditions generates revenue from five different tour packages, including birding walks, birding breaks, outdoors breaks, birding expeditions and outdoors expeditions. The shortest tour, the birding walk, lasts from one-half to a full day, at a cost of approximately USD 150 per person. The birding and outdoors breaks last from five to six days, at a cost of about USD 2,000 per person. The longest and most popular packages, the birding and outdoors expeditions, range from nine to 19 days and cost anywhere from USD 4,000 to USD 8,000 per person. These all-inclusive fees are based on a maximum of six participants.

Tourists have learned about Papua Expeditions from various sources, including Internet advertising, Lonely Planet, through an episode on birds in the BBC's "Natural History" series, as well as through articles featuring Iwein Mauro. Papua Expeditions mainly attracts tourists from Europe, USA, Australia, China, Hong Kong and Taiwan.



### Conservation agreements with indigenous landowners

To protect the precious ecosystems it depends upon, Papua Expeditions arranges conservation agreements with customary landowners in its three primary destination areas: Waigeo, Jayapura, and Manokwari. Agreements range from paying a daily "respectful usage" fee per visiting tourist without restricting the traditional usage of the land to a formalised leasing agreement in form of a Community Conservation and Ecotourism Agreement. Landowners or land-holding groups receive payments in return for carefully defined and monitored conservation outcomes, whereby compensation is provided for any restrictions on traditional usage practices.

On the island of Waigeo, for example, a group of customary landowners belonging to two different clans with 92 km<sup>2</sup> of forested land under their custody signed an agreement with Papua Expeditions under which their clans and communities have agreed to new limitations on activities that might threaten wildlife in the area. The agreement bans logging and mining, and stops or otherwise restricts traditional usage throughout an uninhabited river catchment. Subsistence gardening is being discontinued over a period of natural soil replenishment; the use of traps and ground snares is absolutely forbidden, and pig-hunting is restricted.

### Creating job opportunities for locals

Today, Papua Expeditions has four full-time and one part-time staff member in its head office in Sorong, and employs up to 80 daily workers per month, all of whom are entitled to ancestral land rights and/or reside at the destinations within the enterprise's portfolio. They serve as guides, porters and cooks on the tours. Since most staff members join Papua Expeditions without formal training, the enterprise provides on-the-job training in birding, wildlife biology and English. Although the tours operate primarily during the high season (June-November), Papua Expeditions pays its staff members a monthly salary regardless of tourist volume.

Guests and guides enjoy the bird-watching opportunities in the Papua wilderness together.

## Challenges and solution strategies

### CHALLENGES

**Negotiating conservation agreements:** In some areas in which Papua Expeditions operates, the enterprise and indigenous landowners have struggled to agree on terms for a conservation agreement. Indigenous landowners have often demanded high prices and been wary of providing exclusive access.

**Gaining support from local community members:** Community members have hunted large-bodied animals and birds in the forest for generations and are used to selling rare animals in the nearby markets. Depending on the type of agreement, the monetary benefits of the conservation agreements are not necessarily shared with the local communities; thus, many community members have felt excluded from the conservation-ecotourism deal.

**Breaking conservation agreements:** Some individual landowners break their conservation agreement with Papua Expeditions by cutting timber, levelling terrain, or clearing land for agricultural use. In contrast to companies, the local community members tend to view the agreements as starting points for further negotiations rather than as final arrangements. In a recent case, three landowners even burnt down forests to clear land for agriculture in an attempt to negotiate higher compensation fees.

**English skills:** Papua Expeditions provides its staff with on-the-job training in English, birding and wildlife biology. While indigenous people whom the company engages are generally familiar with the flora and fauna of the area, they often struggle with learning English in order to communicate with international travellers.

**Productivity of indigenous workers:** Besides the low level of formal education, which can be resolved over time through focused on-the-job-training, there are also very serious issues with regard to working ethics and professionalism in the indigenous communities. With notable exceptions, community members tend to deliver below-par standards in terms of work quality and quantity, and require constant motivation and supervision. Younger community members are particularly susceptible to alcoholism, violence and a high degree of lethargy caused by generational conflicts and dysfunctional community relations.

### SOLUTION STRATEGIES

**Ability to compromise:** In the Waigeo case, Papua Expeditions compromised after several rounds of deliberative negotiation in order to reach an agreement.

**Providing income opportunities:** Papua Expeditions employs up to 80 daily workers per month from the communities surrounding the protected areas. All of them receive wages which range between 1.6 and 9.5 times the provincial minimum wage. This financial inclusion of many community members has helped transform the community's perception of tourism. No longer viewed as exploiters of the land, tourists are now acknowledged as a stable source of income.

**Monitoring and awareness-raising:** During the tourism high season, Papua Expeditions can easily monitor community activities since tours take place frequently. During the low season, villagers and landowners committed to protecting the environment monitor developments. In addition, Papua Expeditions dedicates much time and resources to resolving any problems that arise through open and careful deliberation and consultation. The company also offers increasingly attractive financial compensation over long periods of time for landowners in exchange for their commitment to the environmental cause.

**On-the-job learning:** Like Wijaya, head of Papua Expeditions, leads all trips and trains new staff members in offering high-quality services to guests. Longer trips allow new staff members to immerse themselves in an English-speaking environment. The average orientation period consists of three trips. After this, staff members can take on additional tasks and improve their English skills. Like Wikaya reviews each staff member's performance after each trip.

**Motivation and development opportunities:** Besides offering competitive salaries that far exceed all legal requirements, Papua Expeditions covers all costs of meals and drinks in the field and pays for job-related transportation and health costs. The enterprise also facilitates "Inter-Cultural Exchanges" between motivated daily workers in the various destinations, thus enabling employees to learn from culturally different Papuans. This cultural exchange has proven very beneficial in the areas of character and leadership building. Yet despite such a significant and fair benefits package, instilling positive and regular work attitudes among the young community members remains difficult.

## Mutual benefits

### Business benefits

Papua Expeditions was established in 2005, but the enterprise began operating tours in 2007. Demand has grown steadily, as the company has built a reputation for providing access to protected areas. Many tourists, whose first trip exceeded their expectations, have returned. Papua Expeditions broke even after three years of operations, and today operates up to two trips per month. The enterprise's profitability has steadily increased, achieving USD 25,000 in net profits for 2012.

Papua Expeditions enjoys advantages in arranging transportation and logistics because it employs indigenous locals who know the right people and can easily find solutions to security or operational issues. Led by local staff who are intimately familiar with the forest and its wildlife, the tours provide visitors with a genuine wildness adventure. Local staff can tell traditional stories about their homeland and ancestors, and share forest trekking techniques. Hiring indigenous locals as guides, promoters and protectors of their own forests also protects the basis of Papua Expeditions' business, as the enterprise needs well-preserved forests if it is to continue attracting visitors and generating revenue from ecotourism. The conservation agreements allow Papua Expeditions to offer a unique experience and exclusive access to protected biodiversity.

## Outlook

While the business model itself has the potential to be scaled up within Papua and replicated to other parts of the country, Papua Expeditions intends to retain its current scale and list of services. Key to the enterprise's future business growth will be the continuous social advancement and entrepreneurial autonomy of the indigenous communities within its destinations. The

### Development benefits

Papua Expeditions' staff members receive a monthly salary exceeding the West Papuan minimum wage (USD 175) as well as an end-of-the-year bonus. They receive their salary throughout the low season (December–May), and therefore enjoy a steady source of income year-round. Before working with Papua Expeditions, these individuals were mostly unemployed or engaged in farming and hunting activities to support their families. In addition, Papua Expeditions offers on-the-job training in English, birding and wildlife biology.

The enterprise also employs up to 80 daily workers per month, all from the communities surrounding the visited destinations. They are hired as guides, porters, cooks and assistants on an as-needed basis. All of them receive daily wages which, depending on workload and responsibilities, range from 1.6 to 9.5 times the provincial minimum wage, and also receive basic on-the-job training.

Since the earliest days of its operations, Papua Expeditions has established its own internal company fund, the Cenderawasih Fund for Community Development. At the end of each financial year, the company transfers 10% of its net profit into this fund to be disbursed to concrete, small-scale projects, most of them in the area of conflict-resolution, health care or education.

management team would like to focus on sustaining sound relationships with its partner landowners. The enterprise's unique model gives it a significant advantage over its competitors. Given the financial barriers and substantial investment in building relationships required for such a model, Papua Expeditions will likely maintain its niche position.

### INTERVIEWS

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### PHOTOS

Courtesy of Papua Expeditions (CV. Ekonexion)