Conservation is Good Business:
Tools to engage the Private Sector in Conservation

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The African Wildlife Foundation, together with the people of Africa, works to ensure the wildlife and wild lands of Africa will endure forever.

AWF uses five main strategies:
1/ Land and habitat conservation
2/ Species conservation
3/ Conservation Enterprise
4/ Capacity building & African leadership development
5/ Policy
Conservation Enterprise

‘A commercial activity that generates economic benefits in a way that supports attainment of a conservation objective’

Single ventures e.g. tourism

Value chain e.g. coffee, livestock, honey
Methodology and Tools

MILESTONES

1: Standardized Templates – due diligence, business planning, etc.
2: Legal Contracts Database
3: Tourism Product Viability Assessment
4: Pre-Tender Marketing
5: Tender Management and Evaluation

PROCESSSES

1: Business Design
2: Institutional Development - trust / company formation, etc.
3: Project finance – sourcing and structuring
4: Contract Design, Negotiation & Fulfillment
5: Project Development
6: Marketing & Business Development
7: Conservation linkages – identify, enforce, fulfill

TOOLS (examples)

1: Standardized Templates – due diligence, business planning, etc.
2: Legal Contracts Database
3: Tourism Product Viability Assessment
4: Pre-Tender Marketing
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SERVICES (examples)

1: Business Design
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7: Conservation linkages – identify, enforce, fulfill
AWF presently has a portfolio of over 60 enterprises in production or operation, including 31 open for business, representing $11million of investment and more than $2mil annually in benefits to communities.

*Typical project scale much larger*
### Examples of Enterprises brokered by AWF with the private sector

<table>
<thead>
<tr>
<th>Type</th>
<th>Name</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Tourism/ecotourism</strong></td>
<td>Ololosokwan Klein’s Camp</td>
<td>Tanzania</td>
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<td>Sanctuary at Ol Lentile</td>
<td>Kenya</td>
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<td></td>
<td>Sabinyo Silverback Lodge</td>
<td>Rwanda</td>
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<td>Santawani Lodge</td>
<td>Botswana</td>
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<td>Koija Starbeds Ecolodge</td>
<td>Kenya</td>
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<td>Clouds Lodge, Nkuringo</td>
<td>Uganda</td>
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<td>Satao Elerai Lodge</td>
<td>Kenya</td>
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<td>Chiawa Cultural Village</td>
<td>Zambia</td>
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<td>Olgulului Campsite</td>
<td>Kenya</td>
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<td>Lion Tented Camp, Lumo</td>
<td>Kenya</td>
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<td><strong>Agriculture based</strong></td>
<td>Starbucks Coffee for Conservation</td>
<td>Kenya</td>
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<td></td>
<td>Linking Livestock Markets to Conservation</td>
<td>Kenya, Tanzania</td>
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<td></td>
<td>Revitalization of agriculture and river trade</td>
<td>DR of Congo</td>
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<tr>
<td><strong>Natural Products</strong></td>
<td>Bio-enterprise hub for honey, gum-arabica and aloe vera</td>
<td>Kenya</td>
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<td>Kinigi crafts</td>
<td>Rwanda</td>
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<td>Kijabe Women’s Cultural Manyatta</td>
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<td>Esilalei Women’s boma</td>
<td>Tanzania</td>
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## Examples of partnership arrangements

<table>
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<tr>
<th>Local community ownership: local community management</th>
<th>Private sector ownership; local community management</th>
</tr>
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</table>
| - Community rich in resources and function as owners and entrepreneurs  
  - Works well for local enterprises that require local materials and tap into local skills and networks,  
  - Does not work well for large or high quality enterprises e.g. tourism that depends on international market access | - Does not happen at all. Generally, the community does not have the capacity and private sector does not accept community as managers |

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<tr>
<th>Local community ownership / private sector management</th>
<th>Private sector ownership; private sector management</th>
</tr>
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</table>
| - Community as owner; private sector as entrepreneur and manager  
  - Community rich in assets but poor in capital and management skills  
  - Secures community rights and resources; does not alienate resources and has empowerment value  
  - Community have other livelihoods and competencies and not interested in running enterprise  
  - Partner with private sector for high equity model designed to get the private sector to deliver value for community | - Most prevalent before CBNRM  
  - Most alienating because private sector alienates community assets for token benefits  
  - Community receive benefits if they behave and support private sector goals  
  - Communities are observers or passive participants |

*Model most used by AWF*
In Depth: Restructuring bad deals

LUMO

- 100,000 acres in southern Kenya
- Concession to access land on the Mramba Group Ranch to operate tourist enterprise
- Former agreement presented bad deal for communities, conflict and commercial failure
- AWF led process to tender a new partner, resulting in signed agreements for shared purchase, access license, sanctuary concession, loan and new lease
- New board and management team elected
- Lodge now fully operational
In Depth: Livestock Value Chain

- AWF broker an arrangement with Ol Pejeta Conservancy in Northern Kenya

- Commercial Loan (US$ 350K) to private sector partner (repayable 10 years) seeds the development of a dedicated revolving conservation livestock fund of US$ 1 million housed within the private sector partner.

- Conditional livestock purchases based on good grazing practices

- Expect returns of US$ 8 million into local communities in first 10 year period.

- Certification tool kit with governance and conservation measures

- Sustainable, highly scalable
Lessons Learned

Characteristics of private / community enterprises that are likely to work well

1/ Premised on commercial success
   - Huge progress thanks to due diligence

2/ Identifying responsible private sector
   - Time and effort spent vetting

3/ Sound community partner with appropriate governance in place
   - Rarely fully satisfied; must be understood, can be supported

4/ Contractual community ownership and enforcement of benefit streams

5/ Transparent intra-community benefit sharing arrangements
   - Biggest challenge, i.e. avoid elite capture

6/ Clear conservation logic
Thank you!