

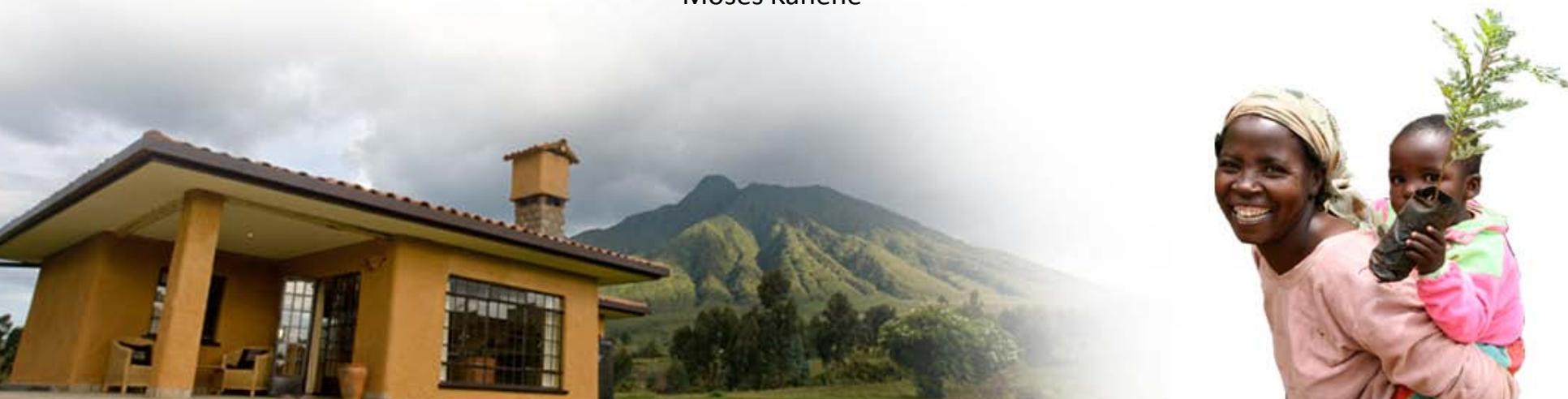


AFRICAN WILDLIFE FOUNDATION®

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

May 6, 2010
Washington D.C.

Moses Kanene



African Wildlife Foundation

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

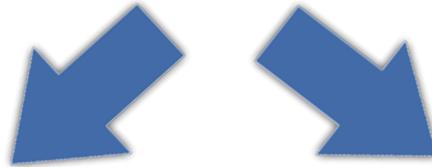
AWF uses five main strategies:

- 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



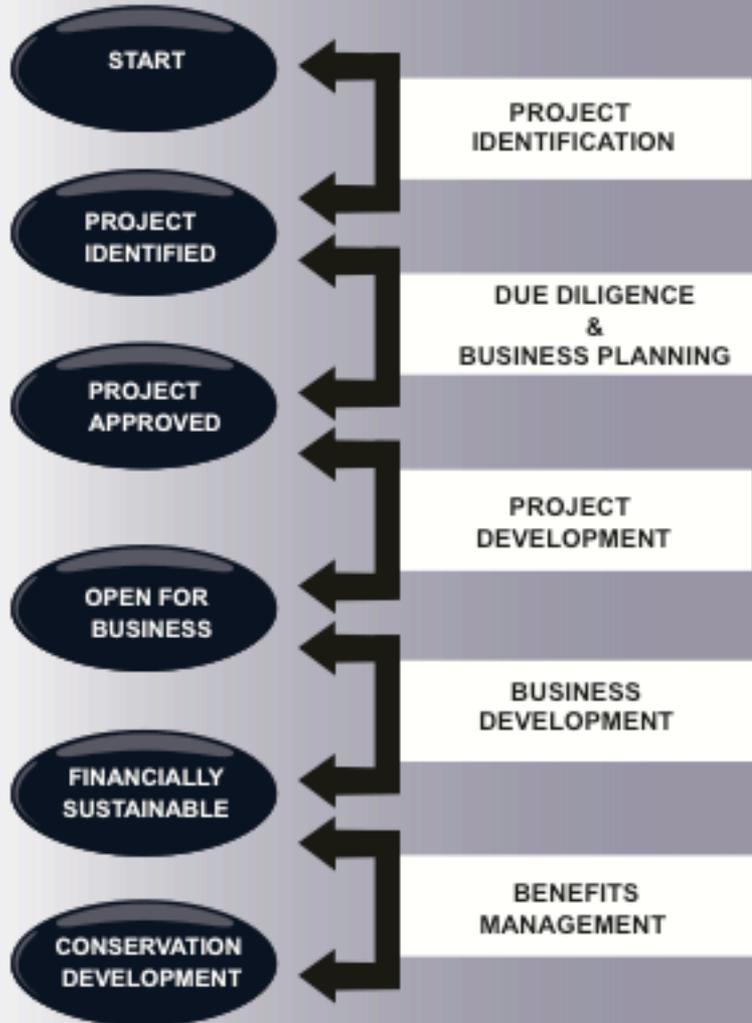
**Value chain
e.g. coffee, livestock, honey**



Methodology and Tools

MILESTONES

PROCESSES



TOOLS (examples)

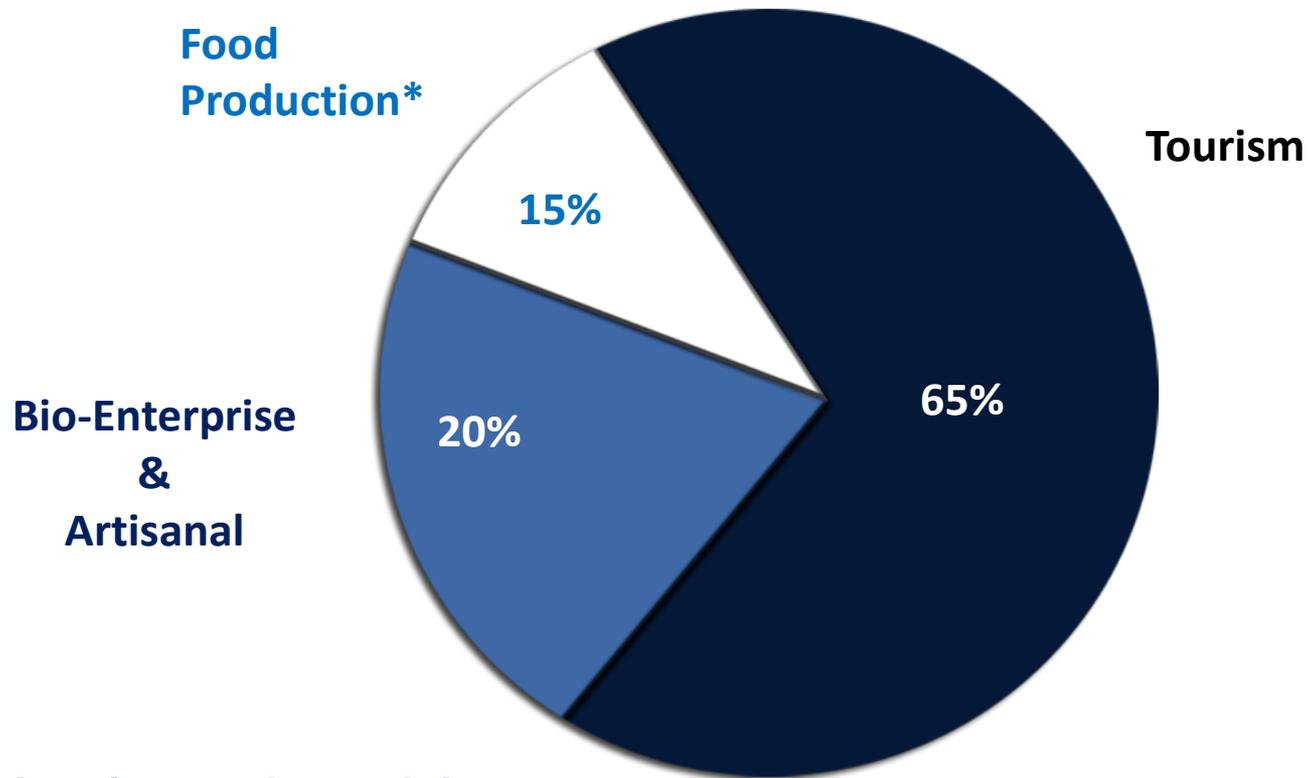
- 1: Standardized Templates – due diligence, business planning, etc.
- 2: Legal Contracts Database
- 3: Tourism Product Viability Assessment
- 4: Pre-Tender Marketing
- 5: Tender Management and Evaluation

SERVICES (examples)

- 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

AWF Enterprise Portfolio by Sector

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

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

Examples of partnership arrangements

<p>Local community ownership: local community management</p> <ul style="list-style-type: none"> • 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 	<p>Private sector ownership; local community management</p> <ul style="list-style-type: none"> • Does not happen at all. Generally, the community does not have the capacity and private sector does not accept community as managers
<p>Local community ownership / private sector management</p> <ul style="list-style-type: none"> • 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 <p>*Model most used by AWF</p>	<p>Private sector ownership; private sector management</p> <ul style="list-style-type: none"> • 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

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



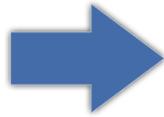
In Depth: Livestock Value Chain

- 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!