



Impacts of Pro-poor Tourism Facilitation with South African Corporates



Monitoring and Evaluation Report of the Pro-Poor Tourism Pilots Project

**By Douglas McNab
With contributions from Caroline Ashley, Gareth Haysom,
Zeph Nyathi, Clive Poultney.**

**PPT Working Paper
September 2005**



Acknowledgements

This paper draws on findings from 'Pro Poor Tourism Pilots in Southern Africa' - a project that ran from May 2002 to June 2005, implemented by Mboza Tourism Projects (Clive Poultney) and the Overseas Development Institute (Caroline Ashley). See www.pptpilot.org.za.

This report is based on the insights and information gained by PPT facilitators (Clive Poultney, Gareth Haysom, Zeph Nyathi and Caroline Ashley) from the facilitation work and 'action research' done at five pilot sites during the PPT Pilots project. It also draws on interviews with representatives of the companies involved at the site: Tanner Methvin (Spier), Malcolm McCulloch (Wilderness Safaris, Dan Ntsala (Sun City), Craig Doria (Ker and Downey).

The PPT Pilots project was funded by the Business Linkages Challenge Fund of the Department for International Development , UK, with additional support from British Airways.

We encourage others to use the material in this report, as well as other outputs from the Pro-Poor Tourism Pilots project, to encourage pro poor practice by tourism companies. However, please acknowledge that the material comes from the PPT Pilots project. Please send copies of material produced to us at: c.ashley@odi.org.uk and bizlink@tbcsa.org.za.

Table of contents

List of tables.....	4
Acronyms.....	4
Background: PPT Pilots.....	5
Introduction: assessing impacts.....	5
Spier Leisure.....	7
PPT input at Spier.....	7
What impacts has PPT implementation had at Spier?.....	8
Discussion: the significance of the impacts at Spier.....	13
Wilderness Safaris: Rocktail Bay.....	16
PPT input at the Rocktail Bay site.....	17
What impacts has PPT implementation had?.....	17
Discussion: the significance of the impacts at Rocktail Bay.....	21
Sun International: Sun City.....	23
PPT input at Sun City.....	23
What impacts has PPT implementation had at Sun City?.....	24
Discussion: the significance of the impacts at Sun City.....	26
Ker & Downey, Tanzania.....	28
PPT input at Ker & Downey's Tanzania sites.....	28
Impacts of PPT implementation at Ker & Downey.....	29
Discussion: the significance of the impacts at Ker & Downey.....	29
Southern Sun Hotels: Sandton Complex.....	30
PPT input at the Southern Sun Site.....	31
Impacts of PPT implementation at Southern Sun.....	31
Summary: PPT facilitation - what has it been possible, and not possible, to achieve?.....	32
Appendix: Lessons learnt for facilitation of pro poor tourism linkages from the PPT process at the pilot sites.....	38

List of tables

Table 1: Indicators of company change at Spier.....	9
Table 2: Impacts of new PPT-type linkages created at Spier.....	11
Table 3: Financial and employment benefits achieved at Spier.....	12
Table 4: Indicators of company change at Wilderness Safaris.....	18
Table 5: Impacts of new linkages created at Wilderness Safaris Rocktail Bay.....	19
Table 6: Indicators of company change at Sun City.....	24
Table 7: Impacts of new linkages created at Sun City.....	25
Table 8: Estimates of financial and employment impact for RECOPRO.....	26
Table 9: Summary table of impacts, partly due to PPT input, of linkages implemented across the pilot projects.....	34

Acronyms

<i>Acronyms</i>	<i>Definitions</i>
BEE	Black Economic Empowerment
BLT	Business Linkages in Tourism
CoC	Chamber of Commerce
COSATU	Congress of South African Trade Unions
CSI	Corporate Social Investment
CSR	Corporate Social Responsibility
ExCo	Executive Committee
FCF	Friedkin Conservation Fund
FTTSA	Fair Trade in Tourism South Africa
GSLWPA	Greater St Lucia Wetland Park Authority
HDI	Historically Disadvantaged Individual
HQ	Headquarters
HR	Human Resources
ITESP	Integrated Tourism Enterprise Support Programme
LPG	Liquid Petroleum Gas
PPT	Pro Poor Tourism
PR	Public Relations
RB	Rocktail Bay
SMME	Small Medium and Micro Enterprise

Background: PPT Pilots

Pro-poor Tourism Pilots was a 3-year programme established in May 2002. The overall goal of the programme was for the tourism sector to contribute more to local economic development. The objective was to work with mainstream companies, and assist them to implement linkages that involve local people or enterprises *and* make business sense to the company.

The programme had two core components:

1. Close collaboration with five companies at 'pilot sites'. This has involved the design of local linkages, and facilitation of their implementation.
2. Communication with tourism players across the industry in Southern Africa to develop PPT awareness and expertise.

A range of 'local linkages' with local suppliers, tourism enterprises, community trusts, and local residents were promoted (see Project Overview Report¹ for more on the linkage approach). The approach emphasises the need to go beyond ad hoc community support, to do business differently in ways that stimulate local linkages and benefits.

The five pilot sites involved in the project were:

- Spier Leisure (Western Cape)
- Wilderness Safari's Rocktail Bay (Kwa Zulu Natal)
- Sun International's Sun City Resort (North West Province)
- Southern Sun's Sandton Complex (Gauteng)
- Ker & Downey hunting sites, Tanzania.

Introduction: assessing impacts

This document aims to reflect on what has been achieved via PPT facilitation and linkage creation across the five Southern African pilot sites. Site by site, it provides background information on the company and location involved, summarises the PPT input provided and then analyses the impacts in terms of:

- i) Internal company changes: what has changed inside the company, how is business done differently?
- ii) On the ground impacts: what enterprises linkages, employment and other forms of community linkage were created or strengthened and how were poor people impacted?

Both impacts to date and impacts 'in the pipeline' are considered. The significance of impacts within the local context is also explored. Where progress in establishing local linkages has been constrained, the key factors are identified. The report concludes with a summary which brings together the impacts of PPT facilitation on poor people across the project and considers the current and potential impacts of the project in the wider industry. Lessons for future PPT facilitation are included in Appendix A.

¹ www.pptpilot.org.za/ppt_workshop/ppt_report/workshop_ppt_pilots_report.pdf

Problems in attributing impact need to be noted. Changes in the level of poverty and livelihoods of people living close to tourism enterprises may be linked to a vast variety of possible stresses, shocks and opportunities not directly linked to the activities of the tourism business (e.g. changes in macroeconomic policy, drought, job losses or new job opportunities, local politics, death of a family member, etc). Furthermore, changes in the activities of a tourism enterprise that impact on local people occur for a variety of reasons other than PPT facilitation. Making a causal link between PPT facilitation and local socioeconomic impacts can therefore be problematic.

In this document the focus is on the impact of *new linkages, of which PPT facilitation played a part, on poor people.* The focus is *not* on the impact of the company as a whole on poor people; thus the local economic impact of links existing prior to PPT facilitation is not examined. Two different kinds of project impacts are considered: firstly, impacts on the company, the project partner, in terms of their approach to PPT. Secondly, impacts at community level, in terms of new linkages, enterprises or jobs that occur. It is clear that none of the impacts discussed would have been achieved without the dedicated efforts of individuals in the companies involved. This report does not attempt to disentangle the contributions of PPT facilitators, company personnel and other factors inside the company such as strategy and commercial opportunity. This would be extremely difficult to achieve because the linkages implemented and impacts achieved are the result of close collaboration and/or the development of processes/strategies through a series of successive inputs by a range of different actors. All involved deserve recognition for the achievements realised.

The information contained in this document is based on the experience of the PPT facilitation team, site visits and data provided by the pilot site companies. The latter includes information gathered through interviewing representatives of the pilot companies about their overall experience of the PPT project at its conclusion in May 2005. Use of this method was important because it provided companies an opportunity to contribute their own perceptions of the impact and value of the PPT project.

Spier Leisure

Spier, a property of approximately 500ha, is located in the Stellenbosch Winelands region of the Western Cape. This property was purchased by the Enthoven family in 1993. Limited tourism related activities were available on site, including a small restaurant and wine sales and tasting. The decision was taken to expand these services and to establish Spier as a key Winelands destination.

The restoration and improvements of the property took two years and in 1995 Spier opened to the public. Tourist facilities included a conference centre, three restaurants, a wine sales/tasting facility and a picnic farmstall area. In addition, the Spier amphitheatre presented its first season in 1996. In November 2000 Spier opened The Village at Spier, a 155 room 4-star hotel with one additional restaurant. Most recently, in partnership with Moyo, Spier opened the 800 seat restaurant 'Moyo at Spier' in November of 2003.

Spier has moved away from being purely a member of the 'wineland' family to becoming a tourism/recreation destination. Spier's current product offering includes retail outlets, and hosting of a range of environmental and arts organisations in addition to the hotels, restaurants and wine production mentioned above. Annual revenue was ZAR92 million in 2003/2004.

Principles of social equity and environmental integrity have been supporting pillars that underpin the economic imperatives of Spier's business from the beginning. As a result of this values-based approach, Spier was active in developing and supporting a number of socially orientated projects in the region prior to PPT facilitation. Spier employees and suppliers include people from nearby townships such as Kayamandi and Khayelitsha.

PPT input at Spier

Spier Leisure chose to become a partner of the Pro Poor Tourism Pilot project in October 2002. Spier's CSI activities at that time had primarily been in the arts and education. These were related to core areas of focus within Spier's business, the Spier Arts Trust, as well as a project managed by the Spier executive involving development of a new primary school.

Spier already had other linkages with both communities and poorer suppliers. For example, an affirmative procurement policy was adopted for the construction of the Village Hotel. However, these linkage approaches had been implemented on a project specific basis and were not specifically embedded in the day to day management of the business.

PPT facilitators initially discussed a range of options with Spier, with the focus on a tourism gateway concept. A decision was then made to shift focus to supply chain reform, as this had been prioritised in Spier's new approach to sustainability. Spier's supply chain process involved:

- Review of company priorities and approach
- A decision to focus on reform of the supply chain in line with Spier's values-based approach
- Assessment of supply chain practice and policy
- Setting of new policy objectives and a new approach to the supply chain
- Identification of potential changes in supply and potential linkages with suppliers
- Implementing new linkages with suppliers; getting contractors established
- Implementing change, both internally and with suppliers
- Reviewing progress and adapting accordingly.

PPT facilitation assisted with implementation of these, particularly with administering the supply chain assessment, and setting up the first few new suppliers, from the initial tendering through to contracts, mentoring, and expansion. In 2003, the former General Manager of Spier (Gareth Haysom) joined the PPT team and became the PPT facilitator at Spier, and thus the supply chain facilitation drew on his previous experience of operations at Spier.

What impacts has PPT implementation had at Spier?

Impacts within the company are considered first, and impacts at local level considered next.

Spier's business approach is focused on 'sustainable development' and includes measurement of environmental, economic and social aspects of the business. The company has shifted from a project-based approach to a systemic sustainable development approach involving the development of key goals, indicators of success, baselines against which to measure progress, and systems for measurement, reporting and performance review.

The facilitation work conducted by PPT, acting as a support to the drivers of change within the organization - namely the executive group and in particular the Sustainability Director - contributed to attainment of the new approach. Although the systemic approach was initiated by the Spier executive, a number of challenges were faced in implementation. It was in the fast-tracking of implementation in areas where progress had been limited in the past, where PPT was able to provide the greatest assistance. In turn, this enabled the internal drivers of organisational change to demonstrate to critics that the approach was viable (e.g. that appropriate HDI suppliers could be found and that they could deliver a quality product).

The PPT facilitation was thus part of a broader process of change at Spier, the key elements of which are summarised in table 1 below.

Table 1: Indicators of company change at Spier

2002-3	2005
<i>Attitude and approach to local linkages</i>	
All forms of CSI were ad hoc and not aligned to a strategy.	CSI refocused and aligned to strategic objectives. Multi-business voluntary CSI committee formed
CSI was not clearly defined as any particular individual's role	Director of Sustainable Development appointed and CSI committee drove all activities
No understanding existed as to the actual stakeholders of Spier and who the communities were, where they were located and the boundaries defining the communities	Far clearer understanding of stakeholders as well as the immediate communities that are affected by the operation of Spier's business
Philanthropy was driven directly from the board. It was driven by commitment to the broad principles of sustainable development	Management interest to develop authentic cultural and heritage products based on archaeology and history of the area.
<i>Specific actions and practices</i>	
Performance evaluation on financial performance only	Key indicators addressing broad sustainability aspects used for assessing performance of management
No criteria was set for the evaluation of staff in terms of social impact	Although only management assessed by means of indicators, departments assessed in entirety via management performance
Information was provided in terms of the projects carried out by Spier but these were focused primarily on PR and Marketing	Clear and accurate information was provided on broad sustainability outcomes via Sustainability Report issued in April 2005; included clear focus on PPT approaches
External verification of the Leisure business was done via FTTSA but this was driven in a top down manner with little integration internally	Verification of Leisure business remains done via external auditors for financial aspects. Self evaluation has been conducted internally on other aspects. External parties including PPT have been used to verify data as well as provide capacity for the implementation.

Note: PPT input has accelerated this process of company change, but it was already underway at Spier prior to PPT involvement.

In the process of facilitating the first new suppliers, Spier has been able to identify what is involved in the process of setting up emerging suppliers and what is needed to action these processes. This has allowed Spier to identify the key shortcomings of the original assumptions in terms of time and inputs needed and has provided them with a more realistic and informed understanding of the requirements.

The work conducted through the supplier survey provided valuable data that refuted a number of previously held assumptions about the nature of the supply chain. For example, it showed that the majority of suppliers were already small businesses – thus invalidating the argument that to switch to small suppliers would be administratively burdensome. Spier is able to use empirical data to

inform strategic decisions about targeting interventions in the supply chain, and as a basis for making supplier inspections.

Impact on the ground is considerable, taking into account new linkages directly facilitated by the project, and other new supply contracts in which Spier applied their PPT procurement approach and drew in some degree on PPT facilitation. In total by the end of the project, eight new supply contracts with small black local suppliers were implemented, creating 33 new jobs. The largest new supply contracts to date are the Klein Begin laundry, creating 11 new jobs (including the owner's) since August 2004, and a contract with Alfred Antony in July 2005 for clearing alien vegetation, creating 9 new jobs (including the owner). Of the 33 jobs, 13 were for short-term or seasonal contracts, and 20 are regular jobs (of which 4 are part-time). 12 of the new jobs (9 of the regular jobs) are filled by women. In addition, approximately 20 other local jobs have been strengthened or expanded due to new Spier contracts. Details of the new linkages implemented and community impacts are summarised in Table 2.

The specific economic impacts of these new linkages are shown in Table 3. Particularly noteworthy is the number of jobs, number of female jobs and estimated income generated by the laundry. Many linkages have been created, but, the process was by no means trouble-free. For example, the wood fuel supplier struggled to provide wood of sufficient quality at the start, leading to limited revenue, but the contract has now been continued for over a year; the wood deck contractor initially encountered financial management issues; and the now highly successful laundry project got off to a difficult start when a washing machine broke down. A willingness to persevere and to adapt flexibly when confronted with obstacles is clearly important.

Table 2: Impacts of new PPT-type linkages created at Spier

Linkage	Previous Situation	Current Situation	Impact on Community			Impact on Company
				Jobs Created	Jobs strengthened or retained	
Local enterprise or contract						
Klein Begin Laundry	Service contracted to established laundry; Klein Begin did not exist	Laundry from Moyo restaurant, Hotel restaurant, and Jonkershuis contracted ¹ to Klein Begin.	10 new jobs for previously unemployed (4 are part-time), plus the owner's job; a new expanding small enterprise established.	11	No losses of jobs @ existing laundry	Significant saving, estimated at over ZAR200,000 Proved that enterprise development for local service provision is a viable option Facilitated a broader PPT approach
Harare Energy Centre	LPG bought from multinational (BEE)	Main supplier still exists but township supplier for Spier also in place	Linkage into Khayelitsha township brings new income flow for 2 energy centre personnel	0	3	Realisation that a township operator can deliver to required standard. Issue re contracts resulted in complete overhaul of procedures
Siyazama Papermaking ²	Purchased from bulk suppliers	Christmas cards purchased from community project	Increased income to existing enterprise	0	8	Demonstrated that seeking out HDI suppliers and providing work to these suppliers is viable
Wooden deck construction	Contract work given to established suppliers	Deck-building contract ¹ to HDI (Appolus construction)	New income flow to HDI contractor; 4 jobs created (excludes owner)	4 (during contract)	3 ³	Demonstrated that seeking out HDI suppliers and providing work to these suppliers is viable
Building construction	Contract work to established suppliers	Building contract ¹ to HDI (Pillay construction)	New income flow to HDI contractor; creation of 7 jobs over period of contract	7 (during contract)		Demonstrated that seeking out HDI suppliers and providing work to these suppliers is viable
Fuel wood supplier	Ad hoc purchases made; no strategic approach	Work ¹ allocated to HDI (Alfred Anthony)	Regular income for HDI contractor and 2 contract jobs.	2 (during contract)		Potential for further work once relationship established
Clearing alien vegetation	No work done previously	Alien clearing contract ¹ to HDI (Alfred Anthony)	9 new jobs (owner & 8 staff). Training and Mentorship approach .	9	0	Significant cost saving; build long term regional capacity for future work
Non-supply chain linkage:						
Kayamandi township: support to B&Bs and tourism development	Little contact; no initiative	Provision of training/advice	Far broader skill set of local people; first direct integration into mainstream tourism economy			Opportunity to develop linkages with this group as well as play a direct role in tourism development

HDI = Historically Disadvantaged Individual

1: These were 'pro-poor contracts' in two senses: the contract was designed to facilitate competition by HDI enterprises; and pro-poor conditions, such as employment of formerly unemployed people, were included in the contract.

2: This was an existing project which was adopted as a supplier. The role played by PPT was to introduce Spier to this supplier and ensure their inclusion into the supply chain.

3: 3 of 6 existing employees (in addition to the 4 new employees) were directly involved in the Spier contract; the remaining 3 existing employees were dedicated to ongoing contracts.

Table 3: Financial and employment benefits achieved at Spier

Financial and Employment Benefits							
Details	Laundry	LPG Gas	Paper making	Apollus Construction	Pillay Construction	Fuel wood supplier	Alien clearing
Number of people servicing Spier contracts (@time of contract)	11	3	8	7 ¹	12	3	9
Contract Value							
- to date (August 2005)	ZAR 148 980	ZAR 57 000	ZAR 2 000	ZAR 119 935	ZAR 189 500	ZAR 9 500	ZAR 180,000 contracted ZAR 35 000 paid to date
- per month now	ZAR 27 750	ZAR 9 200	Seasonal	Contract complete	Contract complete)	ZAR 3 000 per contract	ZAR 30 000
- average/year of operation	ZAR 270,000 ²	ZAR 114 00	Per Demand	Per demand	Per demand	ZAR 25 000	ZAR 180 000
Additional Staffing							
- Total no of Staff (excludes owners)	10	3	8	10	12	3	8
- of which new staff	6 perms + 4 part time	0	0	4 (Contract period)	7 (Contract period)	2	8
No of <i>new staff</i> previously unemployed	10	0	0	0	0	2	8
No of <i>new staff</i> semi/unskilled	10	0	0	0	0	2	3
No of <i>new staff</i> of which women	9	0	0	1	2	0	0
Wages							
- as of May 05	ZAR 84 550	ZAR 21 525	N/A	ZAR 38,850 ³	ZAR 54,600 ⁴	ZAR 3 870	ZAR 9 000
- per month (or per item)	(High) ZAR 19 710 (Low) ZAR 12 460	ZAR 3 625	N/A	N/A	N/A	Data unavailable	Per project of which 7 projects Average: ZAR 25 000
- imputed for year	ZAR 200 270	ZAR 44 125	N/A	N/A	N/A	Data unavailable	ZAR 180 000

1 = The contractor had 6 staff within his organisation originally. In order to service the Spier contract, he recruited 4 additional staff and also allocated three of his existing six staff to work on the job. Hence the number of people at Apollus servicing a Spier contract is 7, while the total number of people in the enterprise is 10.

2 = Estimated annualised value of contracts held by the business at the time of the end of the pilot programme in August 2005

3: estimate based on ZAR 1850 pp x 7 staff x 3 months

4: Estimate based on ZAR 1950 pp x 7 staff x 4 months

Non-financial benefits

In terms of non cash impacts, the largest has been made in terms of skills development and learning. For example, business owners involved in the Spier/PPT process have been able to access a larger support network. Some businesses working directly with PPT as well as Spier have been able to obtain direct facilitation support (e.g. Spier Accounts provided advice and mentoring to Apollus construction). Third party capacity building was also provided to other enterprises by agents brought in by the PPT facilitator. This included technical support and training for the laundry personnel, provided by a chemical expert, and business skills training for the LPG supplier.

This approach has been taken further and formalised in the new long-term contract for clearing alien vegetation. In addition to the contract fee payable to the HDI contractor, Spier are paying for mentoring by a skilled professional, who will act as a technical advisor to the emerging contractor to develop his business capacity so that he can continue the contract independently and at guaranteed quality long term. The combined cost of both payments is still cheaper than the next alternative bid.

New contractors have also benefited from other forms of linkage with outsiders. In the case of the LPG supplier, the link with Spier led in part to the owner of the business being offered an option in a Black Empowerment deal. This opportunity is in a business unrelated to LPG supply, but PPT was able to assist in providing both technical and mentorship assistance.

The provision of new equipment to small SMMEs such as the laundry is also of fundamental importance. Lack of specific items of equipment can be a major obstacle for an SMME entrepreneur that needs to deliver a service of an expected standard.

Discussion: the significance of the impacts at Spier

Tanner Methvin, Director of Sustainable Development at Spier, identifies the biggest impact of PPT facilitation as the provision of a dedicated, skilled facilitator able to undertake the legwork of implementation: *“When we were clear about what we were going to do, we realised we lacked the necessary skill set. The physical presence of Gareth Haysom – an individual able to commit the necessary time and in possession of the appropriate skills – enabled progress to be made much more quickly than would otherwise have been the case. Moreover, Gareth came for free. Spier did not need the PPT philosophy, they shared the values already and would have implemented without PPT assistance. But having Gareth enabled progress at a much quicker rate because staff lacked the skills or were unable to input the time required”.*

PPT input is clearly recognised as carrying forward implementation of supply chain reform in areas where success had been limited previously.

PPT has assisted in the establishment of 8 different forms of local linkage, including the Klein Begin laundry that involves 11 people, 9 of whom are women. All of these individuals had been unemployed for over two years. Staff provided

with employment in the LPG and wood cutting businesses were also all previously unemployed. The income data for these enterprises indicate that, in a regional context of high levels of poverty, significant income flows are being generated for the individuals involved. For example, the laundry is estimated to generate over ZAR200,000 in wages per year. Interviews with staff at the laundry revealed that on average, each of the newly appointed staff are breadwinners for at least five others.

Once a contractor has a supply contract, new possibilities for expansion open up. Klein Begin Laundry started with a contract just for Moyo napkins, but has already expanded twice. It has potential to service further demand from other units on the Spier property, such as the potentially high-volume Convention Centre. The woodcutting operation started with a small short-term contract, following which it was able to successfully bid for the long-term contract from July 2005 to clear all alien vegetation on Spier land, which could run for 3 years. For each new supplier, long-term expansion opportunities open up.

The total number of direct beneficiaries is still small relative to the extent of local poverty. However, if Spier continues to pursue its systemic sustainable development approach to business, then it may be possible to spread the benefits from participation in Spier's supply chains to a larger number of local people. The annual procurement budget is ZAR 75 million (2004), and if 10% of this can be spent on small, local, black suppliers, it would have a substantial local economic impact.

Within the company, PPT strengthened the change processes that were initiated prior to PPT involvement. The key impact on the company has been in terms of accelerating implementation and establishing practical projects that are able to supply Spier effectively. Thus, Spier's Director of Sustainable Development sums up the impact of PPT facilitation on the company as follows: *"Participating in any process involves learning and change. But Spier has not fundamentally changed the way they do business as a result of the PPT facilitation. The key impact of PPT has been that it has allowed them to 'go faster' – this is fundamentally valuable"*.

The impacts that have been achieved at Spier over the period of the PPT pilot have convinced Spier management that the linkages-based approach is one that holds considerable value. It is felt that under the current management of the organization, this type of approach will be expanded exponentially into the future. As Tanner Methvin stated, the work to date at Spier is only *'scratching the surface'*. PPT input has assisted the company to build a *'perfect platform'* for developing further, but there is still much to do.

If other parties and agents participated with Spier in the supply chain reform process to provide for additional capacity building of small and emerging suppliers (such as ITESP or government-led initiatives), and/or if other properties in the region adopted a similar approach, the effect on poverty in the region would be further enhanced.

In summary, in just one year since the first new supply contract began, 7 new local supply contracts have been established, creating 33 jobs, and strengthening other employment opportunities. This involved considerable effort to get going, but aside from this initial transaction cost, the purchase cost of new supplies is comparable with – or in most cases cheaper than – the old supplies. Thus the Spier Pilot provides a good example of increasing local impact while also saving money.

Wilderness Safaris: Rocktail Bay

Rocktail Bay Lodge is an up-market coastal destination in the Greater St Lucia Wetland Park in KwaZulu-Natal, South Africa. Rocktail Bay offers 10 tree lodges and a family unit with space for 20 to 24 guests. The lodge attracts mainly a middle class clientele from Europe and the US. Occupancy has increased steadily to reach approximately 70% in recent years, and this coupled with low seasonality makes the lodge one of the most successful of Wilderness Safaris' operations. The main products offered are photographic safaris, diving and coastal holidays.

The lodge is co-owned by Wilderness, a commercial bank, the conservation agency, and the neighbouring Mqobela community. It is operated by Wilderness Safaris. The community owns a 14.5% share in the lodge owning company, and a 12.5% share in the lodge managing company.

Wilderness Safaris is a large, up-market and expanding safari/lodge operator that currently operates over 50 camps/lodges in seven Southern African countries. In the past few years the company has received a host of awards for its 'responsible tourism' initiatives and policies. These included a WTTC 'Tourism for Tomorrow Award' in 2005, the South African Fedhasa Imvelo Awards in 2002 for 'Best Community Involvement Programme', and the Legacy Award in 2003.

The community partner at Rocktail Bay is the Mqobela community, which is situated on communal land in a traditional authority ward administered by the Tembe Tribal Authority. The Mqobela ward community is comprised of 284 homesteads with a population of approximately 1,500. Currently, the Mqobela community has limited tourist attractions and facilities, but they can offer informal dance groups, cuisine, home-based craft production, and a rich cultural history.

A number of linkages between Wilderness Safaris and local stakeholders (in addition to the tripartite ownership) existed prior to PPT intervention. These included a local taxi operator contracted to ferry people to and from work; casual labour for routine maintenance work; sale of local arts at the craft shop; organisation of community tours and hippo-viewing trips where guests pay into a community fund; and fishing guides. Communal income is generated through the equity they hold, particularly their share in the lodge owning company which receives fees from the lodge operating company. The community participates in decision-making through a trust that elects two members onto the lodge managing company as directors. Other forms of partnership include a Policing Forum consisting of eight community members supported by Wilderness Safaris and cooperation between the company and the community to mitigate environmental impacts through a beach cleaning initiative. Wilderness Safaris is also involved in capacity and training initiatives which include in-house training and staff training at other Wilderness camps.

PPT input at the Rocktail Bay site

PPT facilitation in 2003 was focused on four main priority areas:

- 1) Strengthening the partnership between Wilderness Safaris and the Mqobela community by assisting with the restructuring of the Mqobela Trust. The aim was to enable the Trust to deliver community benefits and engage in product development more effectively and pro-actively.
- 2) Incorporating PPT considerations into the expansion plans at new sites around Rocktail Bay, and building a partnership and economic linkages with the neighbouring Mpukane community for a new lodge, Manzengwenya lodge.
- 3) Working with Rocktail Bay lodge management/staff on specific local linkages (e.g. a community tour and airstrip clearance).
- 4) Working with Wilderness Safaris headquarters on overall strategy and on pursuing applications in government and the Greater St Lucia Wetland Park Authority (GSLWPA) for new sites with partnerships.

PPT facilitation buildt on previous work that the facilitator, Clive Poultney, had already done for WS in liaison with the Mqobela community.

What impacts has PPT implementation had?

Impacts are separated into those within the company and those within the local communities. The impacts of PPT input on the company, Wilderness Safaris, have included increased awareness of linkage options, a new drive to involve the community in a partnership approach and the development of new linkage plans. These impacts are set out in Table 4 below.

Table 5 defines the numerous linkages created at Rocktail Bay, at least in part through PPT facilitation, and their community impacts. Three forms of linkage are linkages/contracts with local enterprises (e.g. air strip clearance; supply of beach furniture); local employment generation (e.g. at the new lodge); and other broader forms of cooperation (e.g. creation of Mpukane Trust and partnership with WS; support to Mqobela school).

Quantitative details of jobs created and income generated appears in the table where available. Most linkages at Rocktail Bay generated non-financial returns and some generated income flows. The former are easily overlooked, but such linkages are significant both because they often underpin later financial benefits and because they can influence the whole community rather than a small group of beneficiaries. An example is the establishment of a new partnership with the Mpukane community, via its new Trust, for the new diving lodge. The resolution of the boundary dispute regarding claims of ownership over the lodge site is also an important contributor to reducing local tensions. Provision of essential equipment and training are also non-cash benefits.

Table 4: Indicators of company change at Wilderness Safaris

	Mid 2003	Mid/Late 2004	Mid 2005
<p>Attitude & approach of company to local linkages</p> <p>Management approach, new plans, time spent, etc.</p>	<p>Gap in approach between WS HQ and lodge management. Continued support for partnership approach, but some disillusion at lodge management level.</p> <p>Main concern: to have an effective Trust to work with at Mqobela. Plus discussion of other linkage options, such as vegetables.</p> <p>Below the RB Lodge Manager, one staff member involved in community work, other managers and staff little involved.</p> <p>HQ: Keen to expand the partnership approach to new sites.</p>	<p>Lodge management looking at range of options to increase linkages, particularly school support.</p> <p>Increased communication with local communities.</p> <p>Lodge management pushing for more community involvement and would like full time liaison person from lodge.</p> <p>Lodge managers happy to spend time to discuss PPT on leave day.</p> <p>New plans: support local food production and supply to lodge. Expand links with school, including guest support.</p> <p>HQ: Expansion plans premised on community partnership approach, and refusal to dilute these excessively in government negotiations.</p> <p>More effective and direct use of PPT facilitation processes and personnel.</p>	<p>As in 2004.</p> <p>New plans, facilitated by networking through the PPT project, include a local babysitting service, and local construction of temporary furniture for use on the beach.</p>
<p>Specific actions & practice of company</p> <p>New products, sourcing, funding, etc</p>	<p>HQ: Dividend payments to community trust.</p> <p>On-site: Approx 32 local staff employed.</p> <p>Established local linkages already operating: Community Policing Forum, sale of local arts at the RB shop, local taxi service, casual labour, etc</p> <p>Negotiating new sites with GSLWP Authority</p>	<p>As before.</p> <p>As before.</p> <p>Introduction of union membership. Increased staff training.</p> <p>Community Policing Forum expanded to 12 people</p> <p>Local taxi service used less (car problems).</p> <p>New Community Tours developed – a regular product for guests. Story-telling, Sangoma, local food, dance.</p> <p>Management attending trust meeting, and estimated presence in the community once a week.</p> <p>Contributions to the school (e.g. tyre swings)</p> <p>More guest information in rooms on local community</p> <p>Intensive negotiation to get local contract and DWAF approval for cutting of trees at airstrip</p> <p>Consultations underway for new partnerships for Manzengwenya lodge. Estab'ed Kwa Mpukane trust</p> <p>Interviewing new staff from Kwa Mpukane for positions at new lodge</p> <p>Intensive negotiations with GSWLP for new sites based on partnerships</p>	<p>As before.</p> <p>As before.</p> <p>As in 2004.</p> <p>Community Tour marketed to agents at Indaba</p> <p>As in 2004</p> <p>As in 2004</p> <p>As in 2004</p> <p>Tree cutting done by local people in Nov-Dec 2004</p> <p>Manzengwenya Lodge and Mpukane partnership agreed. Estimated start of building: Sept 2005, opening Dec 2005.</p> <p>HQ launching new WS brand which highlights its role in contributing to local people's lives through a partnership approach</p>

Table 5: Impacts of new linkages created at Wilderness Safaris Rocktail Bay

Linkages	Previous	Current	Community impact	Jobs created	Jobs retained	Company / other impact
Local enterprise or contract						
Airstrip Clearing	Airstrip too small	Airstrip fully operational	Approx 16 people employed on a temporary basis for a period of about 2 months: 12 on tree clearance, 4 on security. 1 st time use of local people for forest clearance, not outside contractors.	16 temp		Improved customer access
Airport security	1 security	2 security	Additional guard from Manzengwenya employed.	1		Protection of infrastructure
Community Tour	No tour	Tour operational	Woman Sangoma, paid ZAR 30 per visitor for fortune telling/divining. Woman chef: paid approx ZAR30 per visitor. Story teller: paid approx ZAR20 per visitor.	3		New product to offer guests
Horse trails	No trails	Trails in use	4 people employed	4		New product for guests
Security increased post attacks	8 guards	12 guards	12 jobs retained/created. Additional local security	4		Decreased risk for guests
Supply of beach furniture	No beach furniture	Locally made beach furniture purchased	Income to 2 furniture makers			Will facilitate activities at beach
Baby sitting	No service	New service being planned	<i>Job creation – numbers unknown</i>			New guest service

Note: table continues over page. Linkages in the pipeline are identified in italics.

Table 5: Continued...

Linkages	Previous	Current	Community impact	Jobs created	Jobs retained	Company / other impact
Local employment						
<i>Recruitment and training of staff for new 40 bed lodge</i>			<i>Approx 28 people to be employed at new Manzengwenya lodge</i>	28		Local work force ready for training
Brought COSATU union into negotiation, at end of 2003	No union present	Union brought into planning and negotiation	At end of 2004 lodge occupancy declined but 6 jobs were retained through PPT-assisted union negotiations.		6	Facilitated wage bargaining
Other						
Facilitation of stronger link between WS and KwaMqobela Community	Poorly functioning community trust	New trustees elected by the community	Trust better able to engage with lodge.			Facilitation assists WS as they lack the time or local knowledge to be directly involved
Creation of Mpukane Trust and partnership with WS	No trust or partnership	New trust established and partnership negotiated	<i>Community will have a share in the new lodge via the Trust and partnership agreement. Trust will be able to develop the partnership.</i>			Partnership helps WS to set up new lodge and gain permission from authorities.
Support to Mqobela school	Irregular contact	Regular contact	New equipment: e.g. swings made from tyres for playground. Donations from tourists.			
Facilitation of Boundary Issue	Boundary dispute	Mutual agreement, still to be formalised	Emerging clarity on long standing issue.			Resolution of conflict over claims of ownership of RB Lodge
Airstrip use	Other companies use airstrip for free		WS/PPT approaching companies re payment of a fee to community.			

Note: these are *new* linkages created since mid 2002 and in part facilitated by PPT. The community impact of existing links, particularly the 30 or so jobs at Rocktail Bay and the Mqobela equity shares are not included. See the Wilderness Safaris scoping report for details of these: <http://www.pptpilot.org.za/company%20reports/WS.pdf> Linkages in the pipeline are identified in italics.

Discussion: the significance of the impacts at Rocktail Bay

PPT input had significant impacts on the internal processes of Wilderness Safaris. It assisted Wilderness Safaris personnel to better understand the variety of linkage options available and to develop plans for implementation of economically viable projects. It also contributed to a new drive to work closely with the community in a partnership approach.

More specifically, PPT facilitation has played a crucial role in facilitating *wider communication and networking for innovation*. Patrick Boddam-Whetham, Regional Manager for Wilderness Safaris in Maputaland, highlighted the importance of being able to tap into other PPT partners' experiences and to apply this to Wilderness Safaris needs. For example, this will be achieved via an exchange programme with Sun City where staff and community members learn about the Thula Baba child-minding programme for guests' children. A PPT-organised visit to Rocktail Bay by Annette Bulman from Matemwe Lodge, Zanzibar, to provide innovative ideas on the use of local cuisine has already taken place. Boddam-Whetham states² that: "*Wilderness Safaris will probably liaise with and consult PPT partners more in the future as this interaction will contribute positively to our business*".

A significant recent change at Wilderness Safaris is the launch of a new brand which highlights the company's role in contributing to local people's lives. While this would no doubt have occurred without the involvement of PPT input at Rocktail bay, such input has only strengthened the case for such a rebranding, as well as boosting the company's capacity to follow through with the development of further innovative community partnerships and linkages.

Turning to the impact of PPT input on local communities at Rocktail Bay, it is clear that although some enterprises are creating, or set to create, substantial returns for specific individuals in the local economy (e.g. local employment opportunities to be created at the new lodge), the benefits of the linkages created are relatively small in terms of overall ZAR value and number of local beneficiaries to date. However, the linkages are noteworthy for the wide range of activities involved, the cash *and non-cash* benefits generated, and the incremental growth achieved. Key processes have been set in motion with the local community. Over the long-term economic impacts on beneficiaries are likely to be considerable if occupancy rates can be maintained, linkages sustained, and the constant innovation and implementation of new linkages ideas continues.

Communication is critical to the effective operation and development of these PPT processes. Indeed, Patrick Boddam-Whetham identifies increased communication with local communities as one of the most important areas of progress at the Rocktail Bay site, due at least in part to PPT facilitation. Yet these processes have not been established easily. Boddam-Whetham highlights the frustration felt at Wilderness Safaris because of the time and effort that it

² In a May 2005 interview: the source of all other quotes also, unless otherwise specified.

takes to establish business linkages with the local communities: *“It is difficult to get things done efficiently and expediently when dealing with the local communities. This also applies to dealing with government departments and agencies for example Department of environmental affairs and tourism, and the Greater St Lucia Wetland Park Authority”. “The greatest challenge has been managing expectations within the community, given the very high expectations of tourism locally, and the very slow pace of benefits and lodge building”* (conversation January 05).

The total impact created by one lodge, or soon two, will always be tiny relative to the development needs of the area. The critical mass to restructure the local economy is not available. On the other hand, the linkages that are developed are particularly important precisely because Rocktail Bay is in a remote rural area where few other non-agricultural opportunities for income generation exist. The establishment of the new Manzengwenya lodge, delayed by government but gradually progressing, will bring another significant boost in benefit flows to local people. The Rocktail Bay example demonstrates that with the right mindset and facilitation, a single enterprise can generate a wide and evolving set of economic and non-economic linkages in a rural area.

Sun International: Sun City

Sun City South Africa is an internationally renowned casino and golf resort located next to Pilanesburg National Park in the North West Province, 160 km north-west of Johannesburg. It has four hotels from the 3-4 star Cabanas, to the 5 star 'Palace of the Lost City', offering a total of over 1,500 rooms. Approximately 600,000 guests stay annually. Thus, Sun City and its visitors have massive marketing and purchasing power to contribute to the development of PPT linkages.

Sun City chose to become a Pilot Site partner of the Pro Poor Tourism project in late 2002. The Corporate Social Investment Director (and also a member of the Human Resources team), already had a substantial CSI programme but was interested in developing this further into different ways of doing business. The Director of Human Resources has also been involved in planning pro-poor approaches. In early 2005, Sun City appointed an additional staff member to assist with CSI.

The Corporate Affairs Manager brought in the PPT approach because he was at that time deciding to move Sun City's CSI activities beyond philanthropic projects in the local community (mainly in health/HIV and education, because these are the highest local priorities) towards more sustainable relationships with local SMMEs. While the enterprise approach is currently an addition to health and education, there are plans to expand it substantially in future.

PPT input at Sun City

The main elements of PPT facilitation since 2003 have involved:

In 2003:

- Analysis of a wide variety of ways in which linkages with the local economy could be developed.
- Discussion of priority options: local branding, local supplies, heritage products, working with concessionaires, etc.
- Agreement to focus on supporting 2 new SMMEs to supply recycled glasses and handmade cards to Sun City, and to develop ideas for heritage products for Sun City guests.

In 2004:

- Assistance with setting up the 2 SMMEs: identifying technical needs, training, procuring equipment and inputs.

- Submission of a proposal for cultural and heritage product development.
- On-going discussion with management staff of the process and approach.

What impacts has PPT implementation had at Sun City?

Impacts of PPT input at Sun City on the company and the community are described below. Table 6 shows indicators of company change at Sun City between 2002-3 and 2005.

Table 6: Indicators of company change at Sun City

2002-3	2005
CSI focused on philanthropy. Links with SMMEs were ad hoc and not part of a CSI or supply chain strategy	<p>CSI focused on new SMMEs, in a more strategic way though still a very small element of the CSI programme.</p> <p>The Executive Committee (ExCo) agreed substantial investment in equipment, infrastructure and training for the glass and cards businesses.</p> <p>Sun City is now appointing a specialist to conduct a survey of potential suppliers in NW Province.</p> <p>The CSI Director is also establishing a local economic development forum together with Moses Kotane Municipality and 8 local chiefs. This will conduct a needs analysis and focus on local enterprise.</p>
CSI was part of one manager's time, with support from the CSI committee which consisted of individuals also able to provide only part of their time	<p>New full time assistant on CSI appointed – recognition of need for and value of more input.</p> <p>A dedicated manager employed to assist the development of glass recycling and card making micro enterprises and other projects.</p>
Several discussions with management re PPT but with direction unclear	ExCo members engaged in PPT discussions. E.g. Human Resources Director spending 1.5 hours in a meeting explaining their long term vision and potential for SMME support.
No information for SC guests on any CSI activity	Sun City made a DVD about all their CSI work in 2004. Directors talking about the need to promote it, to be able to answer questions on it particularly from potential international corporate bookings.

While PPT has been only one factor in this process of company change, the CSI Director, Dan Ntsala, commented that PPT input has been helpful in raising awareness of the issues at management level and in getting PPT on the corporate agenda. PPT input has supported him in prioritising activities and starting to practically demonstrate a different way of doing business (e.g. *“You don't know how much that [PPT] workshop helped me”*³). A tangible result of this internal work has been an agreement from the ExCo for substantial investment in equipment, infrastructure and training for two new supplier enterprises.

Details of these two small enterprises, one based on glass recycling and one on card making, and impacts on community, employment and company are shown in Table 7 below. PPT assisted with these projects in early stages, but the majority of input has been from Sun City⁴.

³ Interview with Dan Ntsala, May 2004: also the source of other comments.

⁴ A PPT intern spent 5 weeks onsite in July/August 2004. Technical assistance has been largely provided by the CSI Director and more recently onsite manager Barbara Delaney.

Table 7: Impacts of new linkages created at Sun City

Linkages	Previous	Current	Community impact ¹	Jobs created	Company / other impact
SMME enterprise					
RECOPRO glass-recycling	4 staff operating a survivalist enterprise, collecting waste & producing glass products.	New machine for enhanced production in place, training underway, and production started (June 04).	<p>Training; new equipment; 4 new jobs</p> <p><i>The new machine will enable increased production, improved decoration, new supply contracts and regular wages (est ZAR 6,250 per person per month)</i></p> <p><i>High potential for incremental expansion of products and Sun City markets (e.g. cultural village), if transport problem can be overcome.</i></p> <p>Owner-members report new confidence, skills and expectations for the future.</p>	4 ² (2m, 2f)	<p>Enhanced products (e.g. corporate gifts) produced for Sun City and also marketed to surrounding lodges.</p> <p>Enables recycling of used bottles from Sun City.</p> <p>The initiative is now seen within CSI and HR as part of a longer term shift towards enterprise support and localization of procurement.</p>
RECOPRO card-making	Sun City purchased its cards from distant sources or from a female manager living nearby.	10 RECOPRO members have been trained to make paper and cards; 2 are now active making cards. Sun City is ordering 500 cards per month initially and providing 3 months training.	<p>Training; new equipment; 2 new jobs</p> <p><i>Planned sales to Sun City of 500 cards per month at ZAR25 per card, benefiting two previously unemployed young men.</i></p> <p><i>High potential to expand into marketing of cards at Sun City, at planned roadside stall, and, if transport can be acquired, at other nearby resorts, further increasing income flows.</i></p>	2 (2m)	<p>Supply of locally produced cards for Sun City VIPs as gifts.</p> <p>Also potential for sales in the hotels.</p> <p>The initiative is now seen within CSI and HR as part of a longer term shift towards enterprise support and localization of procurement.</p>

¹ This covers impact on immediate members of the enterprise. Impact on other enterprises via planned synergies and product-linkages are not included.

² The 4 current owners/members of the RECOPRO glass-making enterprise were involved from the beginning of the project, thus it could be argued that jobs are retained, not created. But given that they rarely earned any income previously from their waste collection and survivalist enterprise, they are identified here as 'jobs created'. The 2 individuals in the card-making enterprise are different to those involved in the glass-recycling enterprise.

Note: Linkages in the pipeline are identified in italics.

At the card making enterprise, a training wage of approximately ZAR10/person/day is paid during three months of training. Sales to Sun City are planned of 500 cards per month at ZAR25 per card initially. Assuming continuation of the current situation of no operating or input costs - Sun City provides essential inputs such as paper, electricity and water free of charge and seeds and other items for decoration are collected locally by the workers - this will generate gross revenue of ZAR12500 per month (ZAR6250 per person per month), a highly significant income in a poor community.

Estimates of the financial and employment impact of the card making enterprise at the time of the last interview in late May 2005 are summarised in Table 8 below. Data are not provided for the glass-recycling project as this was yet to become fully operational in May 2005 due to the delayed arrival of essential machinery.

Table 8: Estimates of financial and employment impact for RECOPRO cards

	RECOPRO Cards
Size of enterprise/contract	2 individuals, not an SMME
<i>Wages</i>	
No of earners	2
- of which women	0
Income per unit	ZAR25/card
Total to date – per person/total	ZAR700 per person in May 2005.
Average per month on-going	<i>ZAR6,250 gross revenue/income per person per month</i>

Note: linkages in the pipeline are identified in italics.

Linkages are planned between the card production, glass production, and hydroponic vegetable production which is also done at the same site (established before PPT, also through a Sun City CSI project). Linkages include: use of herbs from the hydroponics project to fill glass and paper containers; use of paper from the paper-making projects for labelling glassware; use of lettuce, chilli, herbs etc in innovative papers. This approach develops synergies. A roadside craft market is also planned, which would also increase the spread of community benefits from tourism by offering stalls for rent to local people with their own crafts to market.

Discussion: the significance of the impacts at Sun City

Much of the impact of PPT facilitation at Sun City has been in its contribution to the process of thinking about doing business differently – using CSI investment strategically to stimulate small enterprise and adapt the Sun City business approach. *“It has encouraged a longer term shift towards enterprise support and localization of procurement, as demonstrated by recent actions to support a local development forum and the appointment of a specialist to conduct a survey of potential suppliers in NW Province”* (Dan Ntsala, CSI Director).

PPT input has contributed to successfully getting these issues addressed and discussed with greater attention at senior level. As Dan Ntsala states, a key area of progress, due at least in part to PPT facilitation, has been internally: *“[Successes are] gaining buy-in from top management, getting PPT on the corporate agenda; for example, hospitality people at Sun City have started to think about PPT, about ways to improve business whilst simultaneously having positive impacts on the local economy.”*

Impacts on poor people have been very small to date, but have potential for considerable expansion. Progress on the ground in implementation of the two small enterprises, has been slow and sporadic, thus economic impacts are only now starting to flow. With responsibilities for CSI, employment equity and corporate affairs, Dan Ntsala was only able to develop a fraction of his time to the initiative. He identifies working with support companies as a further source of frustration and delay: *“Phumani Paper Company took too long to deliver – they were not able to work within Sun City’s tight budget-linked time frames. Phumani saw Sun City as an excellent market opportunity but the logistics and expense of trying to transport small amounts of paper from different groups to Sun City proved prohibitive. Instead, it was decided to produce the paper locally. The company supporting the glass recycling enterprise also failed to deliver critical machinery on time, delaying progress”.*

For those involved with the RECOPRO initiatives, potential for substantial future benefits is high. A manager is now employed on site to build the skills of the people involved and enhance the quality of the product. More beneficiaries may become involved as and when production expands, or through sales of other products at the roadside market. The incomes generated for those individuals involved (especially the estimated ZAR6250 per person per month) are likely to be highly significant to the workers and their extended families. While those with tourist or mining jobs are relatively secure, there are many others in the area with minimal income opportunities, for whom such income is very important.

Looking beyond the RECOPRO projects, the key question is whether a more significant number of local people can benefit from the approach piloted. The main potential community impact lies in the Sun City approach to SMME procurement being significantly expanded. If the RECOPRO pilot demonstrates that the approach can work for both sides (as the Thula Baba babysitting and hydroponic lettuce production have before it), and garners management commitment to local sourcing, then it can have much wider impacts long-term, given Sun City’s enormous purchasing power. However, capacity for facilitating the new SMMEs is a constraint that would need to be addressed, if new or micro enterprises are to come into the supply chain.

In summary, tangible impacts on local people have been limited in terms of economic value and number of beneficiaries to date. Yet valuable processes have been set in motion, both within the company and on the ground. If the SMME approach takes root in Sun City, and if synergies between the new enterprises are exploited and new markets developed, then the potential for local economic development is significant.

Ker & Downey, Tanzania

Ker & Downey, Tanzania, operates exclusive photographic and trophy hunting safaris in 14 private concessions and in the country's National Parks. The umbrella company, Ker & Downey Tanzania comprises Tanzania Game Trackers Safari, Wengert Windrose Safaris, Ker & Downey (photographic safaris) and Northern Air. The company has ten hunting blocks allocated to it, with a total area of over 36,000sq km.

Part of Ker & Downey Tanzania is the Friedkin Conservation Fund (FCF) which was established in 1994 as a non-governmental organisation registered in Tanzania and the US. The Friedkin Conservation Fund's mission is: *"To assist the government and people of Tanzania in their efforts to conserve and protect the indigenous flora and fauna of the country. In order to achieve this, FCF actively involves local people in sustainable conservation practices in order to improve their economic conditions"*. FCF is therefore the key mechanism by which Ker and Downey contributes to local development.

Craig Doria, formerly coordinator of FCF, reports that the company is seen as far ahead of other hunting companies in its community work and its commitment: *"They don't merely do community work because they wish to keep the government happy – they really want to make a difference"*. The fund supports community development, research and anti-poaching activities. 20% of the trophy fee paid by safari hunters flows into a community development fund, which is then distributed to villages in and around hunting concessions. However, other PPT linkages are limited, encompassing employment (170 people seasonally employed plus casual labour), and support for student scholarships.

Many of the residents or neighbours of Ker & Downey Tanzania hunting areas are Maasai, for whom pastoralism is fundamental. In order to reduce their vulnerability to deeper levels of poverty, local residents need to secure their access to prime resources (e.g. grazing land and other natural resources) and diversify their livelihood strategies. Given the lack of economic drivers in rural areas, new economic opportunities such as tourism are of considerable significance.

PPT input at Ker & Downey's Tanzania sites

PPT facilitators promoted a shift beyond an approach based on conservation rewards/penalties and community donations, to a strategic partnership that enhances natural resource management and develops hunting as an integral driver within the local economy. The key challenge and opportunity for PPT was to restructure relations between the FCF and the local communities so that a partnership could deliver tangible benefits to both sides. This would have the additional benefit, long term, of demonstrating to government that hunting can contribute significantly to people's livelihoods and to effective natural resource management.

The first step was to help in establishing a common vision. A series of meetings were held with FCF and the two hunting companies represented by

Ker & Downey with the aim of discussing ways in which their community work could be improved so that it brought increased benefits for both local people and the core company. Various options needed to be assessed, in particular options for delivering support to rural diversification and local enterprises, enhancing natural resource management arrangements, and sharing decision-making. Perceptions - among hunting managers, residents, the wider industry and government - of whether and how hunting can deliver meaningful benefits also needed to be addressed to win support for a strategic approach.

Impacts of PPT implementation at Ker & Downey

The strategic aim of developing natural resource management partnerships with communities was a rational approach that would have benefited the community and the company. However, it is a substantial shift from the more traditional philanthropic and anti-poaching approaches. These approaches are seen as adequate by many. Furthermore, on-going uncertainty over tenure of the natural resources makes it difficult for the company to shift to this partnership approach.

PPT facilitation succeeded in putting strategic approaches to community development on the agenda of the company. Within the company, top management commitment to implementation is not yet secured. Within the NGO, FCF, there is more awareness and enthusiasm for a strategic approach to community investment. Given the distance of the pilot partners from the South-Africa based facilitators, relatively little contact so far has led to some change in thinking. But closer collaboration would be needed to lead to implementation. As Craig Doria puts it: *“A big success factor is that the PPT rep has been able to get our companies as leaders within the hunting industry, to discuss community work, this in itself is a major step forward. It is a slow process which would take a long time to develop... We need to discuss with PPT and our companies to develop plans for the future.”*

Planned impacts on the ground, such as identifying existing local business people (e.g. furniture makers, Maasai bead-makers, commercial vegetable growers) and assisting them to develop their businesses to compliment company activities have not been realised.

Discussion: the significance of the impacts at Ker & Downey

PPT input sought to facilitate the formation of local linkages that would bring enhanced benefits for local people and the core company. Implementation was constrained by uncertainties over natural resource tenure, limited onsite PPT facilitation due to the great distance PPT representatives had to travel to reach the remote Tanzanian hunting sites from South Africa, and slow company buy-in. This suggests that PPT pilots started a process, but catalysing change in practice within such hunting companies takes either a longer or more intensive facilitation process than was possible during one project. An important awareness-raising process has been initiated by PPT facilitation, to be built upon in the future.

Southern Sun Hotels: Sandton Complex

Southern Sun Hotels is one of the largest hotel groups in Africa. It operates 80 hotels in seven African countries, with a total room capacity of over 13,100. The company is ranked among the top 50 hotel groups worldwide and holds exclusive rights from Six Continents plc to operate the InterContinental, Crowne Plaza and Holiday Inn brands in sub-Saharan Africa.

The PPT partner site consists of six hotels and the Sandton Convention Centre in the Sandton precinct of Johannesburg, the economic hub of Southern Africa. The 4- and 5-star InterContinental, Crown Plaza and Holiday Inn hotels, have a total room capacity of approximately 1,700 and thus provide the potential for a variety of linkage opportunities with their 'poor' neighbours.

Southern Sun Hotels already has considerable interest and involvement in Black Economic Empowerment. The hotel interests of Southern Sun Hotels and the gaming interests of Tsogo Sun gaming comprise Tsogo Sun Holdings, South Africa's largest black empowerment hotel and gaming group. Shareholding is split between Tsogo Investments (a broad-based black economic empowerment group) (51%) and SABMiller (49%). In 2002, Southern Sun Hotels was seeking to broaden its transformation and CSR policy and strengthen its contribution to poverty alleviation. A key concern for the partner sites in Sandton was the creation of new or stronger links with its immediate neighbour, the Alexandra township (known as Alex).

Alex is located approximately 3km from Sandton. It is the most densely populated township in South Africa with 350,000 people officially crammed into 7.6 square kilometres – unofficial estimates set the number of inhabitants closer to 600,000. Unemployment in Alex is estimated to be between 32% (the official census figure) and almost 60%, and it is particularly high among women. The monthly income distribution is highly uneven with an average of approximately ZAR1000. A main problem in Alex has been severe overcrowding and, linked to this, the mushrooming of informal dwellings, shortages of services and infrastructure, coupled with high pollution and crime rates.

There seemed to be good potential to create linkages between Southern Sun hotels and Alex due to their proximity and existing linkages between the stakeholders and other tourism players in the area such as the Alexandra Renewal Programme and the Gauteng Tourism Association. Alex offers an extensive cultural, social and political history that might appeal to tourists, in particular overseas visitors and South Africans exploring the country's rich political and cultural diversity. Tourism has been identified as one of the Alexandra Renewal Project's strategies and is supported by the national and provincial government. However, while employment opportunities are lacking, so are skills, infrastructure, support structures, tourism experience and market access knowledge.

Some linkages between Southern Sun Hotels and Alex already existed prior to PPT involvement. They ranged from local enterprise linkages (e.g. sourcing

of room decorations; support of Kwaze Kwaza restaurant through supply of equipment and training; Emerging Entrepreneurs Scheme; support to local dance and music performers at Sandton Convention Centre); employment and training (e.g. learnership programme); CSI investment (group-wide ZAR8 million in 2002); and collaboration with local organisations such as the Alex Chamber of Commerce (Alex CoC).

PPT input at the Southern Sun Site

In autumn 2003 the PPT team facilitated an agreement between Southern Sun Hotels and the Alex CoC to strengthen links with Alexandra township and support the development of local tourism businesses there. Options for a township tour (taking in restaurants, shebeens, music venues and shops) and a variety of township products, such as jazz evenings and festivals, were discussed with the Alex CoC. Proposals such as recycling the hotel's soap and old linen through local small women's enterprises were also explored.

PPT inputs during this period included:

- Completion of a scoping report that was subsequently used as a basis for prioritisation of activities
- Meetings with the Southern Sun Director of Strategic Planning
- Meetings with the Alexandra Chamber of Commerce to discuss and prepare a township project proposal to submit to Southern Sun
- An all-party, full-day visit to Alex to discuss potential for township tours and visit existing linkages between Southern Sun and Alex CoC
- Presentation of PPT and tourism issues to the Alexandra Chamber of Commerce during their board meeting
- An all-party meeting to agree on strategic collaboration options.

Impacts of PPT implementation at Southern Sun

Agreements reached with Southern Sun and Alexandra Chamber of Commerce proved difficult to implement. The pilot stalled eventually. The partnership between Southern Sun and Alex CoC did not flourish. It was clear from the beginning that implementing PPT linkages might be difficult because there were competing agendas and priorities. Pursuing a PPT strategy was not integral to the core business of Southern Sun, so was competing with other business concerns. Alex CoC wanted to develop institutionally, but the PPT option did not come with any resources attached, so did not facilitate this. Another problem was that the partnership depended on one key individual in Southern Sun. When this key Director left, there was insufficient momentum built up to keep the projects going, so work stopped.

This case study usefully highlights the potential pitfalls when trying to engage in a PPT approach. It illustrates the critical need to establish a strong partnership at the start, and the risk of initiatives stalling if a partnership is built around one key champion. It also indicates that in some circumstances the promotion of PPT strategies may not be appropriate. PPT facilitators need to think strategically about when and where to target their interventions in order to maximise impact. Focusing on building partnerships around projects that relate directly to the core competencies and long-term vision of the company involved is likely to be a productive strategy.

Summary: PPT facilitation - what has it been possible, and not possible, to achieve?

This report has provided background information on the five Southern African pilot sites, outlined the PPT input provided at each site and assessed the impacts, *of which PPT facilitation played a part*, in terms of employment and incomes for the poor, and processes of internal company change.

The data provided in this document indicate PPT can deliver tangible impacts for both company and community. Impacts are initially small, incremental, and often get delayed by external and/or internal events. But the potential for expansion is high. Expansion can be through growth of the specific enterprises, or through a demonstration and innovation effect, which leads the company to develop new local linkages.

Internal impacts

The fact that pilot businesses are now more aware of the PPT linkage options and that they are, or soon could be, doing things differently for the future is an important impact in its own right.

The effect of PPT input on companies was highly variable. It contributed substantially to strengthening processes of internal change already in motion prior to PPT involvement, and effectively promoted 'doing business differently', though in different ways. Key contributions of PPT can be distinguished at different 'levels' or stages:

- i) Getting PPT linkages discussed, giving them a higher profile, and building awareness of a range of options and a more strategic approach to community benefit and ways of doing business differently;
- ii) Garnering management commitment to investing in local linkages;
- iii) Scoping a variety of linkage options and identifying priorities;
- iv) Facilitating a shift to a more strategic approach to community work, internally within the company;
- v) Facilitating implementation of linkages with local entrepreneurs and communities;
- vi) Contributing to lesson-learning within the company about linkage approaches and what is required to implement them further.

The balance between these inputs varies at the different sites, according to the internal situation of the company. Where a more strategic linkages approach was entirely new, as at Ker and Downey, PPT impact was mainly at level (i). At Sun City, where getting the enterprise approach going was a challenge and achievement, the main impacts were at levels (i), (ii) and (iii), though with some implementation too. At Spier and Wilderness Safaris, where management commitment to local linkages was already in place, PPT facilitation was able to achieve further impacts. At Wilderness, facilitation did strengthen the strategic approach and management commitment (levels (i) and (ii)) but given the partnerships that were already in place, a great deal of activity was able to focus on implementation on the ground (level (v)). At Spier, the wider sustainability agenda was already tackling (i), (ii) and (iii), so

the main impact of PPT was in facilitating implementation, both internally and with local entrepreneurs (level (iv) and (v)).

This has implications for replication of PPT facilitation more widely. It suggests that either it can be most effective strengthening implementation for companies that already have management buy-in to a PPT approach, or if focused on companies where such buy-in is only emergent, a lengthy time-scale and intensive interaction is needed.

PPT input resulted in minimal impacts at Southern Sun, because the pilot stalled. Lessons from this and other sites for future PPT facilitation are included in Appendix A.

Key impacts within companies

Getting PPT linkage approaches discussed: K&D

Boosting management commitment to a linkage approach (Sun City, WS)

Speeding up implementation on the ground (WS, Spier)

Direct impacts at community level

The impact of the project on implementation of PPT-type linkages was highly variable between sites. The impacts were most significant at Wilderness Safaris and Spier. Tangible impacts were small at Sun City at the end of the project but with high potential in the foreseeable future. This is unsurprising since in such a large corporate, internal company change is necessary to enable a transformation of external implementation practices, but if achieved, impacts can be far-reaching.

Table 9 overleaf summarises the most important impacts of the linkages created, partly due to PPT input, at the pilot projects. In total 63 new jobs have been created. 33 of these were short-term contract or seasonal work, and the remaining 30 are regular jobs, though not necessarily full-time or permanent. This excludes the likely 30 regular jobs for staff at the new lodge at Manzangwenya to be created in late 2005 and other 'pipeline' jobs. Depending on how an 'enterprise' is defined, approximately 11 micro enterprises have been either created or strengthened. A new equity partnership has been established for Manzengwenya Lodge with the Mpukane community, and a variety of other smaller partnerships and non-cash linkages have been developed.

Table 9: Summary table of impacts, partly due to PPT input, of linkages implemented across the pilot projects

Linkages	Key community impact	Key company / other impact
WS ROCKTAIL BAY		
Local enterprise / contract		
Airstrip Clearing	16 temp jobs created	Improved customer access
Airport security	1 job created	Protection of infrastructure
Community Tour	3 jobs created	New product to offer guests
Horse trails	4 jobs created	New product for guests
Security increased	4 new jobs	Decreased risk for guests
Supply of beach furniture	2 temp jobs created	Will facilitate activities at beach
Baby sitting	<i>Unknown number of jobs to be created</i>	New guest service
Local employment		
<i>Recruitment and training of staff for new lodge</i>	<i>Approx 28 jobs to be created</i>	Local work force ready for training
Brought COSATU union into negotiation, end 2003	6 jobs retained through PPT-assisted union negotiations.	Facilitated wage bargaining.
Other		
Strengthened link between WS and KwaMqobela	<i>Trust better able to engage with lodge and use community income.</i>	Assisted WS who lack time or local knowledge to be involved
Creation of Mpukane Trust and partnership with WS	<i>Community will have a share in new lodge via Trust and partnership agreement.</i>	Partnership helps WS set up new lodge; gain official permission
Support to Mqobela school	New equipment; donations from tourists.	
Facilitation of Boundary Issue	Emerging clarity on long standing issue.	Resolution of conflict over claims of ownership of RB Lodge
Airstrip use	WS/PPT approaching companies re payment of a fee to community.	
SUN CITY		
SMME enterprise		
RECOPRO glass-recycling	4 jobs created; training; new equipment	Enhanced products for Sun City; seen internally as part of a longer term shift to local enterprise support
RECOPRO card-making	2 jobs created; training; new equipment	Supply of cards for VIPs; seen internally as part of shift to local enterprise support
SPIER		
Local enterprise / contract		
Klein Begin Laundry	New business; training; equipment; 11 jobs created	Significant saving, est. at over ZAR200,000; showed enterprise dev. through in-sourcing is viable
Harare Energy Centre	Income to existing township enterprise strengthened	Demonstrated a township operator can deliver to required standard
Siyazama Papermaking	Increased income to existing enterprise	Demonstrated local supplier can meet value aspiration
Wooden deck construction	New income flow to HDI contractor; 4 jobs created over period of contract	Demonstrated linking with HDI suppliers is viable
Building construction	New income flow to HDI contractor; 7 jobs created over period of contract	Reinforced view that approach of seeking out HDI suppliers is viable
Fuel wood supplier	Regular income for supplier; 2 jobs created over period of contract	Potential for future work, now relationship is established
Kayamandi township: support to B&Bs and tourism development	Far broader skill set of local people; first direct integrations into mainstream tourism economy	Opportunity to develop linkages with this group as well as play a direct role in tourism development
Alien Clearing	Long-term contract include professional mentorship. 9 new jobs created	Significant cost saving; build long term regional capacity
Across all sites	69 new jobs: 38 regular, 31 short-term contract Tangible expansion opportunities for several enterprises	Demonstration of strategic approach to local linkages and enterprise development

Note: Linkages shown in italics are 'in the pipeline'.

Where impacts have been achieved on the ground, these are often highly significant *for the people immediately involved*. Many of the entrepreneurs and employees involved in new or expanded enterprises came from poverty-stricken communities and were previously unemployed, often for sustained periods. Moreover, a substantial number of these people were women (often thought to be those worse affected by poverty), particularly in the Klein Begin laundry at Spier where 9 out of 10 employees were women.

The new income flows (and other non-cash benefits) that are being channelled into local communities and the number of beneficiaries directly involved in new linkages at the pilot sites remain small relative to the overall scale of rural poverty. Nevertheless, these examples of implementation represent an important step. Significant processes have been nurtured and incrementally expanded at the pilot sites and with commitment and the necessary investment of time and resources, these hold potential to generate increasing benefits – both for the companies involved and for local people – that can be sustained over the long term.

A *very* rough indicator of how local financial gains compare to project inputs⁵ comes from the ratio of new staff wages to donor investment, which is 2:5 – which is justifiable given the value of non-financial, potential, and replication benefits. This indicative figure assumes the regular jobs are for 2 years, the contract jobs for 4 months, and average wages are ZAR 1,000 per month. This may be wrong by an order of magnitude of 2 in either direction, but gives a broad indication. Once the pipeline wages at Manzangwenya lodge are included, it changes to 2:3.

The significance of *pipeline impacts* is illustrated by the Spier example. A shift of 10% of the procurement budget to small, black local SMMEs would represent contracts worth around ZAR 7.5 million per year. This annual spend would amount to 3 times the donor spend on the entire project (£220,000, equivalent to approximately ZAR 2.3 million.)

Key impacts at community level
69 new jobs created, of which 38 are regular on-going jobs
13 of the regular jobs held by women
11 micro-enterprises created or strengthened
Multiple partnerships and non-cash linkages established, boosting local access to skills, contacts and/or markets
Substantial *potential* impacts: eg 28 new jobs at WS, several million ZAR of procurement at Spier.

Wider impacts beyond the Pilot sites

The rationale of a 'pilot' is to test and demonstrate an approach for wider replication. Thus much of the long-term impact of PPT Pilots rests on the uptake of the approach by other companies, plus the continued application and adaptation of the approach by the 5 partners. The two main channels for wider uptake of the PPT approach are via direct services provided by

⁵ Source: Ashley 2005: lessons learned from PPT Pilots.

Business Linkages in Tourism, and via consolidation of lessons learned into printed form, in the ‘How To...?’ series.

In May 2005, Business Linkages in Tourism was launched – a non-profit business providing services in PPT facilitation, drawing on the experience and skills developed during PPT Pilots. This opens the way to spread the PPT approach far beyond the Pilots to others in the industry. (See www.tbcsa.org.za/blt). BLT is already working on strategic development of linkages in Kozi Bay and other parts of Kwa Zulu Natal.

The ‘How To...?’ series of briefs on local linkages, launched in September 2005, draw heavily on the valuable lessons learned by the companies at the pilot sites. These are published and disseminated in collaboration with the Tourism Business Council of South Africa, the Department of Trade and Industry and the Department of Environmental Affairs. This ‘How to...?’ series has been written for operational staff in tourism companies to provide them with practical tips on how to develop local linkages with communities and local enterprises. In addition to the Executive Summary, there are four briefs on different topics: (1) boosting local input into the supply chain; (2) stimulating local cultural and heritage products; (3) local partnerships; (4) putting local linkages on the corporate agenda and managing internal change. See: www.odi.org.uk/rpeg/research/pro-poor_tourism/howto.html

BLT, these publications, linked materials available on the project website (www.pptpilot.org.za), the end-of-project workshop in May 2005, presentations at other workshops and conferences, and dialogue with other organisations (FTTSA, IFC, Ford, that work on similar approaches) spread the knowledge and practical experience of implementing local linkages and partnerships generated at the pilot sites to a wider industry and government audience. It would be unrealistic to expect exact replication. Neither Spier nor Wilderness are typical businesses, given the values, individuals and market niche that drive them. Nevertheless, at a time when the Black Economic Empowerment Scorecard for the tourism industry in South Africa is encouraging companies to look at their socio-economic performance, lessons from PPT Pilots and services of BLT provide opportunities for practical advice and facilitation to move forward.

Summary of impacts via demonstration and replication

Main avenues for encouraging adoption of PPT linkages by others are:
Business Linkages in Tourism, providing PPT facilitation on a sustainable self-financing basis.
How To...? series, providing practical guidance on four linkage topics
Sharing ideas with other organisations working on linkages in tourism, and via workshops etc.

Pro-poor tourism will never be *the solution* for poverty reduction (there is no one solution), but work at the pilot sites has demonstrated that it constitutes a viable approach for the tourism industry that generates tangible, long-term benefit flows for poor people. Its potential impact on poverty should not be overstated – tourism is not viable in many areas and unrealistic expectations undermine many projects. Yet as a complementary strategy to other rural development initiatives, such as increased support to smallholder agriculture

and welfare payments, PPT offers a genuine option for helping to drive small enterprise growth, increase employment and push back poverty.

Appendix: Lessons learnt for facilitation of pro poor tourism linkages from the PPT process at the pilot sites

While exact replication of PPT Pilots programme is unlikely, the broad approach of working with companies to support local linkages is an agenda of wide relevance, in South Africa and beyond. Lessons learnt from PPT that may be useful to others **include**:

- 1) **A strong, committed team** is needed to patiently advocate change, demonstrate how and why it should be implemented and to undertake the time-consuming legwork involved. Dan Ntsala at Sun City identified the strength and commitment of the team and the quality of the information they were able to provide as key success factors. Nevertheless, he felt that more continuous support could have led to larger impacts.
- 2) **Regular site visits** are important for effective facilitation. PPT facilitation at Ker & Downey was constrained by the great distance PPT representatives had to travel to reach the remote Tanzanian hunting sites from South Africa, and by the concomitant expenses involved.
- 3) **Develop a project that relates directly to the core competencies, vision and long-term strategy of the company involved.** It is critical at the beginning of any partnership to identify PPT linkages that are not only worthy and viable, but are likely to be prioritised sufficiently for implementation. For example, the initial idea was to use Spier as a gateway to channel tourists into a nearby township, with Spier assisting township entrepreneurs to develop tourism products. On reflection, Spier felt this approach was high risk because it involved multiple elements that were outside Spier's core competencies. However, Spier and PPT were able to agree on a new project that complemented, and could be integrated into, Spier's strategic vision. Such synergies between PPT and the wider internal process ensured that implementation produced significant and highly relevant benefits for both the company and local people. At the same time, the mutual learning process enriched the knowledge and experience on which PPT can draw. At Ker & Downey, a more strategic approach to community benefit has been discussed with top management, but this is not critical to the core business, and indeed is generally devolved to their NGO, so moving on to implementation has been problematic.
- 4) **A strong relationship between the PPT facilitator and the company 'champion'** is important for intense and frank discussions of project options, and for implementation. The facilitator can only do the leg work of implementation if he/she is supported by the champion in the company. The company representative has a vital role to play in providing the enabling environment that allows the PPT facilitator access to different parts of the organisation, as well as the mandate to carry out the work needed.
- 5) **Prior knowledge of the inner workings of a company** may assist progress. For any facilitator, it is essential to be able to understand

the internal politics, power struggles and agendas present within an organization yet at the same time be capable of cutting through these to address the core objectives of the project.

- 6) **Partnerships based on a link with one key individual in a company are high risk.** Beyond the champion, **wider buy-in across staff and management** is needed. For example, at Southern Sun, when the 'champion' left the company, there was insufficient momentum built up to keep the projects going, so the project stalled.
- 7) **Achieve 'small wins' at an early stage.** These can help to silence critics of the approach and build the confidence of both the operator and the company management team, building a strong foundation for wider implementation of PPT linkages. Get practical and get going, and learn and adapt from there. For example, the establishment of the pilot laundry project at Spier was useful in demonstrating that the PPT procurement approach was robust and viable prior to broader implementation.
- 8) **Substantial time input and direct contact is needed** in order to work on implementation issues with local enterprises and government departments. An informed on-site outsider can effectively undertake this legwork. For example, despite a fairly good understanding of the industry and substantial support from Spier, it was initially extremely difficult to identify and appoint emerging suppliers for the company. A lack of information meant that, ultimately, the facilitator had to go out and find these people himself, rather than plug into existing networks. Tanner Methvin (Director of Sustainable Development at Spier Holdings) acknowledged the critical role played at Spier by the PPT facilitator who possessed the necessary time, focus and skill set to undertake the intensive work involved in assessing the viability of different suppliers.
- 9) **An incremental approach and diplomacy** are critical for working effectively within a company and getting linkages 'mainstreamed'. Tensions will always be present in a company, particularly when intervening in systems and routines that have been in operation for lengthy periods of time. Progressing gradually with sensitivity, building trust and respect, and creating spaces for new processes to be understood and engaged in will all assist greatly. An incremental approach will allow the new process to be embedded within the operational dynamics of the organization, thus allowing it to become part of the routine, rather than remain a special project for the duration of the activity.
- 10) **Get staff on board, anticipate resistance.** In the Spier case, the Director of Sustainable Development identifies lack of time to work to raise awareness and get people 'on the same page' as a key constraint on the project. He also believes that ignorance within the company about the dynamics of change and internal systems, and passive resistance from some staff constrained progress. Nevertheless, development of a supplier questionnaire and investment of time with the buyer meant that the process objectives were widely understood and preconceived ideas about the motivation for the exercise were dispelled. (Tanner Methvin, Director of

Sustainable Development, Spier Holdings) A combination of ‘sticks and carrots’ to incentivise staff is likely to be needed.

- 11) **Identify when to provide direct support to emerging suppliers and when to let them struggle on their own.** Suppliers may need technical, marketing and/or financial support, but a relationship of dependency must be avoided. At Spier, a level of supplier dependency was evident but through clear, communicated, incremental withdrawal of the facilitator from discussions, the various individuals, at differing stages, were able to develop the confidence and ability to negotiate without the facilitator’s assistance. Finding the correct moment to allow the supplier to stand alone is critical to the development of the process.
- 12) **Build networks for innovation**, so that companies engaged in PPT-type linkages can exchange information, learn lessons and obtain encouragement from one another, thus supporting each other’s initiatives beyond the termination of any direct PPT support.
- 13) **Technical inputs from other companies** are likely to be needed, and should be sought out where necessary. Support companies must be selected with care and where possible, incentives should be put in place to encourage them to deliver on time and on budget. They can provide critical technical inputs but can also hold back implementation and generate frustration amongst local people, as happened with the card-making project linked to Sun City.
- 14) **Inter-project linkages** can be built-in where a number of local initiatives are developed in close proximity, such as are occurring between the glass recycling, card-making and existing hydroponics projects at Sun City. Such linkages can help to spread the benefits from a high turnover enterprise to a larger number of people and create synergies.
- 15) **Be willing to persevere and to adapt flexibly when confronted with obstacles.** For example, the now highly successful laundry project at Spier got off to a bad start when a washing machine broke down, but the way in which the business owner actively adapted to the situation helped to establish a stronger relationship with Spier.
- 16) **PPT input will have most impact on the ground where it is focused on those companies that are already receptive to a strategic PPT-type approach.** It is at such pilot sites (e.g. Spier, Wilderness Safaris) where progress in implementing local linkages has been greatest. Conversely, at sites where pursuing such a strategy was not integral to the core business, or not well understood (e.g. Southern Sun and Ker & Downey), impacts on the local economy were far more limited.

Other tips related to implementation of linkages are covered in the ‘How To...?’ series.