BEST PRACTICES MANUAL FOR COMMUNITY BASED TOURISM ENTERPRISES
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I. INTRODUCTION

This document/manual provides guidance on the critical issues to be considered when developing best practices and critical success factors for Community Based Tourism (CBT) activities managed by local communities in regional and rural areas. It highlights the practical considerations when planning for and implementing CBT drawing on the experience of CBT activities internationally and locally.

The overall objective of this document is to increase awareness on the opportunities for CBT as a vehicle for social, economic and environmental development. It integrates the general principles of good practice in sustainable tourism and community development, which focus on actual, local community needs. It aims to give guidance on CBT process and practice that facilitate protection of natural and socio-cultural resources and improve the welfare of local people, while enhancing monetary gains and market access. The study showcases and draws lessons from good practice in CBT from around the world drawing from case study examples of good practice it identifies the underlying processes and practices that can make CBT successful while also identifying key challenges and risks.

The research was conducted by reviewing relevant international literature on community tourism, consultation with members of community based tourism enterprises and with stakeholders involved in community tourism that developed a framework for understanding the key issues and barriers to the development of CBT, later on organized for a workshop of members of CBT and County Governments to agree on some of the elements to be considered as best practices.

1. BACKGROUND OF COMMUNITY BASED TOURISM

The term Community Based Tourism (CBT) emerged in the mid-1990s. CBT is generally small scale and involves interactions between visitor and host community, particularly suited to rural and regional areas. CBT is commonly understood to be managed and owned by the community, for the community. It is a form of ‘local’ tourism, favoring local service providers and suppliers and focused on interpreting and communicating the local culture and environment. It has been pursued and supported by communities, local government agencies and non-government organizations (NGOs). There are a range of actual legal forms of the ownership and management in which communities participate (see chapter 4 Structures and Systems for managing the CBT operation).

Community based tourism is a collaborative approach to which community members exercise control through active participation in appraisal, development, management and/or ownership of enterprises that delivers net socio-economic benefits to
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community members, conserves natural and cultural resources and adds value to the experiences of local and foreign visitors. Community based tourism consists of tourism initiatives which are owned by one or more communities or as joint venture partnerships between communities and the private sector.

The following attributes are common to CBT operations:

- Aiming to benefit local communities, particularly rural or indigenous people’s or people in small towns, contributing to their wellbeing and the wellbeing of their cultural and environmental assets
- Hosting tourists in the local community
- Managing a tourism scheme communally
- Sharing the profits/benefits equitably
- Using a portion of the profits/resources for community development and/or to maintain and protect a community cultural or natural heritage asset (e.g. conservation)
- Involving communities in tourism planning, on-going decision making, development and operations.

2. THE BENEFITS OF CBT

Community based tourism has been popular as a means of supporting biodiversity conservation and linking livelihoods with preserving biodiversity whilst reducing rural poverty and achieving both objectives sustainably.

CBT may enhance social sustainability by empowering local communities to manage their own resources, provide meaningful employment, and assist with capacity building and cultural preservation. Environmental benefits include income generation for communities to actively protect their land from degradation and could enhance conservation efforts to attract tourists especially with regard to eco-tourism initiatives.

Where it is working effectively, CBTE’s:

- Supports local economic development through diversification of employment
- Is financially viable
- Respects and encourages equitable participation of local community
- Is ecologically sustainable and minimizes impact on the environment
- Conserves and promotes living cultural heritage and welfare
- Educates visitors about culture and nature
- Demonstrates good management practices
- Ensures a quality and safe experience for all of individuals involved.
3. PRINCIPLES OF COMMUNITY BASED TOURISM

Community-based tourism is believed to have the potential to provide some unique opportunities for communities not only by offering financial benefits, but also by enhancing their involvement and participation in tourism planning and development in their areas in innovative ways (Harwood, 2010; Häusler and Strasdas, 2003; Johnson, 2010; López-Guzmán et al., 2011; López-Guzmán et al., 2011; Lucchetti and Font, 2013; Razzaq et al., 2012; Saarinen, 2010; Salazar, 2012; Scheyvens, 2003; Vanagas and Jagminas, 2011).

In developing and organizing tourism, local members are the owners and decision makers in tourism management for the benefits of their communities. They support cultural and natural heritage preservation and are concerned with the impact of tourism on their communities and the environment. The residents earn income as owners, entrepreneurs, and product and service providers. Normally, they set aside at least part of the tourism income for projects and initiatives that provide benefits to the community as a whole (Asker et al., 2010; Häusler and Strasdas, 2003; Responsible Ecological Social Tours, 2006; Tasci et al., 2013; World Wide Fund for Nature International, 2001).

Community-based tourism produces meaningful benefits not only for local people, but also for visitors seeking individualistic, participatory, sustainable, and meaningful forms of tourism. Curious visitors learn more about the daily life of people from different cultures, especially those with an exotic image, typically urban people visiting the countryside while enjoying the simple way of life (Häusler and Strasdas, 2003). In doing so, local community members, often rural, poor and economically marginalized, invite tourists to visit their communities with the provision of overnight accommodation. They increase their awareness and discover local ways of life, culture, nature, and wisdom that local community members feel proud of and choose to share (Thailand Community Based Tourism Institute, 2012).

4. GOALS OF COMMUNITY-BASED TOURISM

Community-based tourism is based on the belief that tourism considers not only the economic condition and welfare of local people, but also environmental conservation and ecosystem as a whole. It aims to improve local residents’ quality of life by optimizing their economic benefits and by protecting their natural resources and environment. Hatton (1999) stated that the first goal of community-based tourism is respect for local culture, heritage, and old values. Community-based tourism is seen as a tool to reinforce and rescue traditional ways of life. Respect is also implied for natural heritage in which the environment is part of the attraction.
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The second goal of community-based tourism is that the tourism activities are developed and operated for the most part by local community members. The income and revenues are directed toward local people, neither governments, elite groups, nor other external parties exploiting the local community. With greater local control and by integrating tourism into the local economy using local labor and resources, there is an increased potential that community members will achieve empowerment and greater self-reliance (Telfer and Sharpley, 2008).

5. FACTORS CONTRIBUTING TO THE SUCCESS OF CBT

A common similarity between many community-based tourism applications in several destinations is based on the assumption that tourism is adopted to generate socio-economic benefits, including increasing income, promoting the local economy, as well as conserving natural resources and environment. However, many of them have failed due to lack of some critical factors. Tasci and colleagues (2013) argued that several community-based tourism initiatives have failed due to lack of community involvement and participation, sense of ownership of the initiative among the community members, and lack of local financial resources. Consequently, the research attempts to provide a comprehensive analysis of the relevant factors contributing to community-based tourism success.

Communities conducting community-based tourism can improve their operations and practices and increase their chances of success. Reviews of the interrelated concepts of community development, sustainable development, sustainable tourism, and community-based tourism in the previous section bring a comprehensive understanding of ‘the success factors of community-based tourism.’ The following factors are considered necessary to the success of community-based tourism (Asker et al., 2010; Henry, 2009; Mountain Institute, 2000; Tasci et al., 2013; Thailand Community Based Tourism Institute, 2012).

5.1. Participation in Decision-Making Processes
Local residents take part in decision-making processes at all stages of the development, from planning, organizing, implementing, to evaluating the success of community-based tourism. The whole community takes control of its own development and decides on the tourism activities that enhance community well-being.

Community members share opinions and ideas and make their own decisions, particularly how they want their benefits to be shared, distributed, and used. The benefits of community participation are that decisions are based on their understanding of the issues and tailored to their needs and concerns (Asker et al., 2010; Henry, 2009; Mountain Institute, 2000; Tasci et al., 2013; Thailand Community Based Tourism Institute, 2012). Armstrong (2012) stated that community participation and involvement must encompass decision-making, management, and community...
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control. They should share in all stages of development from planning through implementation to benefit sharing. True participation and involvement of community members mean being a critical partner in the tourism development and being active rather than passive, contributing to successful-community-based tourism.

Participation requires empowerment, a process describing an individual, group, or community mobilizing toward an increase in capacity, control, power, or the ability to manage resources in tourism development. Community empowerment determines the extent to which the community is able to participate in the development of community-based tourism.

When community members have a right and responsibility to solve their problems, they gain control over their lives and are able to participate in decision-making, negotiate, and represent themselves more effectively with the outside groups; for example, local governments and business enterprises. Instead of being controlled by other parties, who neither understand their social and economic conditions nor serve their best interests, local empowerment and participation implies planning, developing, and making decisions for their own enterprises. They are the owners and decision makers in tourism management for the benefit of their community and environment (Ask et al., 2010; Henry, 2009; Mountain Institute, 2000; Tasci et al., 2013; Thailand Community Based Tourism Institute, 2012).

5.2 Local Ownership
Local ownership or access to cultural and natural resources is imperative for community participation in tourism development (Ratnayake and Kasim, 2011; Saarinen, 2010; Stone and Stone, 2011). When local residents have ownership rights of cultural and natural resources that are the primary tourist attractions, they increase awareness of the positive and negative impact of tourism in their respective areas. They have the ability to manage their own enterprises and control the social and economic changes in tourism areas. They are interested in tourism development, participate in decision-making about the management and future development of tourism, and initiate projects that suit their best interests and maximize local benefits (Ask et al., 2010; Henry, 2009; Mountain Institute, 2000; Tasci et al., 2013; Thailand Community Based Tourism Institute, 2012).

Armstrong (2012) mentioned that keys to community-based tourism success involve issues regarding ownership of resources, entrepreneurship, management roles, and tourism benefit-sharing. The strength of the community’s sense of ownership, control, and participation is a critical element to success.

5.3 Local Innovation
Changes and improvements related to tourism development are largely inspired by local needs and aspirations when local residents have ownership rights of their cultural and natural resources. Rather than giving up decisions to government
Tourism development that originates within the community and responds to their needs and capacities has a strong bearing on the success of community initiatives (Armstrong, 2012). When local people decide for themselves what they feel to be the most pressing local needs, they tend to participate and feel more emotional commitment in the change process or problem-solving program for their own betterment and success (Asker et al., 2010; Henry, 2009; Mountain Institute, 2000; Tasci et al., 2013; Thailand Community Based Tourism Institute, 2012).

5.4 Collective Responsibility
Community members accept the shared responsibility of developing, organizing, and managing in community-based tourism activities aimed at improving their well-being. When they realize their own problems, solutions, and benefits in relation to those of communities, they are willing to participate and work together.

Collective responsibility also refers to collective rights over natural resources, such as canals and rivers. They positively contribute to Ecosystem conservation and foster responsible and sustainable use of natural heritages to maintain long-term viability, while minimizing negative impact on socio-cultural environment to remain attractive destinations for future visitors. These lead to long-term sustainable development of tourism areas. (Asker et al., 2010; Henry, 2009; Mountain Institute, 2000; Tasci et al., 2013; Thailand Community Based Tourism Institute, 2012).

5.5 Sharing of Resources
Community members pool their knowledge and resources, particularly time, labor, effort, and money, for effectively implementing community-based tourism. Normally, local people set aside at least part of the tourism income for projects and initiatives that provide benefits to the community as a whole. For example, local residents agree to share expenses for maintenance of the community facilities, such as security services.

When local people share resources within the community, they are more likely to pay greater attention and participate in shared problems and benefits. In order for collaborative pooling of resources to be effective, each household should have some special talent, knowledge, know-how, and skills contributing to the whole community effort (Asker et al., 2010; Henry, 2009; Mountain Institute, 2000; Tasci et al., 2013; Thailand Community Based Tourism Institute, 2012). Lucchetti and Font (2013) stressed that contribution of resources in terms of time, labor, and money by community members is a strong contributor to successful community-based tourism.
5.6 Sharing of Benefits among Members

Community participation in tourism development allows members to gain more benefits from tourism. Without equitable distribution of benefits from tourism, they are not willing to participate (Stone and Stone, 2011). Benefits accrued from tourism operations should be shared equitably among local communities themselves; as a result, enhancing their involvement and participation in tourism planning and development in their respective areas. A share of benefits made from tourism should be for the whole community and not for a few individuals in the community.

The benefits include amenities, facilities, income, and employment opportunity. As the community expands, local governments provide additional budget in forms of road improvement and direction signs in and around the community (Asker et al., 2010; Henry, 2009; Mountain Institute, 2000; Tasci et al., 2013; Thailand Community Based Tourism Institute, 2012). The success of community-based tourism depends on opportunities for community members to receive benefits from tourism. This includes the flow and equitable distribution of benefits throughout the community from the early stage of tourism development (Armstrong, 2012; Harwood, 2010).

5.7 Leadership and Management

Dedicated and visionary community leaders contribute to tourism development and success. These refer to management, leadership, governance, and decision-making structures relevant to community enterprises (Armstrong, 2012; Ratnayake and Kasim, 2011). Local leaders are able to manage tourism development and work with community members.

Effective community leaders are able to motivate them to participate and be involved in decision-making about the change process or problem-solving program. They bring people together and energize their plans to action. Leaders are also the linkages between local residents and other stakeholders, such as local governments and academics, help them work together and make communication and interaction among stakeholders possible (Asker et al., 2010; Henry, 2009; Mountain Institute, 2000; Tasci et al., 2013; Thailand Community Based Tourism Institute, 2012).

5.8 Partnership and Outside Support

Partnership and outside support in the enterprise is a key to successful community-based tourism. Although the focus of community-based tourism is particularly at the community level, it is important to be aware of and incorporate critical linkages with other sectors, including local governments, academics, and business enterprises. Community-based tourism should not be planned in isolation from other sectors because the ability of the community to generate benefits is often tied into key policies that originate from a variety of sectors, such as government agencies handling protected areas and tourism.
The linkages with other sectors support and help sustain the development of tourism. They can provide assistance in conducting community-based tourism, including funding for tourism development, maintenance of infrastructure necessary for tourism, advertising of tourism attractions, as well as providing advice for doing business (Armstrong, 2012; Asker et al., 2010; Henry, 2009; Hiwasaki, 2006; Mountain Institute, 2000; Peaty and Portillo, 2009; Tasci et al., 2013; Thailand Community Based Tourism Institute, 2012).

5.9 Achieving Authenticity
Local community represents special elements of its own culture, heritages, lifestyles, old values, and wisdom that community members feel proud of and choose to share. The community represents authentic culture and heritage that are original, developing strong image and identity to attract visitors and enhancing its success. Visitors, who seek individualistic, participatory, sustainable, and meaningful forms of tourism, are satisfied with authentic travel experiences by discovering their traditional ways of life that are original and different from their home environment (Armstrong, 2012; Asker et al., 2010; Henry, 2009; Mountain Institute, 2000; Tasci et al., 2013; Thailand Community Based Tourism Institute, 2012).

5.10 Achieving Distinction
Local community achieves distinction from other competing tourism destinations. It adds value to existing attributes in order to offer a richer tourism experience and enhance the local economy. The creation of attractive, innovative, or unique tourism products and services, such as unique local food, handicraft, and souvenir, generates income for community members. Satisfied visitors increase their spending and length of stay, return more often, and recommend others to visit a destination.

Competitiveness of tourism destinations promotes the viability of local businesses, being able to continue to pursue long-term growth, prosperity, and success (Asker et al., 2010; Henry, 2009; Lucchetti and Font, 2013; Mountain Institute, 2000; Tasci et al., 2013; Thailand Community Based Tourism Institute, 2012). The success factors, including participation in decision-making processes, local ownership, local innovation, collective responsibility, sharing of resources, sharing of benefits among members, leadership and management, partnership and outside support, achieving authenticity, as well as achieving distinction, are used as criteria to determine the success of community-based tourism destinations, namely Sam Chuk community, Suphanburi province and Klong Suan community, Chachoengsao province.

6. ENABLING CONDITIONS AND BARRIERS FOR CBT

The following are some of the enabling conditions for best practice for CBTE’s and the barriers to the development of CBTE’s, which have been illustrated as follows:
The community is already well organized and cohesive.
When community members, women, men and youth are, widely involved in decision making processes, and financial management around the CBT.
Land ownership and other ‘resource’ issues are clear and well defined.

‘Bottom up desire’, in the community reflected in the facility design, decision-making and management structures.
Decision for CBT is made by the community based on informed choice, of impact, options, risk, and outcomes.
High participation levels
Driver is not purely income generation but also cultural and natural heritage conservation and intercultural learning.
The activity is supported by good marketing mechanisms.
A strong plan for expansion, and/or to limit visitor numbers in balance with the carrying capacity of the community and environment to avoid adverse effects on both.
Strong partnership with local NGOs, relevant government bodies and other supporters.
Approaches are contextually and locally appropriate and not just ‘imported’ from other contexts.
CBT is part of a broader/wider community development strategy.
Linked to visitor education on the value of culture and resources present. Clear zoning of visitor and non-visitors areas.
There is good existing infrastructure to access the product.

The foundations of the community and men’s, women’s and youth organizations are fragmented and unorganized.
Decision-making is purely the domain of powerful individuals (usually males), and the benefits are not equitably distributed.
Land and resource disputes are rife and recurrent.
‘Top down’ centralized decision making and management structures where CBT is ‘placed’ on a community by an outsider particularly if this is from international sources and there is a local perception that the motivations is purely financial.
There is no real local decision making or it is based on limited information and no consideration of options.
Participation wanes during implementation of the CBT facility.
Drivers are solely financial.
Little marketing or misplaced marketing.
When people think they can invite tourists then sit back and ‘the money will roll in’ and there is a lack of future planning (to the detriment of the community and the natural landscape).
Established through external funding mechanisms.
The CBT venture is seen as a ‘one size fits all’.
CBT is seen as a quick fix ‘way up and out’ of a poverty cycle.
No attempt to inform visitors of the specific nature of local natural and cultural heritage so there is no sense of the uniqueness of ‘place’.
Infrastructure is inadequate and there is no potential for investment.

7. FORMATION AND EXISTENCE OF CBTE’S IN KENYA

Community-based tourism enterprises (CBTEs) in Kenya began in the early 1980s, they are closely associated with the conservation agenda of the Kenyan Government which faces two major challenges: human encroachment and human-wildlife conflicts (Sindiga, 1999; Southgate, 2006) and are adjacent to protected areas (Manyara & Jones, 2007). There are few, if any, non-conservation-based CBTEs.
This project is funded by the European Union (ESOK, 2003; Manyara et al., 2006). The first CBTE was the Il Ngwesi Group Ranch which was established to provide socio-economic benefit to the local community (Sikoyo, Ashley & Elliot, 2001). It comprises a tourism lodge, a conservation area and an area set aside for the local Maasai community to graze their livestock (Sikoyo et al., 2001). Characteristics of the Il Ngwesi model, i.e. low-capacity lodges, a partnership approach, a community membership scheme and areas for both conservation and grazing, are shared with other similar initiatives in Kenya (Manyara & Jones, 2007).

CBTEs are now seen as an avenue through which the involvement of local communities in tourism development can be enhanced (Kiss, 2004). It is argued that such enterprises could benefit the wider community and offer a development route enabling the establishment of a support network which in the longer-term may benefit indigenous communities and also that the higher the involvement of local communities in tourism through various community initiatives, the higher the benefits that would accrue to them (Mitchell & Reid, 2001; Manyara et al, 2006). Consequently, several international organizations, such as UNWTO, the World Bank and the United States Agency for International Development (USAID), are turning to community-based tourism as a way of involving local communities in socio-economic development and poverty alleviation (Kiss, 2004). Similarly, the Kenyan Government through its DNTP recognizes the potential of CBTEs as an avenue through which the involvement of local communities in tourism development can be enhanced (Kenya Government, 2004). The government hopes that CBTEs can improve indigenous ownership of tourism resources and consequently the sustainability of the industry. This potential impact of CBTEs is highlighted in a previous study on community-based tourism in Kenya which confirmed that such enterprises can indeed have a significant impact on socio-economic development (Manyara et al, 2006). This study, however, also revealed that CBTEs in Kenya still face several capacity challenges. These challenges include: deficiencies in vision and leadership for tourism product development and marketing, entrepreneurial skills, business management skills and access to credit facilities or mobilization of resources.

Kenyan CBTEs have the potential to significantly impact on socio-economic development and poverty alleviation. Kenya CBTEs, however, face significant capacity challenges that have hampered their development. There is therefore an urgent need to develop strategies that can address these challenges. Taking into consideration the best practice strategies for community capacity-building identified in the literature and the views of the respondents interviewed in this study, this paper has revealed that any endeavor to build capacity in Kenya must take into consideration four essential components for community capacity-building, i.e. a community-based approach, a leadership approach, a sustainable approach and an appropriate policy and legislative framework.

The community-based approach should enhance the involvement of the majority or all members through the inception stages of the community capacity-building strategies right through the implementation stages. The leadership approach should
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involve the identification of ‘catalytic people’, those that can kick-start the process of community capacity-building and who also have vision in terms of a position that they would like community to be in future. The sustainable approach should entail the creation of a supportive environment in which there is continuous building of capacity and community is able to meet its own capacity-building needs. However, it is important to note, at least in the Kenyan case, an appropriate policy and legislative framework is essential for the success of community capacity-building initiatives. This framework should seek to create an environment conducive to community capacity-building and should lay emphasis on enhancing community awareness, empowerment, basic numeracy, literacy skills and knowledge necessary to enable the local communities to exploit opportunities arising from tourism development.

8. OPERATIONS OF CBTE’S IN KENYA

The concept of CBT has been used to describe projects and initiatives which have one of these characteristics:

- Benefits going to individuals or households in the community
- Collective benefits – creation of assets which are used by the community as a whole, roads, schools, clinics etc.
- Community benefits where there is a distribution of benefit to all households in the community
- Conservation initiatives with community and collective benefits
- Joint ventures with community and/or collective benefits, including an anticipated transfer of management.
- Community owned and managed enterprises
- Private sector enterprises with community benefits
- Product networks developed for marketing tourism in a local area
- Community enterprise within a broader co-operative
- Private sector development within a community owned reserve

The CBTEs were set up with the mission of generating benefits, and as such the approach taken at the donor level focuses on the careful documentation of these benefits. To ensure successful, continued collaboration with donors, it is reasonable that accounting for benefit distribution would be central to how the local managers understand the success and failure of their businesses, rather than the long-term sustainability of their business. While this is not a recipe for strong growth or business profits, the CBTE model is demonstrating that it can deliver community benefits.

Each CBTE is managed by the community in which it is located. Finances, staffing, and administrative tasks are handled independently by the community members. Therefore, each CBTE has a management system slightly different than the next. The results demonstrate that many choose to draw on the flora and fauna as a main
attraction of their business. This theme is typically coupled with cultural activities and some type of adventure tourism. The types of accommodations offered by the CBTEs included cabins, camping, hostelling, and family stay and hotel accommodations.

The available data demonstrates that an interesting model of commerce has emerged where small local, community-based projects are launched by NGOs or other businesses, are owned by communities, and largely operate as a mechanism to collectively benefit local people. The data, or lack thereof, clearly illustrates that CBTEs are unable to maintain good bookkeeping records. This is due to complete data was not available due to factors such as: 1) limitations in financial systems, and 2) reluctance to divulge confidential financial information. Research has also revealed that the distribution of funds is clearly taking place without profit being calculated. Standard bookkeeping practices are not in place, positive cash flow is being used to distribute benefits to the community, and the remaining percentage of gross revenues after benefit distribution is being used to cover expenses and reinvestment. Because profit is not a part of local communities’ approach to managing cash flow, it is suggested that the term “community cash flow return” is used to reference positive cash flow that is being reinvested in local benefits as it becomes available.

CBTEs are operating largely outside the traditional tourism economy and they are dependent, not on tour operators or tradeshows, but word of mouth, brochures and some on their own Internet sites. While linking these projects to the existing local tourism supply chain could bring them more business, this is not transpiring to date.

II. CRITICAL SUCCESS FACTORS FOR CBTE’S

1. FIRST CONSIDERATION WHEN PREPARING FOR CBT

Community Based Tourism development can bring many potential benefits for communities’ economy, society and environment, however, if it is not assessed, planned and managed effectively with the communities, it may also come with an undesirable cost to society and the environment and the dynamics between them.

Things to consider when preparing for a CBT are:

- When preparing for a CBT venture all stakeholders need to have their ‘eyes wide open’ to the nature of the tourism industry as well as the potential benefits and less desirable impacts of tourism.
- Communities will benefit from a participatory assessment process in preparation for CBT and in CBT decision-making inclusive of visioning to develop a CBT plan.
The type and level of community participation in CBT should be decided and defined by the community with consideration of existing capacity, skills and other cultural or environmental commitments.

CBT needs to fit with existing development plans and identify, harness and navigate enabling or challenging) local, regional and national policies.

1.1 All Stakeholders Need to Have Their ‘Eyes Wide Open’ to the Tourism Industry

Tourism is a major driver of change and can lead to both positive and less desirable outcomes for communities. Careful planning, awareness and education are required to balance the opportunities in a way that enhances the positive outcomes and minimizes the potential for harm. From the outset communities can be unfamiliar with all the concepts of tourism; what the tourism industry involves and who tourism stakeholders are. As such, communities need to be assisted to understand the mechanisms of tourism as well as the potential impacts before deciding to initiate a tourism operation.

Tourism inevitably brings about changes in a community some of which the community may consider negative. While some negative impacts can be mitigated through good planning, some of these changes will be an inherent consequence of developing the tourism industry and so require the community to have its ‘eyes wide open’ to the potential for change. Decision makers have an important role to play in assisting communities in this capacity. Communities need to appreciate that tourism will bring them in contact with people from other parts of their country or other parts of the world that have different cultures and customs to theirs. The presence of foreign tourists can and will impact the host communities’ culture.

1.2 Enabling a Participatory Tourism Assessment Process with the Community

Participation by local people and communities in tourism assessment and planning is usually very limited. Effective CBT requires extensive community participation in assessment and planning as well as in implementation/delivery. Community participation in CBT participatory assessment and planning processes has the potential to empower local community members by building the skills, knowledge and confidence needed to direct tourism development in their communities. True participation (as opposed to tokenistic consultation) can also build a sense of ownership and shared responsibility where the community, tourists and other stakeholders all benefit. CBT is a long-term commitment that relies on a strong foundation of participatory assessment, and planning as both are essential components of tourism development.

1.3 The Type and Level of Community Participation in CBT Should be Decided and Defined by the Community

Integral to the success, effectiveness and sustainability of CBT operations is the active support and involvement of all members of the hosting community at a level that they feel comfortable with. If CBT is imposed upon a community in ‘top-down’
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fashion, without the community feeling like they have participated and directly influenced decision making, the CBT venture will be more likely to fail. The type and level of community involvement in CBT should be decided and defined by the community to ensure it is appropriate for the capacities within the community and in balance with other cultural and obligations e.g. farming duties, religious practices and childcare.

1.4 CBT Needs to Fit with Existing Development Plans and be Supported by an Enabling Policy Environment

CBT is about visitors having a local experience so it’s important that it fits in with the communities’ preferred method of development. As well as identifying the inward fit, tourism stakeholders need to look externally beyond the community to the broader local and national planning and policy contexts. If planned and managed correctly CBT can serve as a valuable element in diversifying and enhancing existing community, local and regional development plans.

Planning frameworks that potentially impact on the destination may include: integrated or rural development plans, conservation or biodiversity plans, regional land use plans, tourism master plans, other livelihoods programs, community based natural resource management plans and coastal management plans. CBT ventures are most likely to be appropriate to the circumstances and succeed where institutional structures provide enabling policies, linkages between organizations, skills or technical assistance to CBT. Countries with national enabling CBT policy framework are more likely to be conducive to supporting effective and appropriate CBT operations.

2. STRUCTURES AND SYSTEMS FOR MANAGING THE CBT OPERATION

To be successful, CBT ventures need to establish an effective management team, build quality control into each part of the management cycle, manage for risk and changing circumstances, and constantly evaluate management practices. Different organization and management structures suit different CBT operations and contexts:

- The CBT management team must be comprised of skilled and motivated people who understand the need for transparency, equity and accountability.
- CBT ventures need to comply with and seek to exceed local standards for tourism management. Each aspect of the operation should be subject to continuous quality control mechanisms.
- All CBT stakeholders should be aware of the legal and institutional environment in which the CBT is operating and develop a system of monitoring and responding to regulatory change.
- Successful CBT operations plan for the long-term and increase their resilience by managing for change over time e.g. tourist expectations and impacts, and emergency situations.
CBT ventures should build monitoring and evaluation processes into all management systems, to enable the CBT to respond appropriately to tourist expectations and stakeholder needs and expectations.

2.1 Identifying Appropriate Organizational and Management Structures

The organizational structure will determine the real control or say that the community has in CBT. There is no single organizational model that will fit all circumstances and countries. In a review of CBT in Latin America, about half the communities surveyed classified their business as wholly community owned, with half describing shared ownership between the community and NGOs, private operators or corporations (Jones 2008). Even where the business is ‘owned by the community’ there are likely to be a number of legal structures to make this possible: forms of cooperatives trust structures and others.

Whatever the formal arrangements, which are legally available, the general guiding principle in any jurisdiction is that stakeholders choose an organizational arrangement that is appropriate to the objectives of the CBT venture. Also, stakeholders should be clear about the organizational arrangements and in particular how the community is represented. Some of the ventures, which term themselves CBT, are totally owned by a private company. While this legal structure is becoming commonplace it is very difficult to align this form of legal ownership with the key components and considerations for best practice CBT.

2.2 Selecting an Effective and Principled Management Team

A quality CBT operation needs to have a committed and principled management team with skills relevant to the project’s needs. All community stakeholders should jointly agree on sound management practices and principles from the outset. This helps to keep the management team accountable and ensures that there is a stakeholder-ratified process for addressing conflicts or management issues that may arise in the future. The management team of a CBT venture has enormous influence on all aspects of a project, from how it is planned and developed to how it is operated and expanded. A motivated and experienced management team in the areas of hospitality or tourism will foster a supportive and inclusive environment and drive the development and growth of the CBT venture.

2.3 Maintaining Standards and Quality Control

Good management of a CBT venture is underpinned by structures and systems that promote and maintain high standards and quality control. It is important that the standards and quality control are developed in conjunction with all the CBT stakeholders. These quality control structures or systems can be formal or informal, depending on the community. At the early stages of development, communities might require support from external NGOs or government institutions to develop robust processes.
Quality and control standards impact on the total visitor experience. They can ensure that visitors have positive interactions with the local community and receive a consistent and attractive offering. Quality controls maintain a CBT venture’s reputation in the marketplace, attract and keep visitors returning, as well as manage visitor expectations. Every part of the tourist experience needs to be regularly reviewed against quality, safety and hygiene controls, including accommodation and facilities, catering, activities and equipment. The standard of quality will vary across CBT projects. What is important is that the standards are agreed upon through a consultation process and that all participants strive to exceed those standards.

2.4 Operating Within a Regulatory Framework
All stakeholders in the CBT venture need to be informed, from the outset, about the local and national government regulations as well as the international regulatory framework with which the venture is expected to comply. The longevity of the CBT operation can be ensured if the management team makes it a priority to stay abreast of changing regulatory requirements. Once the community is aware of compliance requirements, the CBT venture can develop its quality controls and standards accordingly. The CBT venture must operate in accordance with local legislative or regulatory requirements. If government regulations or laws are broken, this jeopardizes the entire CBT operation and could lead to a forced closure.

2.5 Increasing Resilience through Managing for Change
Change is an inevitable and often desirable part of any CBT venture, as it passes through many stages of growth and development. Managing for change involves not only managing visitors’ changing expectations, but also managing the community’s changing expectations of what the CBT venture means to them and how it is impacting daily life. This includes giving consideration to managing the visitor experience, managing stakeholders involved in the CBT as well as managing risk. It is important for the leadership team of the CBT venture to put in place systems to manage change so that changes that are favorable to the community can be welcomed, while changes that put stress on the CBT venture or its stakeholders can be minimized. A big part of managing for change is anticipating and mitigating future risks to the community.

2.6 Continuous Monitoring and Evaluation
CBT ventures need to be continually monitored to maintain quality standards, keep track of any adverse impacts of tourism on the local community and ensure the product is suitable for the market. Effective management involves identifying and mitigating negative tourism impacts while using feedback to improve the performance and outcomes of the CBT project. Monitoring the project over time helps to identify issues, track progress, and generates information for decision-making and to identify areas of necessary skill development for personnel.
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3. RESOURCING CBT—MECHANISMS FOR FUNDING, ASSET MANAGEMENT AND PROCUREMENT

This section highlights key considerations for resourcing the CBT operation, from selecting the right kind of financing strategy for the operation, to making sure that benefits are equitably shared across the community. It also explores how to effectively manage and conserve environmental and cultural assets the community depends on. Finally it raises considerations to ensure that the supply and demand chain is sustainable.

- Stakeholders in the community should participate in identifying appropriate funding sources and structures for the CBT venture.
- Benefits of the CBT operations should be shared as equitably as possible to prevent community conflict, through involving community members directly or indirectly.
- Equal priority should be given to all forms of assets including physical, natural and cultural to ensure the development does not favor one resource over the other.
- Managing supply and demand for sustainability to ensure that local and smaller-scale producers can easily and consistently contribute to the CBT operation.

3.1 Identifying Appropriate Funding Sources and Structures

The funding strategy for a CBT venture is one of the most important determinants of its future success. The local community should be included in decisions regarding funding to increase the sense of local ownership and responsibility for the consequences of those decisions and to make sure that local realities are taken into account when deciding what forms of finance are best suited to the context. Funding sources can include access to credit, loans or grants from partners or interested external stakeholders.

3.2 Equitably Sharing the Benefits

Effective management is needed to ensure that the socio-economic benefits of tourism are spread equitably throughout the community. Equity and transparency are particularly important when it comes to deciding how the profit is from the tourism venture will be shared. If the financial equity is not carefully planned and managed, it may end up only benefitting the elite in a community. There is always the risk of community conflict or tension if it’s perceived that benefits are not being distributed fairly. It is common for limited resources to be a challenge for CBT ventures especially while it is getting established. The community needs understand benefits might take a long time to accrue. Accordingly the community members need to jointly decide on the level of growth and development they are comfortable with, and how best to achieve it. Basic training and education on cash flow, budget surplus/deficits, and retaining part of the profits to reinvest in growing the organization should be
provided to appropriate CBT staff and their families so that everybody understands why the benefits may not be immediately apparent.

3.3 Asset Management
Asset management should be understood in broad terms and should not privilege one form of asset over another; all types of assets should be equally valued and protected. Natural or cultural assets are vulnerable and can be negatively impacted over time, and any management system for these kinds of assets needs to take into account long-term impacts. Tourism infrastructure should enhance or improve local services or quality of life to ensure that the local community is deriving benefit. Without sound environmental and cultural asset management, it is impossible for a CBT venture to develop in a sustainable way over a long period of time.

Physical infrastructure includes lodging, communications facilities, transport routes, waste, energy or water management systems, or tour equipment. Environmental or cultural assets (biodiversity, a beautiful natural landscape or a community’s cultural traditions) are just as valuable as physical assets, yet are often harder to manage sustainably.

4. DEVELOPING SKILLS AND LOCAL CAPACITY TO DELIVER CBT AND SUSTAIN ITS LEGACY

CBT is totally dependent on people. Tourists’ experiences depend on quality services provided by employees trained in appropriate skills and capacity to deliver the tourism product. Assessing and understanding the required local human resources for a CBT venture is crucial in determining if a community will be able to sustain and meaningfully participate in the development of sustainable tourism. Many communities forget to include human resource development strategies in their tourism plan or don’t give it enough attention.

This section highlights key considerations for developing local community and other stakeholders’ capacity to deliver the CBT product and sustain its legacy. It highlights skill areas that are necessary to deliver appropriate CBT in different contexts. This chapter also identifies some mechanisms, which enable CBT to be sustained into the long-term while leaving a positive legacy for the community and the environment. Building local skills and capacity to deliver into CBT preparation and planning phases, is a critical part of running an effective CBT venture. Which include the following?

- For a community to develop a successful CBT program, it is necessary to prepare and strengthen the community to be able to manage the delivery of tourism. To do this community members require several steps of capacity building supported by ongoing training and skill development.
• Keep it simple from the outset to allow the community time to adapt their CBT venture to their context and build skills to increase performance before expanding the CBT business or CBT product.
• Special attention needs to be given to local capacity development and training to ensure a quality product is delivered and community members have the confidence and motivation necessary to effectively deliver the CBT product.
• Sustaining a CBT operation and leaving a positive legacy involves compromises in trying to meet multiple objectives; CBT can generate income and contribute to community development but only with considerable investment of time and resources.

4.1 Prepare and Strengthen the Community to be Able to Manage the Delivery of Tourism
Tourism is a highly competitive and demanding industry in which skills and experience are needed to deliver a high quality visitor experience to ensure sustained viability of the CBT venture. For a community to develop an appropriate CBT venture, it is first necessary to ensure the community is prepared to manage the delivery of tourism. Local staff will require several steps of tourism capacity building and training across a range of areas. In CBT ventures where there are partnerships involved in the delivery of the tourist product, partners are likely to need some form of capacity building too.

Key areas for community and staff capacity building are: understanding the tourism industry (supply and demand side), asset and financial management (appropriate protocols and procedures), knowing how to interact with external tourism stakeholders (government, partners, supporters and funders), and understanding the CBT marketing ‘mix’ (to be able to get the message ‘out there’ in the right way).

4.2 Allow the Community Time to Adapt Their CBT Venture to Their Context and Build Skills to Increase Performance before Expanding
Implementing CBT at a pace and level that is within the comfort zone of the community is important because communities are never entirely market ready from the moment they open their doors to visitors. Many CBT lessons cannot be taught through training and are best learnt through on the job delivery. Building local capacity in simple and measured ways develops the skills of local people and increases their sense of ownership for CBT. This enables them to gradually adapt to having a CBT venture into their lives and better cope with, control and drive further expansion in the future.

4.3 Capacity Development and Training Needs to Deliver the CBT Product
Without confidence, community members will struggle to deliver the CBT product. Local capacity building should not only raise participants’ knowledge and skills to perform a function, but also raise their confidence and motivation to do so. This is important in order to build a sense of empowerment, passion and belief that they can
run their own tourism business. High levels of confidence and motivation are likely to increase self-esteem, and strengthen cooperation between community members and other tourism stakeholders, which enhances community governance.

5. DEVELOPING AND MARKETING THE PRODUCT

The primary product of tourism is not something produced by the industry. The product is often the heritage, wealth, and expected legacy of the community that serves as the tourist destination. The business activity of the tourism industry is to promote the ‘saleable’ or appealing aspects of the community, transport non-residents into the community, manage the hospitality for and guide the activities of these visitors, and provide them with goods and services to purchase during their stay. If these business activities degrade the community’s heritage and wealth, then the community suffers more directly than the consumer, who can return to his or her own community without responsibility for or awareness of the impacts of his tourist activities.

This section relates to the process of establishing and sustaining a tourism business, in particular focusing on developing and marketing the ‘product’ or experience being offered to visitors. Carefully designing the product, knowing the audience the visitors to target and ensuring that marketing strategies reach the right people with the right message is critical to building and sustaining an effective and sustainable CBT operation.

- Define the product; it is important to be clear about community assets the product will be based around and what activities and experiences the community is ‘selling’. This includes ensuring the product on offer is one that will help the community achieve its CBT goals.
- Know the target market; what kind of visitors does the community want to attract? Characterizing the target market will inform product development and marketing and ensure management of the CBT operation meets community objectives.
- Tailor marketing strategies to the visitors you want to attract. Ensure the marketing message accurately reflects the values the community is seeking to promote through the CBT operation. Make use of forms of communication likely to be accessible and appealing to the desired visitors.
- Be aware of and develop links with other tourist attractions and experiences in the surrounding area. Consider how the CBT experience complements other local or regional activities when designing and marketing the product, and identify what value this particular product adds to other tourist experiences.

5.1 Define the Product

The product or tourist experience on offer is the foundation of any successful CBT venture. Without a marketable product, there is no reason for the visitors to come
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and CBT will not be viable. Identifying, developing and sustaining the tourism product is therefore one of the most critical aspects of running a successful CBT operation. To build a successful CBT operation, the product on offer should reflect a shared community vision and be shaped by the objectives the community is seeking to achieve. To be successful, experience has shown that product development should involve the participation of community members including women and young people.

5.2 Know the Target Market
Clearly identifying what kind of visitors the community is seeking to attract the target market underpins many other aspects of developing and managing a CBT operation. Characterizing the target market is important so that the community is able to effectively market the experience they are offering, and to ensure that visitors to the community have a shared philosophy with community operators, in terms of respect for local culture and an interest in supporting sustainable and equitable local development. The marketing messages must provide a clear and accurate description of what the visitor experience will be like. This kind of information helps the visitor decide if it is the right destination for them.

5.3 Tailoring Marketing Strategies
‘The aim of marketing is to sell the right products or services to the right customers, at the right place, the right time and the right price, using the right promotion techniques to reach the right type of tourist. Marketing is concerned with bringing all aspects of a tourism project together. It plays an important role from the very beginning of a project and is crucial for its success. Good preparation will prevent errors such as developing a product without a market. A good marketing strategy will result in the identification of the appropriate market for the tourism product and delivery the instruments for selling the product effectively to the market.’

To be sustainable, a CBT operation requires an effective and appropriate marketing strategy to inform tourists of the existence of the destination and encourage them to include this experience in their travel itinerary. To ensure marketing efforts reach the right market with the right message, marketing strategies must be tailored to suit the CBT initiative and be attractive to the target audience.

5.4 Adding Value to Other Tourist Activities
CBT is most likely to succeed where surrounding areas offer complementary tourism experiences. For the international market in particular, tourists are unlikely to invest substantial funds and time to travel and visit one CBT site. This is important for both product development and marketing, as the most successful approach is likely to be one that demonstrates how a particular CBT experience fits with other nearby tourist attractions. In addition, positioning the CBT product as complementary to surrounding tourist activities can assist with marketing.
6. BUILDING RELATIONSHIPS WITH TOURISM STAKEHOLDERS TO SUPPORT CBT

To deliver and sustain the CBT venture over the longer-term, communities can develop partnerships and networks with relevant organizations to extend outreach, build resilience and create a supportive environment. This chapter provides information about how effective cooperation and networking arrangements between communities and other tourism stakeholders can support appropriate, effective and sustainable CBT in rural and regional areas.

- Building positive relationships between CBT management teams and other tourism stakeholders build a strong foundation for CBT, by identifying, developing and managing positive relationships provides a strong foundation for effective and sustainable CBT.
- CBT in many contexts requires engagement with the private sector. Appropriate relationships between communities and the private sector can benefit community-managed initiatives.
- Collaboration between communities and tourism authorities (including peak industry bodies) can provide benefits around branding and positioning the CBT operation within the wider tourism marketplace.
- Regional community tourism hubs can be a great source of support CBT managers. These knowledge and networking centers can assist by providing information, facilitating learning and connecting communities with private operators and government agencies, and aid agencies.

6.1 Building Positive Relationships to Develop a Strong Foundation for CBT Partnerships and other forms of networks can provide critical support for CBT initiatives. A CBT venture that is well networked will be more successful and resilient than one that is internally focused and solely reliant upon CBT managers to build and sustain the CBT venture. Relationships between community tourism managers and external organizations/individuals can be invaluable for many aspects of tourism management from product development through to marketing, resourcing and the development of knowledge and capacity to ensure delivery of a quality CBT experience to visitors. Support can come in many forms, including financial assistance, training in tourism service delivery, networking community managers with other local providers and assistance with marketing.

6.2 Relationships between Communities and the Private Sector Appropriate engagement with the private sector can benefit CBT. Realistically, the community may not have all the resources and skills necessary to run an effective CBT venture. It makes sense to work with private sector and private operators when they are able to ‘fill a skills gap’ or offer services in a cost effective way. Private sector partners can provide capital, business and marketing skills and a client base
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...to complement community assets including land, labor and local knowledge. Private firms can be particularly helpful during the early phases of a CBT initiative.

6.3 Regional Community Tourism Hubs

In many parts of the world, community tourism networks or knowledge hubs play a key role in supporting CBT, sustainable tourism, rural and eco-tourism. With regards to collating and disseminating knowledge about best practice tourism management and linking different groups that might benefit from sharing experiences and lessons learned. CBT knowledge hubs and organizations can assist by providing information, facilitating learning and connecting communities with private operators and government agencies.

III. BEST PRACTICES FOR COMMUNITY BASED TOURISM ENTERPRISES

The following are some of the elements which were considered as best practices for community based tourism enterprises, which include the following:

1. MANAGING EXPECTATIONS AND UNDERSTANDING THE COMMUNITY

During the assessment and planning phase, it is important that all community members and other stakeholders understand that CBT is a long-term investment and expectations are managed accordingly. Communities need to manage the expectations of visitors. Some visitors can have unrealistic expectations about the extent to which they will be able to spend time with host communities, the standard of accommodation and food on offer etcetera. When developing the CBT product, ensure it is described in realistic terms to potential visitors. It is necessary to inform visitors prior to their arrival of what to expect in relation to the type of food offered and also the standard of accommodation. Pictures and testimonials can also convey this type information to the visitor so they have an idea of what to expect.

From the outset is essential to the long-term sustainability of destinations and is a process that must be undertaken routinely. The important considerations are (Dwyer & Edwards 2004):

- Allow ‘lots’ of time; community groups and individuals operate on different schedules
- Get personal with communities; an effective method of communication
- Be sensitive to the times that you consult the community
- Go in with an open mind; consultation involves negotiation
- Avoid over consulting; identify the right contacts
2. PARTICIPATION AND OWNERSHIP

Participation levels can vary depending on a number of factors including the extent of financial ownership the community has in the CBT venture e.g. ‘outsiders’ setting up CBT with a community in a 50:50 profit arrangement with the community is different to CBT where the operation is 100% community owned. There are many different arrangements for ownership, support and partnerships for CBT and the community will need to assess each option for the positive outcomes and implications. It is important to be aware of planning and policy contexts concerning land tenure, access and property rights when assessing potential for CBT. Access rights should be understood and addressed well before CBT implementation and delivery.

3. ORGANIZATIONAL STRUCTURE AND MANAGEMENT OF CBT

The organizational structure of the CBT venture should fit within the existing structures and goals of the community. This structure might need to be reviewed to ensure that it is facilitating the CBT in the most effective way.

The difference between a successful or failing CBT operation is a skilled and accountable management team. When assigning roles to individuals in the community it is important to consider what responsibilities people already have. If they are heavily burdened, then assigning additional tasks may not be practical. Just as the benefits of a CBT venture should be equally shared, so too should the burdens and workload associated with running that venture.

4. IDENTIFYING CBT STAKEHOLDERS

Stakeholders are people identified as potentially being directly and indirectly involved or affected by the CBT venture, and they need to be identified and involved in some way during the assessment process. Community members together with any external collaborators and/or partners need to work together to appraise the community’s vision, needs and priorities and assess their ‘fit’ with tourism.

5. INDUSTRY VULNERABILITY

‘Tourism is an unstable industry, as it is highly sensitive to economic recession on the demand side, to political tension in destination areas, and to consumer taste.’ (Cottrell 2001). The success of CBT is not always assured; tourism is vulnerable to unforeseen shocks such as natural disasters, changes in tourists’ destination and product preferences and political instability. As such CBT should complement the other activities that the community is involved in and should not be relied upon as the sole mechanism for economic development.
6. FOSTER A CYCLE OF CONTINUOUS IMPROVEMENT

The CBT venture should build quality controls into every aspect of its operations and continuously strive to maintain and improve standards. A successful CBT management team will agree in advance on quality operating standards, how and whose responsibility it is to achieve them, why they are important and the repercussions should these standards not be met. Once agreed upon, these quality standards also need to be clearly communicated to suppliers or external contractors, and there should be a formal amelioration process to follow in instances when these standards are compromised. This is to inform quality control. A useful benchmarking and quality control strategy is to ask visitors for constructive comments at the end of their visit. This can give the management team valuable information about whether the stated quality standards are being met and if the venture is living up to the expectations of visitors.

There is always the risk of shortages when food or other basic goods are locally sourced and produced, and the CBT leadership team needs to anticipate and plan for this to avoid the higher costs being passed on to community members. Two preventative measures are:

- Including higher costs for food or other goods as part of the accommodation fee charged to tourists during times of shortage so that tourists absorb the cost of increased food prices
- When possible, CBT ventures should partner with agro-tourism destinations in order for the benefits of an increased demand for locally produced products to go directly to local farmers.

The management team should regularly consult with local authorities so they are informed of changes regional and national legislature and policy.

7. TRAINING OF STAFF

Best practice would involve cross-training or rotating duties between community members involved in CBT to provide needed services (to prevent staff shortages or disruptions due to illness). It is crucial that the CBT operation hires enough staff to provide the services that have been marketed to visitors, but should not over-hire which can lead to staff members becoming disillusioned if there is not enough work (for example during low season) for everybody to be employed full-time.

Visitors who have been briefed beforehand about culturally sensitive behaviour will be more sensitive to local cultural needs and this can help to maintain positive interactions with the community. The CBT venture needs to be mindful that the
safety of staff and visitors should always be the priority in all aspects of the CBT venture’s operations.

Tourism is a highly seasonal industry, and one vulnerable to shocks resulting from natural disasters, economic downturns or changing tourist fashions. When managing the CBT operation it is important to plan around the highs and lows appropriate to the tourism segment.

Regular skills and capacity assessments are advised to keep developing community capacity to deliver CBT to an appropriate and consistent standard. Staff should be periodically rotated through different delivery positions to enhance their skill set diversity and maintain their engagement in the venture. This strategy will also ensure that no single staff member is indispensable should they abruptly leave. Many rural communities embark on CBT because they have a decreasing population and or changing demographic structure such as youth migrating to urban centres. This may result in a shortage of people in the potential labour pool for CBT ventures; however, CBT can also be a strategy to address and reverse these trends.

8. MONITOR AND EVALUATE

Good risk management practice involves establishing ways to monitor and mitigate negative tourism impacts on the community, as well as establishing detailed disaster management plans. Depending on the context, tourism authorities may also play a role in monitoring and regulating tourism ventures. If this is the case, CBT managers need to become familiar with relevant policies and procedures and work with the tourism authority to comply with the necessary standards.

9. PRIVATE SECTOR PARTNERSHIP

Private sectors partners need to manage risk and will most likely expect a return on their investments. Community managers must be aware of these business realities when dealing with private operators. Private firms will not necessarily share community goals relating to development.

Decisions regarding funding produce the best outcomes when they are made in conjunction with the local community. Community participation in the decision-making regarding which loan to obtain is important and might help to minimize friction in the community.

10. EQUITY AND TRANSPARENCY AND MANAGEMENT OF ASSETS

One way to ensure that the benefits of a CBT venture are equally shared across the community is by allowing community members to take fixed, scheduled turns to provide services for the tour, for example by rotating who provides guiding, catering, or souvenirs. Equity and transparency are particularly important when it comes to
deciding how the profits from the tourism venture will be shared to ensure no one is victimized through the dispersion of benefits.

All forms of assets—natural, cultural and physical—need to be carefully managed and protected to ensure the sustainability of the CBT venture. If a CBT venture does not build asset management into its operations, it runs the risk of destroying the very assets, which attracts visitors. Land use or tenure planning and natural resource strategies are keys to sustainably managing the development of an area without impacting adversely on its natural heritage.

11. LEARNING BY DOING AND LINKING KNOWLEDGE TO OPPORTUNITIES

The impact and retention of information during discreet, short training sessions is much smaller than the impact of longer, sustained training through ‘learning by doing’.

Training and skill development needs to be matched to actual employment opportunities in order to meet expectations. Training materials need to be provided in the local language, be accessible to communities and communicate in a culturally relevant, interesting and engaging way.

12. CREATING SPACE FOR WOMEN’S DEVELOPMENT

Best practice and process involves ensuring that young people and especially women in the community are given opportunities to learn new skills and actively participate in tourism delivery beyond positions that relate to traditional gender roles such as cooking and handicrafts. Most CBT that collapse do so due to a lack of management capacity and skills, in particular financial management.

This includes those directly involved in initiating and managing the venture, as well as those playing a less active role but still affected by tourism. Recognizing that community members are the central stakeholders and building on the strength of relationships both within the community and with outside groups provides an excellent foundation for CBT.

13. RELATIONSHIPS DEVELOP OVER TIME AND MUST BE MANAGED

They can be risky and at times laborious to manage. Persistence is required to reap the rewards of effective stakeholder management. Many international donors support CBT ventures as part of Official Development Assistance. Donors can be a source of grant funds (though this is often short term) or can play a role in capacity building or information sharing programs. Examples of donors that have supported CBT include the European Union (EU), the United Kingdom Department of International Development (DFID), United States Agency for International Development (USAID),
This project is funded by the European Union, Canada International Development Agency (CIDA), the World Bank and the Asian Development Bank.
IV. OVERVIEW OF CRITICAL SUCCESS FACTORS, LESSON LEARNT AND BEST PRACTICES FOR CBT

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<tr>
<th>Critical Factor(s)</th>
<th>Key Lesson(s) Learnt</th>
<th>Best Practice(s)</th>
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<td>1. Market access</td>
<td></td>
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<tr>
<td>1.1 Strength of economic elites</td>
<td>- Breaking into the market is not easy</td>
<td>- Government intervention, marketing links and intensive communication</td>
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</tbody>
</table>
| 1.2 Location of the community and level of infrastructure development | ▪ Location matters  
▪ CBT does best where the wider destination is doing well  
▪ CBT products are often in areas with poor infrastructure and this undermines viability  
▪ The impact on livelihoods may be greater in remote areas though tourism may be on a limited scale | - Investment in infrastructure, particularly roads, harbours and communications, as well as vendor markets and sanitation facilities |
| 2. Commercial viability |                      |                  |
| 2.1 Quality and attractiveness of product | - Unattractive products do not sell well  
- Ensuring commercial viability is a priority  
- A good and thorough knowledge of the industry has proven invaluable  
- Creating a unique product concept does not mean the basic concept cannot be borrowed  
- Political interests can interfere with the selection of projects | - Development of objective criteria to select CBT projects to ensure feasibility and non-partisan planning  
- Market research with the private sector in product development to ensure viability  
- Innovation with authentic craft and agricultural products and cultural events  
- Creation of local and regional |
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| 2.2 Health and safety | - Multiple licensing and public liability insurance requirements can be a barrier to CBT and many remain ‘below the radar’ of statutory agencies  
- Tourism companies may not be able to do legal business with a CBT enterprise that is not registered and the tourist board may not promote it | - An enabling framework for CBT to be registered and meet standards |

| 2.3 Marketing | - Marketing is critical if CBT is to compete  
- It is important to know your product and market  
- The development of new products, particularly based on local culture, should be integrated with mainstream products if they are to find markets  
- Small CBT projects are most likely to succeed when ‘championed’ by commercial companies  
- Tourism is a highly seasonal and vulnerable industry  
- National and international awards can boost the profile of CBT initiatives  
- Some markets are more amenable to | - Government and tourism company support to develop effective links and marketing strategies  
- Creative branding and unconventional marketing to reach niche markets  
- Promotion of product(s) to year-round domestic and regional markets  
- Development of national tourism and regional awards that recognise CBT  
- Monitoring of how tourists hear about and visit CBT initiatives |
| 2.4 Bookings and communication | - Communications can be challenging in rural areas  
   - A donor funded project acting as an intermediary is not a long-term solution | - Public and/or private sector support to CBT to facilitate communications, bookings and/or payments |
|--------------------------------|-------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------|
| 2.5 Funding and access to credit | - Costs may exceed the capacity of a company, community or government department making external funding important  
   - External funding may be justified to cover the transaction costs of establishing partnerships, developing skills, creating infrastructure and revising policies but not for direct subsidies to enterprises  
   - A lack of understanding of business can be a major challenge in communities  
   - If organisations do not initially provide funds to communities, they will be left with those members most interested  
   - In-kind and financial community contributions create a greater sense of local ownership and increase the chances of external funding support  
   - Donor funding is often shorter than the project life cycle  
   - Bank interest rates can be prohibitively high for small entrepreneurs | - The provision of technical assistance in the preparation of business plans for CBT  
   - The provision of start-up funds for CBT through micro-finance that is relatively easy to access  
   - Soft loan repayment terms that are flexible and take into account the seasonality of tourism  
   - Workshops to sensitise the financial sector to CBT product potential  
   - Investment of community equity in a project  
   - Creative sourcing of funding from within the community, commercial companies and special events  
   - Sustainable funding mechanisms for CBT organisational and producer association requirements |
<table>
<thead>
<tr>
<th>2. Commercial viability</th>
<th>2.6 Community/private sector contractual partnerships</th>
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<tbody>
<tr>
<td>Character can be a better reference than collateral if cash turnover is quick.</td>
<td>It can be hard for rural communities to develop tourism enterprises as they lack access to capital, business expertise and marketing skills.</td>
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<td></td>
<td>Community/private sector partnerships can be a ‘win-win’ for companies and local communities.</td>
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<tr>
<td></td>
<td>Communities can make greater gains from tourism partnerships that link them with the operations of commercial companies than from donations or development projects.</td>
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<td></td>
<td>Partnerships are often difficult, management time intensive and risky.</td>
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<td></td>
<td>Sufficient time and support is required to succeed and transaction costs can be high.</td>
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<td></td>
<td>Appropriate roles for the community, private sector and government are critical.</td>
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<td></td>
<td>Communities may not choose their partner well or be “saddled” with an inappropriate partner by other stakeholders.</td>
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<td></td>
<td>The private sector partner may lack ethics, the commitment to community development and technical and operational experience to make the business and/or supply chain work.</td>
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<td></td>
<td>Appointment of a legitimate ‘honest broker’ to advise and facilitate transactions.</td>
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<td></td>
<td>Effective community enterprise development programmes with skills development and job creation.</td>
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<td></td>
<td>Preferential procurement by the private sector partner to provide contracts and work for local small businesses.</td>
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<td></td>
<td>A transparent bidding process for joint venture tenders with clear rules, a code of conduct, clear set of criteria and standards for the envisaged partnership, and a strong element of competition.</td>
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<td>A fair concession fee or rental for the communal land or asset used in a joint venture and a lease that gives the private sector partner enough time to make a return on the investment.</td>
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<td></td>
<td>Funding mechanisms to obtain community equity in a tourism company where appropriate and mutually beneficial.</td>
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<td>3. Policy framework</td>
<td>3.1 Government attitude and capacity</td>
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<tr>
<td></td>
<td>- Government can be the driving force or stumbling block</td>
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<td></td>
<td>- Policy is very important but often there is a difference between intent and implementation</td>
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<td></td>
<td>- A proactive approach in tourism statutory agencies is useful but other stakeholders with wider mandates are critical</td>
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<td>- CBT incorporated into tourism development strategies of government and business and broader policy frameworks and initiatives outside tourism, such as land tenure; the use, development and management of common property resources; small enterprise development; and representative government</td>
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<tr>
<td>3. Policy framework</td>
<td>3.3 Incentives</td>
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<td></td>
<td>Fiscal incentives generally favour large-scale tourism projects not micro and small enterprises</td>
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<td></td>
<td>Excessive red tape may make incentives (e.g. import duty waiver) not worth applying for</td>
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</table>
| 3.6 Institution building | - CBT groups are more likely to succeed where institutional structures provide the necessary policies, linkages between organisations, skills or ability to source technical assistance and support for community-based groups  
- National producer associations can have an important role but legal and business development expertise and a plan for long term financial sustainability is required  
- NGO and/or company registration requirements can be confusing and unclear to community-based organisations | - Development of supportive institutional structures and arrangements  
- Development of sustainable funding mechanisms for CBT umbrella institutions  
- Decentralisation by central government to allocate administrative and management resources to local organisations supporting CBT |
|---|---|---|
| 4. Implementation | 4.1 Preparation | - Community residents can be unfamiliar with the concept of tourism and what tourists want  
- The level and type of community involvement in tourism should be defined by community members but it is important to ensure it is an appropriate role within the capacity of the beneficiaries  
- Collective community management and/or ownership should not become a dogma | - A ‘keep it simple’ approach gives the community time to adapt the project to suit their circumstances and build skills to improve performance and expand business  
- Preparatory community studies, exchange visits, Strengths, Weaknesses, Opportunities and Threats (SWOT) analyses, discussions on the positive and negative aspects of tourism, envisioning and participatory planning, and stakeholder identification are useful tools |
4.2 Skills and capacity gap

- Capacity building is likely to be an essential part of any CBT initiative
- All partners may need capacity building
- Failure to identify the various levels of management capacity needs can lead to project collapse
- Training should develop participants’ knowledge, skills and motivation
- Tour guiding training should be matched to actual employment opportunities

- Training interventions that are needs based
- Development of 3 levels of management: capacity for project administration, resource management, and product development and marketing
- Training materials in the local language
- Training materials that are interesting, colourful and accessible to local people

4.3 Stakeholder communication and collaboration

- CBT is most effective when stakeholders work together
- The encouragement of contributions from all stakeholders adds to a sense of ownership and responsibility

- Investment in communication and encouragement of broad participation of stakeholders (including the private sector) at an early stage
- Conflict management mechanisms

4.4 Meeting expectations

- Developing tourism that involves communities is a long-term investment and expectations must be managed as mismatched expectations and benefits can kill initiatives
- It is important to ensure communities understand that tourism may take several years to develop

- Develop short-term benefits while long-term plans are developing

4.5 Distribution of

- CBT may only benefit the elite in a

- A clear focus on specific target groups
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<tr>
<th><strong>benefits</strong></th>
<th>community</th>
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<td>- Private entrepreneurship does not necessarily translate into community development objectives, although profits may be re-invested in the community through informal socio-economic linkages.</td>
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<tr>
<td>- Direct involvement of the poorest groups will in some cases hamper the effectiveness of tourism programmes so indirect involvement can be a way forward e.g. provision of agricultural supplies.</td>
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<td>- The distribution of benefits can create friction in and between communities.</td>
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<td>- Positive local socio-economic impacts of tourism can dilute political differences in a community.</td>
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<th>and beneficiaries</th>
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<tr>
<td>- Sustainable mechanisms for more equitable distribution of benefits.</td>
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<td>- Gender sensitive planning.</td>
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<tr>
<td>- Conflict management mechanisms.</td>
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<tr>
<td>- The development of transparent and accountable community-based institutions.</td>
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<tr>
<th><strong>4.6 Mitigation of impacts, awareness building and education</strong></th>
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<tr>
<td>- CBT products can have negative environmental, socio-cultural and economic impacts.</td>
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<tr>
<td>- Inappropriate behaviour by hosts and/or guests can cause problems.</td>
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<tr>
<td>- Guidelines (e.g. ‘do’s’ and ‘don’ts’) for tourists should be presented in a positive manner.</td>
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<tr>
<td>- Environmental issues are best addressed in CBT projects that develop close linkages with environmental management authorities and build community organisational capacity to manage and consult on concerns.</td>
</tr>
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</table>

| - Educational programmes to build awareness of tourism impacts and management and mitigation measures. |
| - Codes of conduct for hosts and guests. |
| - Cultural awareness information resources for tourists. |
| - Voluntary self-regulatory instruments to ensure appropriate behaviour in environmentally sensitive areas. |
| - Monitoring of environmental impacts and setting of and periodic review of carrying capacity. |
| 4.7 Monitoring and evaluation (M&E) | - Insufficient M&E is undertaken in CBT internationally  
- M&E is important for tracking how far an initiative has reached, in creating community ownership of a project, for resource mobilisation, donor reporting and dissemination of experience | - Baseline studies at the start of a CBT initiative from which to measure progress  
- Participatory M&E involving the beneficiaries |
V. MARKETING OF COMMUNITY BASED TOURISM ENTERPRISES

1. MARKETING OF CBTE’S
Marketing a CBT Venture will require members of the CBT to consider several elements.
The following are elements of Marketing for a Community Based Tourism Enterprise, which are:

1.1 Product
- What product(s) are the community offering visitors?
- Is it a high quality and desirable product from the visitor’s point of view?
- What kind of visitors would this product appeal to?

1.2 Positioning
- How should this CBT venture be positioned in the market?
- What makes this product unique?
- How this tourism experience is different to others on offer in the local area or in places visitors are likely to travel to before and after your destination?
- In other words, what ‘value add’ does this experience offer?

1.3 Place
- How do you make your product accessible to visitors?

1.4 Price
- How do you make your product accessible to visitors?

1.5 Promotion
- What possible avenues are available for spreading the word about your CBT venture?
- What is your message?
- How do you use your networks and partnerships to reach out to visitors and inform them?

1.6 Build Partnerships to Promote the CBT Initiative
Working with tourism authorities and/or commercial operators can assist with marketing. Maintaining regular contact with partners and promoters is important so that information about packages and prices is up to date.

1.7 Make a Website Promoting the CBT Destination
If community managers have access to the Internet they may choose to create a dedicated website. If not, tourism authorities can assist in establishing and maintaining websites that promote CBT as one of a number of local destinations. In creating a website, be sure to include images of the destination and keywords that will appeal to the target market. A web designer or non-profit organization, or regional tourism body may be able to provide advice on website development.
1.8 Get listed in Appropriate Guidebooks
Contact guidebook companies offering the CBT site as a potential destination and inviting travel writers to visit the site when researching for the next guidebook edition. However it is important to be selective about which guidebooks you choose and if they promote values reflected by your CBT venture.

1.9 Be clear about what is for Sale and what Visitors Should Expect
It is important that marketing material portrays the community’s culture in a respectful way and is clear about what the tourism product is. Marketing can be both honest and appealing. Marketing material ideally should inform visitors of what to expect from the CBT experience. This will ensure that the ‘right kind’ of visitor is attracted to the destination.

1.10 Be Creative
Communities can employ creative branding and/or unconventional marketing to reach specific or niche markets.

1.11 Get Online and Network
Community managers or tourism authorities can list the destination on travel websites and make use of social networking and media sites to promote CBT (e.g. Facebook, Twitter, YouTube, and Flickr). Some more targeted travel networks include Trip Advisor, Responsibletourism.com, and Lonely Planet and Thorn tree. It is important to recognize that anyone can post on these online travel networks and negative comments need to be addressed swiftly.

1.12 Marketing and Branding must be clear
- Develop a clear marketing strategy, which promotes the products through many avenues to contribute to the success of the CBT venture, such as:
  - By developing networks with other tourism operators, government organizations and community groups
  - By using certification and prestigious awards to promote the quality of the experience
  - By ensuring product and service matches the visitors’ expectation to achieve ongoing word-of-mouth visitations
  - By creating unique events to obtain free publicity and boost local and international profile
  - By participating in tourism shows and joint ventures to create awareness
  - By diversifying the product base to target larger groups for education and convention purposes.

2. UNIQUE SELLING POINTS FOR COMMUNITY BASED TOURISM ENTERPRISES

2.1 Enterprise Attributes
2.1.1 Origins of the Enterprise
Success of a CBT can be related to how the enterprise was initiated. Vargas considers that the most successful micro-enterprises are community-based and
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"fuse economic sustainability, community well-being and environmental preservation". Ideally the impetus for tourism development should originate within the community and "respond to its needs and capacities". Those enterprises which achieve success have commonly clearly identified achievable aims and objectives from the outset, and found ways in which to balance different and/or competing objectives. Good intentions to produce community benefits and encourage social development and ownership and management at a community level will only be realized if economic viability is ensured by incorporating "basic sustainable business management principles".

2.1.2 Tourism Assets
Success or failure can also depend on the availability and type of tourism assets, perhaps natural or cultural, which are attractive to tourists. The tourism offering must be marketable, of sufficiently high quality and inherent attractiveness to tourists, as well as close to good local amenities, services, infrastructure, and facilities. Good levels of tourist safety and health are also important, as are human and physical capital.

To develop a sustainable industry, communities need to appreciate the value of such resources, have incentives to protect and manage them well. It is also vital that the community has sufficiently clear and strong community ownership, access, and responsibility and management rights over them to do so equitably. Such rights may need to be legally enforced and strengthened.

2.1.3 Location
A community’s geographical location is relevant to success. Key factors include accessibility and communications; proximity to local and national markets; urban areas, existing tourist routes and markets (as opposed to marginal or remote locations), where the surrounding destination is flourishing.

2.2 Local Context
The local context can help or hinder the development of CBT. Relevant factors include the local economic/business climate, demographic features such as migration, employment patterns, seasonality, traditional livelihoods and community health and education levels. While replicating success is desirable, CBT models must be carefully adapted to specific local conditions.

2.2.1 Characteristics of the Community
United, cohesive communities with a strong identity, which are focused “on the common good”, have the best potential for success in tourism. Before the enterprise begins, the community must already be mutually supportive, motivated, mobilized and committed for the long-term. The community must be well-organized, able to work together, avoid / overcome power inequality and manage any conflicts/disputes to avoid vulnerability and the possibility of exploitation.

Community size and carrying capacity are also key factors: it must have sufficient resources to cope with the impacts of tourism development, the demands of enterprise operation and a regular flow of visitors without being overwhelmed or marginalized.
A community with an “entrepreneurial spirit”, a good understanding of the tourism industry, the business environment and the wider world will have greater prospects of success. The community should be under no illusions as to the competitive, sophisticated industry in which it is seeking to engage as a commercial tourism venture. The community as a whole must be ready and enthusiastic for tourism development and 'buy in' to all that this entails- its opportunities and costs- with plans in place on how it will avoid negative environmental, social or cultural impacts. The community must have realistic (and if necessary, tempered) expectations as to what benefits tourism can offer, in order to avoid disillusionment and low motivation if investments are not rewarded.

True community ownership means being free to choose whether to develop tourism and if so, the type of development, which it can manage itself and which is appropriate to its way of life. The community must not depend excessively on tourism and should scale back or stop the enterprise altogether if it is not generating real community benefit or proves inappropriate.

2.2.2 Institutional Context
A robust community institutional structure, which is supportive of and integrated with the enterprise, will best equip the community to cope with the impacts of tourism. Prospects of success are boosted by committed, supportive, “educated and responsible” community governors and leaders, local champions and entrepreneurs as well as efficient and effective decision-making processes. As far as possible, a CBTE should be set up by working with and involving “existing social and community structures”. These may already exist in relation to other activities such as agriculture or crafts or need to be developed.

The enterprise must be an "operational, truly representative and transparent community based organization that is broadly accepted by all stakeholders and institutionally embedded", developed at a careful pace. Transparency and accountability giving confidence that decisions made will be executed- particularly in the financial context, are keys. Enterprise development must involve and accommodate all types of community leaders, whether official or hidden, as well as the views of those who might not otherwise be heard. Such structures, once developed and established, improve community-wide decision-making, capacity and management in areas beyond tourism.

2.2.3 Policy and Regulatory Framework
Success or failure can depend upon the local and national tribal, political, business, legal, economic and regulatory framework in which the enterprise operates and conducts its business, and the extent to which this is stable, supportive and enabling, providing conditions for business and private sector cooperation to thrive. CBT should not be viewed in isolation from other sectors but must be woven into supportive mainstream policy at the highest government and business levels, with assistance and grant funding provided where necessary. CBT is most likely to be successful where it is actively supported and facilitated by beneficial tourism policies and laws to encourage CBTE development including employment, tax, finance and property legislation, and embedded in wider social development policy.
Specifically, CBT can be assisted by policy-makers and public bodies recognizing and strengthening communities’ legal status and tenure over resources, as well as their ability to utilize tourism income for community benefit. Unnecessary bureaucracy must be avoided. Engagement and partnerships with the private sector on an equal footing can be encouraged by investment incentives, infrastructure developments, facilitating and enforcing fair agreements with industry, assistance with market research and marketing for example through the national tourist body and transparent and straightforward licensing and certification schemes. At a more local level, dialogue can be fostered between CBTEs and stakeholders.

2.3. Development of the Enterprise
The conceptual and planning stage of any new enterprise is key to success or failure, and particularly so in the context of Community Based Tourism where business experience may be limited.

2.3.1 Participation and Consultation
Most practitioners stress that practical involvement and prior, informed consent of the whole community is the key. There should be a broad, genuine process of community consultation, agreement and participation prior to beginning development to gauge community attitudes to tourism development. The results must then be acted on, on an ongoing basis, at all stages of the development. Problems arise when this is precluded by political structures and processes or by domination of the process by external bodies such as NGOs, public bodies or consultants.

Such community involvement must encompass management and decision-making as well as genuine community control. This should enable “a broad and representative spectrum of [community] members” to share in every aspect of enterprise development from planning through implementation to benefit sharing. True participation and community involvement means being a “critical partner” in the development team and goes far beyond mere consultation. It must be active rather than passive. Participation enables the enterprise to benefit from information gathered by and from the community from the outset. This will assist communities to take meaningful decisions, particularly on the type of tourism they wish to develop and the extent to and manner in which they wish to share their culture. They can also meaningfully identify the advantages and disadvantages of tourism development and to utilize local expertise and knowledge. Cole points out that “[a]s a service industry tourism is highly dependent on the good will and cooperation of host communities” and visitor satisfaction is likely to be greater where ‘hosts’ support and take pride in their tourism.

2.3.2 Planning for Viability
Tourism is a commercial industry. Sound, for-profit business models are therefore keys to success. CBTEs must, like any other enterprise, incorporate “market principles and sound business strategy”. Operational, commercial and financial viability is therefore imperative- the foremost of critical factors for success according to research on CBTEs must be comprehensively addressed before any development starts. Epler Wood International stresses that funded enterprises must be “specifically designed to survive beyond the life of the donor initiative”
and that financial monitoring must be carried out during and after funding, to take account of the “false flush of donor cash”. An understanding of sustainable livelihoods is central to the success of CBT so that over-dependence on tourism is avoided. The CBTE should either produce sufficient benefits to offset channeling resources into tourism, or, preferably, generate income based on activities that are part of the community’s everyday life, by diversifying and complementing rather than replacing or disrupting local economic activities and lifestyles. Products based on existing activities which can be adapted to appeal to tourists (such as fishing, handicrafts, dance) are low-cost and less risky to develop, at least at the beginning of enterprise development. Once these are established, further products can be developed.

Whilst long-term economic viability is paramount, communities must be made aware of the risks of seeking short-term economic revenue while compromising long-term social and environmental sustainability, and should be encouraged not to rely on tourism as their main source of income. This should reduce risks and increase benefits, maximize local linkages and minimize leakages and improve community resilience.

2.3.3 Business Planning and Development

Early, thorough pre-development and operational planning is therefore essential, from the “ideas phase” to the ‘action phase’. The CBTE must develop a business plan from the beginning which must have clearly defined goals and objectives and incorporate wide consultation, viability assessment, location evaluation, a transparent financial and accounting framework, skills investment, management structures, demand-driven product development, marketing strategy, linkages with the wider industry and how benefits will be distributed.

The speed at which the enterprise develops is also important an appropriate period of time must be allowed for learning, development including "collective participation, consultation and capacity-building". Particularly in communities with little or no prior tourism experience, "planning for a slow start" is advocated, to include thorough preparatory visits and activities, awareness-raising and capacity-building. This may conflict with short-term timetables of donor initiatives but should in fact take longer than the usual time-frame for business development, to allow "sensitive community issues" to be resolved, and determine the extent to which the community truly “buys in” to the enterprise. Schipani reports that those communities given sufficient time and technical advice in the early stages of enterprise development “later reported very few problems with tourism and retained a high degree of control” over tourism development locally. Research has indicated that it can take around 5 years to develop a good organizational and management structure and capacity.

Commentators advocate keeping enterprise development simple and low-cost, focusing on medium and long- rather than short-term solutions. Long-term commitment by the community and its partners is also essential. Activities should be on a scale and to a standard manageable by the community according to its resources and strengths, to avoid disempowerment and boost local control by ensuring that the community is able to meet many visitor needs itself. This can then be developed gradually as appropriate. Roles in CBT must be clear,
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“appropriate and attainable” and where possible, tailored to minority groups and those not already engaged in other economic activities, e.g. women as well as to key leaders.

2.3.4 Skills and Training
Success or failure can depend on the pre-enterprise existence of business and tourism experience, knowledge, literacy, hospitality and other skills within the community, and the availability of education and appropriate training. A successful enterprise will have a real appreciation of tourists’ expectations.

For many communities, however, setting up a CBTE will be their first experience of tourism, establishing an enterprise, or both. Often those communities considered to stand to benefit most from tourism development are those with the least knowledge or experience of the business or tourism world. Here external expert time and technical advice, activities such as capacity-building for managers and the wider community, awareness raising, skills development, education, training and mentoring will be essential, giving communities the "knowledge and skills to determine and pursue their own enterprise development opportunities" and compete with mainstream industry.

The type of support provided is relevant to success; it should be tailored to the enterprise and encompass practical skills training and experience in administration, business, financial management, communication, marketing, hospitality and service industry skills such as languages, guiding and hospitality and an awareness of customer expectations. This should take place in ‘real-life’ settings; e.g. by running mock tourism days or tours. Community members should also be made aware of the potential impacts of tourism, both positive and negative, through sensitization. Over-dependence on a single advisor should be avoided; ultimately the enterprise must be able to exist and thrive independently of external support. It is also important to ensure that expert advice is not “imposed” / followed against the express wishes or experience of the community.

2.3.5 Enterprise Ownership and Control
There must be clarity at community level regarding ownership of the enterprise, authorities and roles for its management, and who benefits from it. The strength of the community’s sense and reality of engagement, ownership, management and control can be a strong contributor to success. Models should promote entrepreneurship and be transparent. Community legal ownership, access and management of land and resources for tourism must be clear, established and strengthened. Tenure is central to success by giving communities control, a genuine role in decision-making, the ability to generate community benefit, power in the market through partnerships with the private sector and the will to invest in a long-term enterprise.

The most appropriate enterprise ownership structure will depend on the local context and the community’s priorities such as profit, empowerment or generating local economic benefits. It may take various forms, from joint venture to land leases to strategic alliances with an eventual transfer to the community. However, although empowerment is a worthy objective, others caution that community participation should not become a dogma but is simply one way of generating
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local benefit from tourism. Other models of ownership and control even in the CBT context may encourage public and private sector partners which might otherwise be reluctant to partner with a community, and thus offer additional marketing opportunities and higher visitor numbers.

Many commentators therefore consider that a community is more likely to succeed in partnership with a private entrepreneur rather than seeking to run the enterprise entirely itself or with a donor / NGO, and that this may be the only way of assuring sustainability provided that the community retains final control. Such private-sector partnerships offer the community the transfer of capacity and skills, economic benefits and marketing expertise. Most stress that formal joint ventures between a community and private sector operator are likely to be the best model in terms of “fostering viable enterprises”, creating strong market linkages, generating revenue and benefits from sustainable employment and income for the community and wider area. Joint ventures make use of the respective resources and skills of each partner, bringing private sector business acumen to the venture whilst ensuring the community maintains a management role. Depending on community capacity and institutional arrangements, full control may pass to the community, although in other circumstances longer-term strategic alliances may be preferable. Establishment of a joint venture will be more complex than a solely private enterprise. The “company philosophy” of the joint venture partner will also be central to success. It should be committed to the community and to CBT, have previous tourism experience, be used to or prepared to be advised on working with communities, and have a client base, product type and ethos that are compatible with the enterprise. It must respect local leaders, knowledge sources and decision-making processes.

However, success is not guaranteed simply by partnering with the private sector. For joint ventures to succeed both from a commercial and community benefit point of view, a number of factors are critical: adequate community preparation; formal agreement at the outset of enterprise development; a sufficiently long and detailed negotiation process; equality of bargaining positions and power; external facilitation and assistance; an agreement with fair terms on financial, non-financial and employment issues; community autonomy over income and how it is used; strong and accountable local leadership; community awareness and assertiveness, particularly regarding clarity over land rights and use; external assistance to enable communities to be organized, to understand their legal rights and obligations and negotiate from a position of strength; mechanisms for handling any community conflict; and discussions regarding distribution of benefits.

2.4. Market Access and Product Development

2.4.1 Market Research

There must be a market for the CBTE’s product. Detailed research is therefore vital to realistically assess market potential and means of access to possible markets and sectors, both national and international. Ideas and their market potential should be tested and developed together with the private sector, especially tour operators, from the earliest possible stages of planning well before development and innovative market linkages developed. Enterprise development must be “grounded in market opportunity” and developed in response to market demand, not supply-led or donor-driven. Market research should be conducted on
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an ongoing basis to adapt according to changing global market trends and consumer awareness as well as to resist political pressure to adopt inappropriate forms of tourism development.

2.4.2 Engagement with the Private Sector
CBT is likely to remain on the fringes of the industry unless it truly becomes an integral part of it. Since the mainstream tourism market has the necessary “economic muscle”, engagement with the private sector is absolutely crucial to success and to gaining market access. CBTEs should capitalize on the commercial opportunities presented where significant tourist numbers already exist, by engaging with the private sector in those destinations. They should not try to compete directly with private sector expertise but should instead provide complementary products and activities based on what is unique to the community, to suit tour operators’ priorities and tourist schedules and contrast well with other activities on offer to tourists in the destination. In this way CBTEs can partner or be associated with larger compatible businesses and be supported and promoted by them. These linkages are likely to require “skilled facilitation” as well as strong supply chains to connect CBTEs with their markets.

2.4.3 Product Development
Product development should therefore follow on from effective market research. Again, close engagement with industry from the very beginning is crucial; products should be developed with, not simply for, the market so that the mainstream tourism industry will be more confident in offering CBT products to its clients. To succeed the product must therefore be suited to tourists; attractive; of good quality; appropriately priced and commercially viable and meet market standards and expectations.

Successful products tend to have a competitive advantage and offer a unique, authentic experience. Whilst product development is crucial, therefore, it must always be “accompanied by willingness of the community to host tourists, demand from tourists, effective marketing and good business management”.

2.5. External Relationships
2.5.1 Stakeholders
Stakeholder engagement and collaboration in the enterprise is also key to success. Even enterprises which are entirely community-owned and managed will require strategy input from others with appropriate experience. Many different stakeholders have a part to play, including mainstream tour operators, tourists, government, NGOs, external investors, tourism organizations and other public bodies.

There must be early, clear, transparent communication and accountable cooperation between stakeholders from the outset and at all stages of enterprise development. This should encompass plans for the enterprise, seeking commitment from them and clearly setting out anticipated roles and responsibilities as well as effective means of conflict resolution. This is all critical to success in generating trust and confidence that decisions arrived at will be implemented, as well as support and an informed understanding of what CBT can
contribute to economic and social development and cultural conservation. Clear, written agreements can assist this process.

2.5.2 Donors, NGOs and Funders
Where the enterprise is set up or operated by an NGO and/or with donor funds, this relationship is crucial. Such agencies have a valuable role to play in the success of CBTEs through capacity-building and empowerment, providing advice on livelihood choices, training, benefit distribution and the creation of networks, advocacy and monitoring of outcomes and sharing good practice. However, they must also recognize the areas in which they may not have expertise perhaps tourism business development and advise communities to seek advice in such areas from other bodies.

Donor strategy must be clear, forward-thinking and “market savvy”; mindful that CBT is not solely a development project, but must operate as a profitable business. Historical third-sector reluctance to engage with mainstream industry must be avoided. Enterprises must be structured on an unequivocally commercial basis rather than adopting a NGO structure, to avoid confusion over particularly financial priorities. Donors must also communicate effectively with each other, to prevent overlap and to identify gaps in funding. Whilst the long-term commitment of communities and their support agencies is vital, it is essential to avoid donor-dependency, an all too common feature of CBT. “Money falling from the air” reduces community ownership, commitment and motivation and thus the prospects of long-term success for an enterprise. It is thus essential that enterprise operation and the decision-making process are not simply driven by donor funding availability and priorities. External development agencies must take account of local and national sensibilities and needs, take care to avoid manipulating the decision-making process in any way, and allow sufficient time for true community participation.

2.5.3 Commercial Relationships
Developing strong links to the mainstream market are essential to success for a CBTE as a business. These can be established by creating strong and collaborative commercial relationships, partnerships and strategic alliances with outside partners who are prepared to make a long-term commitment and investment in particular incoming tour operators. In many instances communities would be unable to generate benefits from tourism without the connections and expertise of the private sector, and such contractual and commercial relationships are therefore pivotal to success.

For communities with little/no prior tourism or business experience, private sector partners’ understanding of the market, business operation of tourism, destinations, product development and strategy will be invaluable. Success will also depend heavily on the characteristics of private sector partners; they must be stable, responsible, have a style and ethos compatible with CBT, value the community and its culture as an asset and have appropriate experience of CBT and be cohesive and well-organized, with strong governance and financially sustainable operations.
A community may engage with the private sector in a variety of formal and informal ways, from seeking the advice of local guides, operators and tourism businesses, to agreeing a discounted price with operators to formal joint ventures. Communities and those working with them should appreciate that the private sector has a vested interest in communities developing good quality, authentic products which it can offer its clientele and in ensuring good relationships with the communities they visit, to avoid problems or conflict arising between tourists and local people.

2.5.4 Brokers
Intermediaries, brokers, mediators and “change agents” contribute to success by bridging the gap between small-scale CBTEs and mainstream industry through “light touch facilitation”. These may be from within or outside the community, and include NGOs, “local development associations, cooperatives and interest associations” and larger operators. They can offer support in “setting up business and developing joint marketing strategy”, “assessing business viability, accessing capital, training and market” and by providing guidance rather than management, avoid dependency.

2.5.5 Networks and Facilitation
Horizontal and vertical integration with other sustainable development initiatives through, for example, membership organizations, local and national networks, partnerships, joint promotion, training programmes and visiting other enterprises can also assist success, for example by helping with product development and marketing, advice on business operations and viability, integration into mainstream industry, enhancing visitor experience, advocacy, training and providing services such as information and booking facilities, as well as being prepared for potential impacts. A successful enterprise is also likely to have links with government, tourism and training bodies, mainstream industry and international and national groups actively promoting CBT.

2.5.6 Governments
Government support is an essential incentive to incentivizing the successful development of CBT, and stresses that central government should particularly encourage local government to do so through sensitization, training and strengthening community land tenure, and to recognize its contribution to local development.

2.5.7 Tourists
Segmentation should also be used to identify and attract types of tourists most suited to the community and the enterprise, “diversify the client base” and establish a stable market. Once tourists are visiting, codes of conduct for both them and the community can promote understanding and successful visits.

2.6. Operations
Efficient enterprise operations are keys to success. For example, a CBTE should have effective systems for maintenance, communication, marketing and bookings, dealing with unexpected arrivals and so on, good communication between communities, partners, and tourists, as well as an effective business model which
takes account of factors such as seasonality and which recognizes that it needs to operate within a service economy.

2.6.1 Management and Finance
The strength of management, governance, leadership and decision-making structures, and whether they are accountable and transparent is frequently determinative of success or failure. Revenue received must be fairly distributed and salaries equitable. It is also important to have technically competent individuals with book-keeping, accounting and banking skills and the necessary financial infrastructure, business support services, networking, human resources.

Success is likely to depend on accessible and suitable forms of finance, support, incentives, credit and funds for an appropriate period for example for establishing, operating and marketing the enterprise and at key times such as construction, development and maintenance. Long-term investment may be necessary, but excessive dependence on external support must be avoided in the long-term.

2.6.2 Benefit Distribution
Simpson points out that success depends on the community seeing an increase in net benefits from the CBTE, on a long-term and sustainable basis. A CBTE’s business plan must therefore factor in the flow of benefits and their responsible and equitable distribution throughout the community from the beginning. Such benefits should be collective and individual, economic, environmental and social cash and non-cash and generate employment as well as direct income. All these benefits must be spread as widely as possible throughout the community, delivered as immediately as practicable, and thereafter on a regular basis and in appropriate amount.

Benefits must be tangible and clearly demonstrated to the community as being fairly distributed, though, for example, contributions to a community development fund / activities or by community earnings and employment. The community must experience as universal as possible an improved quality of life. Failure in this respect can generate hostility and resistance from those who feel excluded. The community is likely to need to establish a system to ensure those individuals who contribute particular time or resources are rewarded accordingly, whilst still ensuring wider benefits are shared by the community.

2.6.3 Marketing and Promotion
Effective marketing and sales are key determinants of success. A marketing strategy should be worked out from the very beginning of the enterprise development process. Effective, responsible promotion of the CBTE product, its wider destination and any partners is also crucial. Enterprises can benefit from coordinated "joint development and promotion" of CBT through supportive, robust marketing associations and by private sector partners, local operators and other ventures, market understanding and marketing skills within the community itself and proactive promotion including a locally-operated and up-to-date website, ideally with online-booking.
2.6.4 Managing Social and Environmental Impacts of Tourism

Commentators disagree as to the extent to which CBT should overtly focus on host-guest interaction and cultural exchange. However, it is common ground that social impacts will need to be carefully controlled to avoid threats to local cultural traditions, and that at the very least, tourism should make a positive contribution to the “cultural environment”, the development of community pride and conservation of its culture. Tourism and enterprise development must respect the community’s cultural norms, way of life and values, making use of its inherent strengths, skills, time and knowledge.

CBT must be environmentally responsible and effects mitigated through careful management and conservation of resources, ensuring environmental quality, controlling site boundaries, water supplies, addressing opportunity costs and ensuring that the local habitat can withstand managed visitor numbers without suffering adverse effects. In this way the benefits from tourism seen by communities should provide incentives for environmental protection and conservation.

2.6.5 Enterprise Outcomes

Many commentators emphasize the importance to long-term success of CBTEs of monitoring and evaluating outcomes and net benefits generated through record-keeping from the outset, using pre-enterprise baseline data. Internal and external business performance should be measured, including specifics such as revenue reporting, book-keeping, visitor feedback and business results: whether the enterprise is self-sufficient/still reliant upon funding/other income sources; occupancy/user rates; whether seasonality is an issue; whether a profit/loss is generated and funds being directed to the community. Outcomes must be evaluated on their "contribution to local economic development and poverty reduction". Systems should be simple and focused enough to be used effectively by the community. Finally, lessons learnt should be shared, success publicized and data used by donors to critically review the projects they fund.