

Report

**Financing, Revenue-Sharing, and
Taxation Issues in
Wildlife Management Areas**

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Acronyms

AA	Authorized Association
AWF	African Wildlife Foundation
BOT	Bank of Tanzania
CCM	<i>Chama Cha Mapinduzi</i>
COMESA	Common Market for Eastern and Southern Africa
DANIDA	Danish International Development Agency
DC	District Council
DED	District Executive Director
DGO	District Game Officer
DNRO	District Natural Resources Officer
DPLO	District Planning Officer
EGS	Enterprise Groups
EOTF	The Equal Opportunity Trust Fund
EPIQ	Environmental Policy and Institutional Strengthening Indefinite Quantity Contract
GCA	Game Controlled Area
GM	General Manager
GOT	Government of the United Republic of Tanzania
IFI	International Financial Institutions
IRR	Internal Rate of Return
MECs	Market Enterprise Committees
NFM	Natural Forest Management
NGOs	Non-governmental Organisations
NPV	Net Present Value
PPC	Project Preparation Committee
RDCs	Rural District Councils
ROO	Regional Operations Officer
RRO	Regional Revenue Officer
SEDA	Small Enterprise Development Agency
TANAPA	Tanzania National Parks
TATO	Tanzania Association of Tour Operators
TRA	Tanzania Revenue Authority
TSh	Tanzanian Shilling
TWPF	Tanzania Wildlife Protection Fund
USAID	United States Agency for International Development
URT	The United Republic of Tanzania
USD	United States Dollar
VAT	Value Added Tax
VEO	Village Executive Officer
WEO	Ward Executive Officer
WD	Wildlife Division
WMA	Wildlife Management Area

WPT

Wildlife Policy of Tanzania

Foreword

In 1999, Tanzania's Wildlife Division in the Ministry of Natural Resources and Tourism initiated the development of guidelines for the establishment of Wildlife Management Areas (WMAs). The recent history of the development of these WMA guidelines goes back to the mid-1990s. The Wildlife Policy of Tanzania, issued by the Government in 1998, envisages local communities taking greater responsibility for the management and utilization of wildlife resources in village lands. In 1999, following more than ten years of active research, policy development and learning-by-doing through pilot community based wildlife management schemes to look back on, it was felt timely to draw up guidelines for the development and management of Wildlife Management Areas (WMAs).

A three-day workshop was held in Arusha for paper presentations and discussions of the crucial elements of community based wildlife management in Tanzania and to formulate WMA guidelines. On this occasion, draft guidelines were formulated for WMAs. At present, the Wildlife Division is finalizing the preparation of these guidelines.

The Wildlife Division has commissioned a series of analytical studies of issues germane to the development of the WMA guidelines and revision of the Wildlife Conservation Act of 1974. These studies, which have been financed by USAID/EPIQ and GTZ, include, *An Analysis of Economic Opportunities in WMAs*, *Procedures for Game Farming and Ranching in Tanzania*, *Procedures for Communities to Enter into Joint Ventures in WMAs* and the current study on *Financing, Revenue Sharing and Taxation Issues in WMAs*.

The primary purpose of the study is to provide information on:

- Alternative revenue sharing formulas that will provide adequate incentives for wildlife protecting land uses as well as yield sufficient revenues for district councils and the central government;
- Stakeholders who are likely to win or lose as a result of changing the revenue sharing formulas;
- Current tax structures, and the type and levels of taxes that the WMAs should pay for the purpose of ensuring that local communities, district councils and the central government receive sufficient revenues without raising rates so as to create disincentives to local communities and investors; and
- The best source(s) of revenue for the provision of supportive public services in conjunction with the establishment of WMAs.

It is intended that this study series will be used in conjunction with the study of Economic Opportunities in WMAs.

For more information on this and the other analytical studies contact the Wildlife Division and/or USAID/Tanzania.

1. Introduction

1.1 Background

The Government of Tanzania's (GOT) policy on wildlife in potential Wildlife Management Areas (WMAs) is premised on the idea that in order to reduce human-wildlife conflicts and improve attitudes towards wildlife, the proceeds from wildlife utilisation should be brought back to their point of origin. This has been operationalised in the past by returning a portion of the revenue from tourism hunting to the relevant district councils in the hope that it will find itself to the local communities.

The GOT has generally recognised that this strategy has not yielded the desired results. Not much revenue survived the bureaucratic attrition at district council level to find its way to local communities. As a result, the policy has generally failed to generate local participation in decision-making or create a sense of local proprietorship.

The government's policy initiatives to encourage the creation of WMAs are potentially important in solving wildlife management problems. They give people an alternative to the destructive use of land by making wildlife a valuable resource. Wildlife is in fact an economically and ecologically sound land use in much of the Game Controlled Areas and Open Areas. Through WMAs, Tanzania seeks to involve rural communities in conservation and development by returning to them the stewardship of their natural resources, thus harmonising the needs of rural people to those of ecosystems.

This report presents the findings of a study of the financing, revenue sharing and taxation issues in the Wildlife Division's proposed Wildlife Management Areas (WMAs).

1.2 Previous Studies

The following studies have been conducted under the auspices of EPIQ-USAID/TANZANIA:

Review of Legal Aspects of the Draft Guidelines for WMAs Study, April 2000

The study aimed to make recommendations and obtain country specific information on: 1) how the guidelines can be effectively incorporated into the existing national wildlife conservation policies and legislation, 2) the relationship between the proposed guidelines on WMAs and land tenure, as well as their relationship with international conventions on wildlife conservation and management, and 3) mechanisms to enforce the draft WMA guidelines. The report identified areas in which the 1998 Wildlife Policy of Tanzania is in conflict with existing legislation, namely, the Wildlife Conservation Act (WCA) and the Village Council Act of 1999. It recommended that the guidelines be urgently harmonised with the following legislation: the Village Land Act, 1999; the Wildlife Conservation Act, 1974; the Local Government (District Authorities) Act, 1982; the Law of Contract Ordinance, CAP 433; National Parks Ordinance, CAP 412; and the Tanzania Investment Act, 1997.

Economic Opportunities in Wildlife Management Areas, May 2000

This study identified economic opportunities emerging as a result of WMA designation and carried out feasibility analyses of these opportunities. The opportunities identified are 1) tourism (trophy) and resident hunting, 2) photographic (non-consumptive) tourism, 3) improved beekeeping and collection of honey, beeswax and other beekeeping products, and 4) natural forest management (NFM). Using a combination of financial and economic analyses, the study concluded that these activities are feasible. Further, under assumptions about revenue sharing, it concluded that government would be able to recoup all the revenue lost in the initial years. The latter conclusion was reached after comparing revenues with and without the WMA (counterfactual analysis).

Procedures for Communities to Enter into Joint Ventures in WMAs, May 2000

The study developed recommendations to facilitate local communities to entering into negotiations with the private sector, and recommended suitable contractual instruments to ensure protection of both parties. The report provided draft guidelines and contracts as well as options for making expert advice on contractual issues available to local communities.

Policy Guidelines for Game Farming and Ranching in Tanzania, May 2000

The study reviewed some of the most critical issues related to the development of game farming and ranching. It also explored options for the expansion of these activities in the context of implementing the Wildlife Policy. Because there is little experience in Tanzania, the study reports on experiences elsewhere, especially in southern Africa, and draws relevant conclusions for Tanzania.

1.3 Purpose of This Report

The ultimate goal of the consultants on this study is to inform preparation of the WMA guidelines.

1.4 Contents and Structure

This report is structured as follows:

Chapter 2 describes the wildlife situation in Tanzania. This chapter considers both the more general aspects and specific wildlife features relevant to the study. Further, relevant experience from pilot WMA projects is considered.

Chapter 3 reviews the current status of benefit sharing in Tanzania. The chapter considers, *inter alia*, different formulae for revenue sharing and recommends a strategy for new sharing formulas in WMAs.

Potential winners and losers from WMA designation are described in more detail in Chapter 4. The chapter identifies describes and quantifies (where possible) the extent of gains and losses .

Credit availability for WMA-based economic activities, and for infrastructure support, are described in Chapter 5. The chapter also describes the mechanisms for obtaining credit and the need for Authorised Associations (AAs) to prepare feasibility and business plans.

The taxation regime is considered in Chapter 6. The chapter describes how the tax system can support WMA activities. Further, it provides a brief assessment of the issue of incentives relevant for WMAs.

The final chapter provides an assessment of the prospects of an accelerated phase-in of WMA activities in Tanzania. Building upon the previous chapters, it sets out specific strategies that stakeholders in a WMA designated area can adopt.

1.5 Methodology

In preparing the present report, the consultants have made use of 1) relevant literature, and 2) consultations with stakeholders in different regions of the country. A literature review was undertaken in order to highlight key issues and experiences in financing, revenue sharing and taxation, and draw lessons that can be useful in Tanzania. Both empirical and anecdotal evidence was considered in the course of the study. The consultants also undertook consultative meetings and discussions with stakeholders within and outside WMAs. Discussions were held with a sample of stakeholders in pilot WMA areas to determine their concerns about revenue sharing and what they think can be done to improve the situation. Finally, there were discussions with entrepreneurs engaged in trophy hunting and photographic safari enterprises and provision of accommodations for tourists.

1.6 Acknowledgments

This report has been prepared in collaboration with the Government of Tanzania through the Wildlife Division. It draws heavily on information from and discussions with stakeholders and others. The consultants wish to thank the study organisers (especially Ms. Miriam Zacharia, Miss Eva Kiwango, Dr. Sosovele, Mr. Mremi, Mr. Ngomelo, Mr. Kimaro, Mr. Noah and Mr. Kauzeni) for their active and constructive contributions in this regard. Many individuals and groups responded to our questions, and were most helpful and constructive in subsequent meetings. We are also grateful for comments received from Dr. Zinyama and several anonymous referees. A full list of persons who were interviewed appears in Appendix 2.

Last, but not least, appreciation should be extended to USAID/EPIQ/Tanzania and GTZ whose financial contributions were vital in enabling this study. These contributions have played a major role in ensuring the progress and the quality of the work.

Finally, it should be underlined that the contents and the conclusions drawn in this report remain the sole responsibility of the consultants.

2. The Role of Wildlife

2.1 Introduction

This chapter describes the wildlife situation in Tanzania. A description of the types of revenues raised is also given. The final two sections provide an overview of the results from the assessments of Wildlife Division revenues and expenditures. The sections are based on the Government Financial Reports and are supplemented with information from other sources.

2.2 Wildlife

Game controlled areas (GCAs) comprise about 58,565 km². District Councils manage them. In GCAs there are no restrictions on residence, cultivation, grazing of livestock, or felling of trees for non-commercial purposes. However, the areas are subject to the same restrictions on wildlife use as are applicable to game reserves. It is not permitted to hunt, capture or wound animals before obtaining a licence. Licences are issued to hunting companies and resident hunters.

The Wildlife Division (WD) is entrusted with the task of wildlife management, including management of land outside of protected areas. The revenues collected by the WD from (tourist) hunting are passed to the Treasury, which then carries out reallocations (discussed below). District game officers are responsible for issuing permits to citizen and non-citizen resident hunters, and all fees from these accrue to the district. The Tanzania Wildlife Protection Fund (TWPF) provides funding support to the various state agencies involved in wildlife conservation. Managed by a Board of Trustees comprising heads of various agencies and other persons, the TWPF has greatly enhanced revenue retention and prudent distribution to the most deserving agencies engaged in wildlife protection.

2.3 Revenues

Hunting is the chief form of consumptive wildlife utilization on the state lands administered by the WD and district councils. Hunters are divided into three categories: international clients using local outfitters, Tanzanian citizens, and resident non-citizen hunters. Hunting on state land managed by the WD is almost exclusively done by international clients, in the company of locally based outfitters. Game viewing (a non-consumptive form of tourism) has grown tremendously on the lands allocated to wildlife outside the National Parks and Game Reserves. The number of registered safari operators has gone up tremendously. Game viewing also involves bird watching, in addition to viewing large animals.

Table 1 shows the amount of revenue that accrued to the WD and TWPF for the four fiscal years 1996/97 to 1999/2000. By far the largest amount of revenue is generated from hunting licence fees, which accounted for 99 percent of the total annual revenue during the four years. Hunting licence fees consist of concessions (or blocks), each charged at US\$7,500. There are currently 130 hunting blocks covering areas in game reserves, GCAs and open areas. District councils have also issued many hunting licences to residents. Licences and hunting fees are much lower for citizen and non-citizen resident hunters than for non-resident hunters. The second major

source of revenue over the four year period was capture permits, which accounted for between US\$20,000 and US\$38,000 per year. Game fees, which are trophy fees per animal (paid after the client shoots the animal and passed over to government), are another important revenue source.

Table 1 Wildlife revenue by type, 1996/97–1999/2000 (US dollars)

Type of Revenue	1996/97	1997/98	1998/99	1999/2000
Capture Permits	38,013	21,353	34,560	29,113
Game License Fees	10,318	103,704	30,052	8,860
Certificate of Ownership	2,451	1,061	2,253	2,315
Trophy Export Certificate	927	1,079	1,502	2,658
Trophy Dealers License	6,128	6,503	6,010	5,539
Hunting License Fees	6,508,582	8,125,801	6,912,096	5,449,790
Compounding Fees	4,179	10,889	150	6,329
Miscellaneous receipts	2,659	1,770	1,803	2,151
CITES Fees	2,765	1,094	1,502	1,518
Total	6,576,022	8,273,254	6,989,928	5,508,273

Source: Financial Statements and Revenue Estimates, 1998/1999 and 1999/2000.

Apart from tourist hunting, there is also hunting for citizens and non-citizen residents. In principle, fees for these activities are payable at the respective district councils. For example, Monduli District Council, a recipient of the biggest share of game fees from tourism for the period between 1992/93 and 1999/2000, collected from resident hunting activities TSh 4,782,542 in 1998, TSh 5,965,104 in 1999 and TSh 3,200,000 in 2000 from these fees. Another major source of revenues with tremendous potential is tourism operations in the areas under the WD's control. The main fees are concession fees and entrance fees.

2.4 Expenditures of the Wildlife Division

The Wildlife Division's core function is wildlife conservation in all parts of Tanzania other than the National Parks and the Ngorongoro Conservation Authority area. It is specifically responsible for GCAs, open areas and for those game reserves declared "National Projects." Non-national project game reserves are under regional control, with wildlife officers posted from WD. WD's funding sources are a grant from the Treasury, donor support and the TWPF. Table 2 shows that the main expenses are associated with management and protection costs of areas under control, especially salaries, maintenance of wildlife areas, transport and equipment.

Table 2 Wildlife Division expenditure by type, 1996/97–1999/2000 (US dollars)

Type of Expenditure	1996/97	1997/98	1998/99	1999/2000
Personnel Expenditure	715,380	728,190	761,689	656,819
Training	0	4,226	52,592	61,974
Transport and travel	233,748	177,927	142,449	119,984
Visits and ceremonies	3,445	8,608	15,026	10,835
Office Expenses	81,632	140,269	157,175	126,857
Maintenance and minor works	134,320	193,140	276,483	223,104
Consultancy and technical services	0	2,951	15,026	9,569
Other running costs	0	785	114,055	163,835
Other personnel expenditure	7,636	4,660	199,549	163,077
Local government grants	0	0	1,135,864	895,095
Internal subventions	593,859	405,172	73,618	149,826
Equipment and other fixed assets	94,015	57,503	567,693	510,462
Conferences and committees	17,526	85,519	39,068	38,045
Total	1,881,561	1,808,950	3,550,287	3,129,482

Source: Financial Statements and Revenue Estimates, 1998/1999 and 1999/2000.

This table, read in conjunction with the preceding one, gives the impression that the WD is more than self-sustaining from a GOT perspective. It generated funds from hunting alone (excluding tourism and other sources) in excess of the annual budgetary allocations that it gets from Treasury by almost threefold. The excess of revenues over expenditures is turned over to the Treasury and the TWPF. It would be desirable that more of these excess funds be used for conservation activities.

3. Revenue Sharing

3.1 Introduction

The *Economic Opportunities in Wildlife Management Areas* study identified four major economic opportunities arising out of WMA designation that are economically feasible: (a) tourism (trophy) and resident hunting, (b) photographic (non-consumptive) tourism, (c) improved beekeeping and collection of honey, beeswax and other beekeeping products, and (d) natural forest management (NFM). For these activities, the study sought to define revenue sharing arrangements that would result in all actors gaining something from WMA designation, and still leave the WMA economically feasible.

This chapter takes as its departure point the revenue sharing formulas suggested in the Economic Opportunities study, and evaluates them based on their legality, and from socio-economic perspectives. As well, it reviews present revenue sharing arrangements for the suggested activities. Finally, recommendations and conclusions are offered.

3.2 Review of Revenue-Sharing Experiences Elsewhere

There is now a large literature on empowerment of communities to enable them to manage their natural resources in sub-Saharan Africa (Campbell and Shackleton, 2000; Campbell, Christofferson and du Toit, 1998; Murphree, 1993). In recent years, there has been a policy shift that advocates that local resource users should play a more active role in the management of natural resources. This new school of thought has been particularly strong throughout Southern Africa. Within the wildlife sector, several countries in Southern Africa have designed programmes to empower communities to manage, and thereby benefit from, their wildlife.

In Zimbabwe, a portion of the revenue from hunting leases in areas in which CAMPFIRE activities are underway is retained by the rural district council (RDC) for use at its discretion. A portion of the revenue is channelled directly to the community. For instance, Binga Rural District Council in the Zambezi Valley retains 50 percent of the total revenue, 15 percent as a levy and 35 percent as a management fee.

In Mumbwa Game Management Area (GMA) in Zambia, 35 percent of the income is returned to the community for development projects. Local leaders are primarily responsible for determining how the funds will be spent, and development activities have tended to cluster around the chiefs' palaces. Previously, only 40 percent of the income from Lupande GMA in Zambia reached the community, but recent restructuring has resulted in about 80 percent of the revenue going directly to the Village Action Groups, whilst the remainder is shared by the Area Development Committees (4 percent), chiefs (6 percent) and the Local Leaders Committee (10 percent).

Sentiments of community members towards CBNRM in the Zambian and Zimbabwean cases are largely negative. Causes for discontent include crop losses and other damage to property by wildlife, inadequate mechanisms for compensation, the high proportion of revenue retained by the district council, the lack of consultation on issues such as fencing, a feeling that 'their'

animals are driven to other areas to be hunted, lack of communication with private sector operators, and the role of law enforcement agents. In many areas, local people perceive wildlife programmes as initiatives of the donors and the relevant wildlife department, rather than as community-based programmes.

There are some interesting cases from forestry that have a direct bearing on WMAs. A number of cases have village-level committees, such as Village Natural Management Committees (VNRMCs) in Malawi, Village Forest Committees (VFCs) in Tanzania and Resource Management Committees (RMCs) in Zimbabwe. These committees are supported by forestry departments, and their members are elected by the communities. The committee is allocated revenue for various community development initiatives. The initiative and success shown by the community in Mangweru in Malawi has resulted in the Forestry Department maintaining a low profile and not demanding any share in the benefits. In contrast, in Chimaliro, also in Malawi, the state takes a portion of the benefits. Under the co-management arrangement for Chimaliro Forest Reserve, it was agreed that 70 percent of the revenue from forest products would go to government and 30 percent to the community. On customary land, this is reversed, with 80 percent and 20 percent of the revenue accruing to the community and government respectively. In Tanzania, almost all the revenue from permits to collect forest produce and fines go to the village. There are very positive attitudes towards CBNRM in Malawi and Tanzania, in contrast to the situation in areas of Zimbabwe such as Gokwe. In Chimaliro (Malawi), the removal of restrictions on the use of the forest reserve and the various training sessions aimed at building the capacity of community organisations resulted in a significant improvement in attitude. However, there was dissatisfaction with the Forestry Department because of delays in ratifying regulations drawn up by the community. There was also a general perception that certain influential members of the community were receiving more than their fair share of the benefits. In Gokwe, the CBNRM scheme was not viewed favourably. The Forestry Commission has a long history of conflict with the local people in this area and is unpopular because of its policies and enforcement regime. Many villagers regard the state forest as theirs, and are unanimous that the forest should be returned to village ownership and control.

In Botswana, Namibia and South Africa, there are corporate entities formed by all residents or rights holders within a designated area. These Trusts, Conservancies or Communal Property Associations (CPAs) elect their own management committees and are governed by legally recognised constitutions. In Namibia and South Africa, no portion of the revenue is sent to government, while in Botswana only 4 percent of revenue generated has to be paid to the district council as a resource royalty. Residents decide how revenues should be distributed. In the case of Namibia, a small portion of the income is usually retained by a management committee to meet its running costs (administration and personnel costs for game guards, resource monitors, etc.).

In both Botswana and Namibia, the residents are highly supportive of the CBNRM programme. As the state takes none of the revenues generated and has played an important facilitative role, relationships between government and the community are generally good. In the Caprivi area of Namibia, communities are dissatisfied with government for not being more proactive with respect to the control of problem animals.

The private sector can be important to the success of many CBNRM initiatives. This is because it is a major source of investment. But there are also a number of instances where the community

benefits little from private sector involvement. For instance, in Zambia, tourism partnerships have provided little more than an opportunity for employment to a very small number of community members. This is partly because communities themselves do not negotiate directly with the private sector and because title to the land for development is transferred to the tourism operator. In Zimbabwe, the safari operators usually deal directly with the RDCs or CAMPFIRE committees, effectively isolating the community from any discussions.

Another class of entrepreneurs use local natural resources but pay no resource rents. These may be community members or entrepreneurs from outside the community. The latter often by-pass the community by working through specific community households or the district council. These entrepreneurs highlight the limitations faced by local communities in regulating the use of their resources. There is thus a fine line between promoting strategies enhancing the benefits from natural resources as an incentive to manage them better, and the potentially negative impacts that enhanced commercialisation may bring, especially when the opportunities are recognised and exploited by powerful groups from outside the local community. Entrepreneurs pose one of the greatest threats to sustainable local-level natural resource management in Malawi.

In Namibia, local communities are beginning to recognise opportunities for income generation through tourism, and have started campsites and tourist villages. This has led to tensions between conservancies and local entrepreneurs, as the latter resist working through conservancies. NGOs have intervened to encourage a relationship with the conservancies by arguing that land for development is communal land and, therefore, any enclosure involves an opportunity cost for other land users. Thus, it is fair that some fee is paid to the conservancy. Tourism development plans are also being used to resolve this important issue of collective rights and interests versus those of individuals.

What are the lessons for success in the move towards local empowerment in Tanzania?

- Where authority has been transferred from the central government, the greatest success in CBNRM appears to be achieved, provided there is a strong policy and legal framework devolving authority over wildlife and tourism to representative CBOs. In addition, it is necessary to coordinate policies amongst sectors to ensure integration.
- The literature review shows that success is most likely where policies transfer proprietary rights over land or resources to resource users, through villages or sets of villages becoming corporate entities.
- It is necessary that the governance structures within WMAs are embedded within the state structures for long term sustainability beyond the life times of projects. Divorcing these will tend to dissociate the WMA projects from the broader district development context.
- A number of studies (e.g. Agrawal and Gibson 1999) have demonstrated that lack of commitment by the state to truly relinquish power to a local level, despite policies advocating devolution, is a major factor limiting the success of community-based initiatives.

3.3 Current Revenue-Sharing Arrangements in Tanzania

At present, a revenue sharing arrangement exists on certain taxes, levies and fees directly relevant to identified economic opportunities in the WMAs. The shared sources are forest royalties and wildlife fees.

In wildlife utilisation there are a variety of revenue sharing arrangements as follows:

- There is a revenue sharing arrangement between the central government and local authorities on tourist hunting.
- There is a special revenue sharing arrangement between the central government and certain communities.
- Certain local authorities currently collect and keep all fees from game viewing in potential WMAs. The central government is not yet directly involved in this new activity in potential WMAs.

Revenues generated from hunting operations in the game reserves, GCAs and open areas are currently subjected to the following sharing arrangement:

- Hunting Block Fees (also known as concession fees): each block is US\$7,500. The sharing arrangement is determined by the Treasury. Currently 25 percent goes to the Tanzania Wildlife Protection Fund (TWPF) and 75 percent to Treasury.
- Game License Fees: this is effectively a trophy fee per animal (paid after the client shoots the animal). The fee is passed to government. Of the amount paid, 25 percent goes to the TWPF. Wildlife Division is allocated 26 percent, district councils 12 percent, with the remaining 37 percent being retained by the Treasury. Under this arrangement, the central government in one form or another (including revenue transferred to the TWPF) gets 88 percent of total revenue collected while respective local authorities are allocated a mere 12 percent.
- Conservation Fees: These are pegged at US\$100 per hunter per day. Currently all of it is paid to the TWPF.
- Other fees: permit, trophy handling, hunter fees: all are paid to the TWPF.

A district council is supposed to use the funds allocated to it to finance wildlife management, clinics, schools and other forms of social infrastructure. The money is also meant to be compensation to district councils for loss of alternative use of land reserved for wildlife. Many district councils have not been able to direct funds in this way. Further, district councils are dissatisfied with the amounts they receive, saying these are too little and that they do not know how the revenue sharing arrangements are determined.

The government has developed two key pilot project sites, namely MBOMIPA and the Selous Conservation Project (SCP). MBOMIPA's target area is Idodi and Pawaga Divisions, particularly in 16 villages inside the Lunda-Mkwambi Game Controlled Area. The initial incentive in the pilot projects is the potential revenue from wildlife utilisation, mainly trophy hunting. Under these schemes, there are special arrangements for the distribution of benefits between the central government and Community Based Conservation (CBC) project communities. Revenue derived from wildlife utilisation goes directly to producer communities.

The total revenue generated from wildlife based activities under the MBOMIPA project between 1997 and 1999 is shown in Table 3.

Table 3 Total revenue accrued from each hunting block in MBOMIPA (TSh)

Village/Hunting Block	1997	1998	1999
Isele	600,000.00	1,325,500.00	1,500,000.00
Kisanga	600,000.00	1,325,500.00	1,500,000.00
PAWAGA	1,200,000.00	2,651,000.00	3,000,000.00
Malinzanga	1,250,000.00	1,325,500.00	1,500,000.00
Mafuluto	1,250,000.00	1,325,500.00	1,500,000.00
LUANDA	2,500,000.00	2,651,000.00	3,000,000.00
Idodi	600,000.00	1,325,500.00	1,500,000.00
Mapogoro	600,000.00	1,325,500.00	1,500,000.00
KITISI	1,200,000.00	2,651,000.00	3,000,000.00
Tungamalenga	400,000.00	883,666.00	1,000,000.00
Makifu	400,000.00	883,666.00	1,000,000.00
Mahuninga	400,000.00	883,666.00	1,000,000.00
MKUPULE VILLAGE	1,200,000.00	2,650,998.00	3,000,000.00
SUB-TOTAL	6,100,000.00	10,603,998.00	12,000,000.00
MKUPULE DISTRICT	2,100,000.00	2,700,000.00	3,000,000.00
TOTAL	8,200,000.00	13,303,998.00	15,000,000.00
Inflation (annual average)	16.1%	12.8%	7.9%
Total (real terms)	8,200,000.00	11,794,324.00	12,324,250.00

As can be seen, total revenue accruing to the project has been increasing in both nominal and real terms, although the rate of real increase fell very sharply from 44 percent in 1998 to 4 percent in 1999. Total revenue in TSh generated from wildlife based activities rose from 8,200,000.00 in 1997 to 12,324,250.00 in 1999.

The figures vary over time and from place to place and depending on the amount of wildlife utilised. According to William (1999), the primary sources of village income are the sale of

hunting quotas to resident hunters and a percentage of revenue obtained from tourist hunting. Although there are no data on household gross benefits from these activities, William (1999) reported that communities have started receiving tangible benefits (though they are not yet significant).

From interviews carried out, there is evidence to suggest that there has been beneficial change in the villagers' attitudes towards wildlife because of the existence of this project. The project has been successful in reaching the traditionally disadvantaged rural poor. Indeed, William (1999) reported that it has successfully redirected the 25 percent of hunting revenues received by the district from tourist fees. However, this situation could be further improved if legislation empowered local communities to administer their own WMA projects.

For the SCP, villagers are allowed to harvest a quota of the game for their own consumption. There are no provisions for the villagers to get a direct share from the hunting royalties and fees. As a result, income generated by the WMAs cannot compete with income generated by alternative land uses such as farming. In Morogoro, the district council receives 25 percent of the game fees paid for the Gonabis hunting block and the villagers receive only 12 percent of the district's portion.

These pilot WMAs have become the basis for a rapidly expanding hunting industry. The areas have also provided excellent opportunities for touristic game viewing. Both game viewing and tourist hunting are envisaged to become key activities in WMAs. While tourist hunting is fully established, so that its control and regulation can be handled with relative ease, game viewing is still in its infancy and is presently going on outside the central government's control. However, in some instances, the district council collects a levy on bed nights.

The funding in these two pilot schemes has been from two main sources: (a) donor funds, which support the technical and advisory services associated with the programme and (b) funds generated through the schemes. Donor funds contribute the highest proportion by far. The gross returns from MBOMIPA are clearly insufficient to run the programme. It is donor support that has been sustaining MBOMIPA as the state reduced its control in the area.

The pilot projects in Tanzania have generally been driven with funding from international donor agencies and facilitation by NGOs. The latter have played an important facilitative role, a role government often does not have the skills to play. In some cases, NGOs are even serving as project implementers while in others they may be the power brokers or mediators between the communities and government. For example, the NGO African Wildlife Fund (AWF) was largely responsible for pioneering CBNRM in the Arusha region. In Iringa under the MBOMIPA project, DFID has been a key player engaged in capacity building and land use planning and management. This involved a full-time advisor working with the community. It remains to be seen whether such an intensive and expensive facilitation process can be replicated elsewhere, and to what extent it is necessary for success.

Generally, NGOs are potentially powerful actors. They can push communities into certain decisions and can provide material benefits and employment. If NGOs are good facilitators, their role will diminish as the community's capacity increases. This does not always happen as NGOs may have vested interests (e.g. further funding) in continuing their relationships with

communities. It is therefore important to keep monitoring the impact of donor funding, especially when it is no longer furthering the goals of the project.

3.4 Possible Approaches to Revenue Distribution

There are many approaches for determining revenue sharing between institutions and/or communities. The theoretically elegant approach is to find the combination of taxes and subsidies that minimises the welfare losses under conventional demand (benefit) and supply (cost) functions. This involves comparing welfare outcomes before and after a policy reform. Such exercises are not easy in the real world, because nobody really knows how the system would have gravitated had the policy reform not been instituted. This is known as the problem of creating an appropriate counterfactual. Typically, it involves setting up a model of a Tanzanian WMA and specifying the various interactions between consumers, producers and suppliers of factors. Constraints are then specified to close the model. The next stage is to set parameters for the model, and then carry out simulations from which conclusions about revenue sharing can be drawn. This approach has huge data requirements, and is itself not free from controversy as there are many alternative ways of modelling a WMA economy.

Another approach would be to list all the functions performed by the different actors in the WMA towards attaining a given objective, in this case, sustainable wildlife conservation. Having identified the functions, one typically describes how they are functionally related, spelling out the varying degrees of importance using some ranking procedure. The final step would be to attach a monetary value to these functions. Because they are not fully traded in the market, surrogate methods of valuation are often used. Once a value has been found, then allocation of revenue will be made according to these values.

Consequently, a theoretically elegant procedure does not get us far, although it should be kept in mind for later analysis. What is required is a pragmatic recommendation, which takes into account the goal to be achieved and certain feasibility constraints. Calibrating model parameters to attain certain desirable objectives is one such approach used in the *Economic Opportunities in Wildlife Management Areas* study.

The literature identifies several different approaches to revenue sharing based on the evolution of co-management experiences with natural resources. Below is a summary of the major ones and how they relate to the Tanzanian setting.

Approach One

In this approach, all monies from wildlife accrue to the state. This amounts to complete expropriation of wildlife resources by the state. This is similar to the situation that existed in colonial days. As documented in other reports (see for example, Wildlife Sector Review Task Force, Ministry of Tourism, Natural Resources and Environment, 1995), the results were:

- Strong resistance to the state expressed by increased poaching and destruction of wildlife resources;
- Removal of incentives to conserve wildlife; and
- Replacement of wildlife by other, more competitive, enterprises.

Approach Two

All monies from wildlife initially accrue to the state. Some portion eventually finds its way to the district council (19 percent of tourist hunting revenues under present circumstances). Almost nothing gets to the villagers, and so in public finance terms this is equivalent to an effective tax of 100 percent on villagers. The result has been that the link between wildlife and people on whose land the wildlife resides has remained weak, making it difficult to enforce conservation measures in such areas.

Approach Three

The third approach can be thought of as a case of the benevolent state. All monies from wildlife initially accrue to the district council, which in turn devolves an increasing share of the revenue to the people. The state assumes a regulatory role. This approach is an improvement over the previous regimes and results in a close, but indirect, link between the people and wildlife. Still, there is an implicit tax on resource managers and this can easily cause a distortion, for example, forcing people to higher wildlife utilisation in order to pay the tax.

Approach Four

In this case all revenues from wildlife initially accrue directly to the people, thereby establishing a direct link between them and wildlife. In this case, the state performs a regulatory role. The district council is paid a fee according to services provided. The council levies a fee directly on people's earnings, but not on the resource. This is a major improvement compared to previous regimes that taxed the natural resource, causing distortions.

3.5 A Concrete Suggestion on Revenue Sharing in a WMA

The draft WMA guidelines have defined revenues as money generated from taxes, fees, levies or payment for services rendered in a WMA, and identified who should receive them. Sharing is defined as the distribution of revenue and costs accruing from a WMA enterprise among communities and/or community members or stakeholders. The relevant interests and the criteria for sharing is laid out as follows:

*The **primary** beneficiaries of WMAs will be communities/villages forming the AA. The **secondary** beneficiaries of WMAs will be the Wildlife Division and the District Council.*

The important question as far as policy is concerned is identification of revenue sharing arrangements needed to ensure that both the GOT (WD and district councils) and the AAs gain from a WMA designation. To determine the maximum that the government can reap without jeopardizing viability is an exercise that economic modelling is well suited for. The *Economic Opportunities in Wildlife Management Areas* study builds such a model. The study assumes a WMA of 1,100 km² in size, a discount rate of 25 percent, a VAT rate of 20 percent, an exchange rate of US\$1 to Tsh800 and no real price/cost variations. There are potentially many alternative revenue sharing arrangements that produce a "win/win outcome". Table 4 shows only one such possible outcome.

Table 4 Revenue-sharing arrangements (percent)

Opportunities	AA	GOT	District
Hunting block fees	100	0	0
Conservation fees	100	0	0
Game fees	60	30	10
Resident hunter game fees	100	0	0
Tourism	70	20	10
NFM	70	20	10
Collection Centre	70	20	10

Below is a discussion of issues surrounding the results.

3.5.1 Hunting fees—conservation fees, block fees and game fees

Currently, the villagers living in potential WMAs are taxed 100 percent by the revenue sharing formula in place. No direct benefits accrue to the villagers.

As Table 4 shows, under the particular win/win revenue sharing arrangement shown in the example, the government would now receive 30 percent of the game fees while the district council would receive 10 percent. The remaining 60 percent accrues to the AA. This is an improvement on the status quo, but implicitly the villagers are still taxed an equivalent rate of 40 percent, much higher than the highest corporate tax rate in Tanzania. This should then be viewed as an interim arrangement. Ideally, all monies should initially accrue to the AA. The AA can then pay taxes (and levies) just like any other enterprise in Tanzania. Thus, the proportions paid by the AA would vary over time, the aim being to eventually treat the AA like any other business activity. All other revenues (block fees, conservation fees and resident hunting game fees) accrue to the AA.

With both government and district council under the imperative to balance their budgets, there is likely to be resistance to any reform that reduces revenues. After all, for district councils, wildlife provides a significant part of the economy of the areas they service. For government, wildlife revenues contribute an important part of the tax base that it requires to ensure that infrastructure and other facilities located in these particular areas are maintained adequately. However, in taxing wildlife revenues, the following points should be considered:

- The taxation system should be equitable and not tax WMAs wildlife revenues more heavily than those derived from other enterprises.

- Like most natural resources, wildlife presents an easy and convenient tax handle. The temptation to heavily tax it should be resisted because it could lead to a situation in which wildlife is differentially taxed, making it an uncompetitive form of production.

The main point of the modelling framework developed in the Economic Opportunities Study as far as this issue is concerned is that WMA designation broadens the base of income generating activities in which people can engage, and this allows government to collect more revenue than it could from hunting activities alone. The other activities that emerge as a result of a WMA designation eventually bring in more revenue for the government compared to the *status quo*. As well, governments can help balance their budgets by shifting responsibility for many of the wildlife management activities to the AAs. The AAs should be expected to take over and pay for management costs like any other enterprise. There are many coordinating and regulatory services in wildlife management that may be required from government. For these services, AAs should pay according to their needs and based on agreed schedules of fees.

There are certain important legal issues that would need to be addressed to make these revenue sharing arrangements operational. A major issue pertains to changing the Act of Parliament establishing the TWPF to allow conservation fees and related hunting fees to be shared. Also, as pointed out in *the Review of the Legal Guidelines for Wildlife Management Areas* study, the Wildlife Conservation Act does not envisage the charging of a levy in respect of revenues derived from categories of protected areas. The Act will have to be amended to empower local authorities to levy fees.

Finally, there is the issue of what form the distribution of benefits from wildlife among households should take? Should they be targeted at the farmer/household or the ‘community’ as a whole? This is an important determinant in inducing effort towards wildlife conservation. The basic production unit in WMAs will continue to be the household, which carries out its agricultural activities on land on which it has secure access. This provides a link between the resource base, labour and capital and highlights dependency. Even for other activities this link is there, and is at the root of the effectiveness of providing incentives for nature conservation. Populations are fully aware of the benefits of agricultural activities or cattle ownership and any proposals which restrict this access will have, for their acceptance, to demonstrate direct beneficial returns at the household level equal to or exceeding the direct benefits from conventional agriculture. This suggests that a system of sharing the benefits from wildlife should be targeted at the household level.

In Tanzania (and many other countries), returns to the community for communal projects have instead been emphasised. It is true that households are aware of benefits in terms of an increased range of services (dispensaries, schools, boreholes, improved roads) made available at little or no cost to themselves. But in terms of direct incentives critical for motivation purposes, this can only be regarded as an interim inducement to conservation. So we recommend that emphasising communal projects in benefit distribution be carried out for the time being, with a promise of a further devolution of benefits in the form of direct income-generating activities for households. Even with the existing emphasis on community expenditures, methods must be devised to demonstrate the link of these benefits to wildlife for them to serve as a motivation factor.

The sharing formula in Table 4 generally received strong support from stakeholders consulted. They pointed out, however, that a “gradual” reform is to be preferred to a “bang bang” reform. The starting point (to ensure feasibility) should be the recommendation in Table 4. Gradually, the share accruing to the AAs should be raised until it reaches 100 percent in all hunting revenue categories, with the AA taxed just like any other corporate enterprise on activities such as non-consumptive tourism, NFM and beekeeping products. Gradualism also allows time for amendments to the existing legislation and gives the authorities time to monitor and assess progress in the designated WMAs. The opportunity might be seized to draft operational guidelines establishing milestones to be achieved before an AA graduates to the final formula.

3.5.2 *Photographic tourism*

Photographic tourism takes place in proposed WMAs. Some districts capture a portion of the revenue, while some do not. In some instances, tour companies deal directly with villagers. In Monduli, there is a district by-law that stipulates that tourist hotels and campsites charge a bedding fee of US\$1 per night for each bed occupied. Available figures from Monduli District Council show a total collection of US\$231 (TSh 145,530) for 1997, and none for the preceding five years.

There is no reason why game viewing should not take place in all the WMAs. A range of scenery and wildlife is available for visitors to these areas. Like other areas in which there is game viewing, the authorities in WMAs can charge visitors a range of fees for entry, vehicles, aircraft landing and for campsites/lodges and huts. To make recommendations on revenue sharing, there is first a need to establish the size of the potential market.

Generally, there are two types of fees charged for the use of a photographic concession: an annual “rental” or concession fee (fixed fee) and a variable fee (bed-night levy) that relates to the level of business conducted by the concessionaire.

Calculation of Fixed Fees. With respect to the annual fixed fee, the report on Procedures for Communities to Enter into Joint Ventures in Wildlife Management Areas study suggests a convenient method for calculation. The starting point is to attach a monetary value on each bed in a photographic camp. With resources available, this value can be obtained through the use of a more rigorous contingent valuation exercise. In the absence of such an exercise, the “bed value”, just like any other price will be a function of the type of facility and the experience being offered to the guests by the WMA. As suggested in the report, the basic unit for calculating fixed fees is the value that can be placed on each bed within a photographic camp.

The report goes on to recommend that those areas with well-developed tourist facilities and infrastructure and good game populations can justify higher “bed values” than less developed areas with not-so-good game populations or access to a neighbouring national park. In Zambia, the “bed value” was set at between US\$60 per bed per month for non-seasonal camps (open all year round) and US\$80 per bed per month for seasonal camps (open less than 12 months a year) that are located adjacent to prime national parks. In the context of Tanzania, where camps are not well developed, the “bed-value” could be set at between US\$30–50 per bed per month. As the areas become more developed for tourism and game populations increase, higher “bed values” can apply.

Calculation of Variable Fees. The report on *Procedures for Communities to Enter into Joint Ventures in Wildlife Management Areas* study also suggests a convenient method for calculating variable fees, often referred to as the “bed-night levy”. This is the payment by the guest, via the concessionaire, to the AA for the use of the area. For well-developed areas with good game populations, wild unspoiled areas, and few or no people, this levy could be as high as 10 percent of the cost of accommodation per person per night. In other words, 10 percent of the accommodation expenditure paid by a guest to stay in a concessionaire’s facility accrues directly to the AA.

3.5.3 Forestry—NFM, Collection Centres, etc.

The revenue sharing arrangement for NFM activities suggested in Table 4 is appropriate. Government effectively collects its revenue on the basis of VAT. However, there are certain parallel legislative reforms going on that need to be finalised for the sharing arrangement to proceed smoothly.

With regard to forestry, the following problems still awaiting resolution were raised during discussions: non-compliance with concession agreements, increasing reliance on wood for energy in the rural areas, and the increasing tendency to clear more and more land for crop production. New legislation is urgently needed to permit needed regulation. There is also a need to identify linkages with other sectoral legislation, especially the laws relating to wildlife, land-use planning and agricultural resources. New legislation should also deal with forest produce, and clarification of the rights of individuals and local communities to harvest or extract such produce. Speedy adoption of new forestry policy and legislation currently under preparation in the Ministry is earnestly recommended if the sharing arrangements are to become viable.

4. Winners and Losers

4.1 Local Communities' Perspective

To examine the impacts of WMA designation on local communities, “local communities” have to be identified. The common interpretation of “community” has a spatial dimension: a group of individuals living in an area such as a village or a specific rural area. From this point of view, the community most directly affected by WMA designation is the rural village.

Winning or losing from WMA designation is not just a function of proximity to a WMA. It is also a matter of policy decisions, benefit distribution mechanisms that are put in place and the level of involvement of various stakeholders. Overall, it is assumed that with favourable benefit sharing arrangements discussed in the previous chapter, the local communities will be the main winners. The tangible benefits that can be quantified will mainly be in the form of income and employment. To quantify potential gross benefits to communities from a WMA designation, one can compute financial returns from hunting, a major benefit. To do this, assumptions need to be made about a number of key variables including allowable quotas, prices, utilisation rates and so on. The assumptions concerning these variables made in the *Economic Opportunities in Wildlife Management Areas* study are used in this chapter. The quotas for resident hunting are based on the Monduli District figures for the 1998 resident hunting quota (total divided by eight blocks in the region).

Based on these assumptions, potentially the WMA hunting concession under existing arrangements can earn US\$98,821. This figure is made up of the US\$7,500 concession fee plus the maximum trophy fee of US\$91,321. Assuming an exchange rate of TSh 800 to US\$1, this translates into a maximum achievable figure of TSh 73,057,050.00. However, assuming that there is a utilisation rate of 50 percent for the tourist quota and 80 percent for the resident quota, a total amount of US\$7,500.00 block fee and US\$45,776.30 game fees (which translates to TSh 42,621,040.00) is realised in each typical WMA. This is the potential amount accruing, ignoring for the time being issues of actual benefit capture.

On top of this, villagers should also benefit from enhanced linkages with other sectors. One of the direct sources of benefit comes from employment in enterprises that are established or expanded as a result of WMA designation, as these are anticipated to be largely labour based. These potential benefits must be seen in the context of the whole economy. The activities are likely to have an impact on the demand for both skilled and unskilled labour. These activities will also demand intermediate inputs, some of which are likely to come from the local economy. As long as most of the employment opportunities are offered to local people, and the activities source inputs locally to the extent it is feasible and efficient to do so, there will be many beneficiaries. In summary, potential linkages envisaged operate through the following channels:

- *The labour market:* An effort must be made to encourage the hiring of local workers where feasible.
- *The product markets:* Activities should as far as possible be encouraged to buy directly from the local villagers, especially items such as foodstuffs, etc.

- *Non-market linkages:* There clearly will be some important non-tangible links— demonstration effects, technology transmission, etc. with beneficial effects.

Thus, at the local level, the winners from WMA designation are those who will benefit from it meaningfully through increased household incomes, employment, or services WMA enterprises might provide. The designation of an area is likely to yield the greatest returns to sparsely populated villages and districts with abundant wildlife. Human population density will be a critical variable determining how much districts will earn. Densely populated areas will gain the least. Wildlife revenues in the high potential areas can contribute significantly to household incomes.

4.2 Government Perspective

In the initial years following WMA designation, the government is likely to lose revenue, especially if the designated areas previously fell in hunting blocks. While it appears to lose tax revenues initially from WMA designation, these revenues are more than recouped later when WMA based activities take off. In the *Economic Opportunities in Wildlife Management Areas* study, model based simulation results suggest that the revenue stream per km² with WMA designation will increase by more than 25 percent after 5 years. Also, revenues collected from photographic tourism, beekeeping and NFM more than offset the reduced revenues collected from hunting activities. WMAs open the door for establishing other economic opportunities, with the size of potential government revenue increasing because of the increased tax handles. However, these secondary activities do not spring up overnight, but take some years before they become fully operational.

The government's wildlife management costs are likely to be reduced because of devolution of responsibility. The main tasks for WD will be monitoring and evaluation (and other technical services). Wildlife conservation in the WMA areas is likely to improve, while the government's stipulated goal of poverty reduction, especially in rural areas, is enhanced. Taking these factors into account, coupled with reduced management costs in WMAs and the potentially higher future revenue, it can be concluded that the initial negative revenue effect will be more than offset, leaving the government a net winner. As argued in the previous chapter, this is not a zero sum game, but is likely to be a positive sum game.

Reduced state control over significant parts of the country resulting from WMA designation is likely to be perceived as a major cost to the state. Taken in broad historical context, this is not all a bad thing. It is a sign of positive evolution in conservation policy from the days of early colonialism with its strategy of taking large tracts of land away from rural peoples for the establishment of protected areas and removing their jurisdiction over the natural resources on the land that remained with them. It marks a departure from what Murphree (2000) calls conservation against the people towards conservation with the people. Government does not always have the capacity to enforce its policies in these areas. A strategy that enlists the managerial capacities of the rural folk through community participation greatly assists in achieving government conservation goals.

A major attraction of this strategy is the promise that it can meet multiple objectives and satisfy the aspirations of different constituencies, a feature referred to as "incentive compatibility" by

Bromley (1994). However, effective incentive packages in the form of transfers of power, rights and resources is required if “win-win” outcomes promised by incentive compatible strategies are to be realised. There will be losers as well as winners.

4.3 Other Stakeholders

The position of hunting outfitters is largely unchanged, although higher revenues for WMA communities will eventually mean reduced social expenditures in these areas for the outfitters. Tour operators will be negatively affected somewhat as they will be required to formalise activities such as photographic tourism that up to now have largely been informal. They may now have to obtain the appropriate licences, much in line with block fees, and perhaps pay a conservation fee. However, WMA designation still opens a whole new range of activities for them and will result in increased tour activities, and therefore incomes as well. Also, it is felt by the industry that there will be increased conservation and improved habitats that form the basis for wildlife tour activities. The district council broadly benefits, not only from a wider tax base, but also from a better off community. Resident hunters have been mentioned as potential losers from WMA designation. However, depending on the angle from which one looks at it, there may be a trade-off between their losses and villagers’ gains, as the hunters will now be interacting directly with AAs in business transactions. How desirable it is for the poor rural communities to subsidise resident hunters is open to debate, and will very much depend on society’s value judgements. It all boils down to proper valuation of natural resources and society’s view of equity.

5. Credit Availability

5.1 The Financial System

Financing is one of the major problems likely to inhibit the viability of potential WMA activities. The financial system (both formal and informal) will be expected to play its role of channelling credit from surplus to deficit units. The formal financial system has the depth and breadth to undertake such a task. At the apex of the financial system is the central bank, called the Bank of Tanzania. It performs most functions of a modern central bank, including bank supervision and monetary policy. Financial institutions include:

- 3 government owned banks
- 5 private foreign owned banks
- 5 non-bank financial institutions
- 2 private indigenous banks
- 2 government owned insurance companies
- 5 pension funds
- 1 hire purchase company
- several foreign exchange bureaus

To complement the formal financial system is an informal one. It largely caters to the needs of the informal sector and small pockets of personal lending. In recent years, informal financing has risen to become an important source of capital, even attracting donor support.

5.2 Access to Finance—Lessons for WMA Activities

Set-up costs for WMA activities are likely to be high. This means that both new entrants to the industry and, to a lesser extent, those already involved typically have to rely on borrowed finance. Since economic reforms were introduced, interest rates have been high, reducing the viability of investment projects. The indications from consultations are that there will be a problem of access to finance for WMAs. When financial assistance is sought, financial institutions almost invariably require that two conditions be met: proof of collateral and a record of past performance of the applicant.

In the case of anticipated WMA activities, neither the collateral nor a history of performance is likely to be available, especially since the majority will be start-ups and so have not yet had time to accumulate a track record. The extent of the problem will depend on whether an activity is new or not. Normally, it is the start-up and existing small firms that find it very difficult to access resources from financial institutions due to their being perceived as high risk. The absence of title deeds, especially in proposed WMA areas, will worsen the situation for applicants. Even when they own a building, the absence of title deeds in these areas means that such buildings are not acceptable as collateral (personal communication with key informant from banking sector). It would appear that lending institutions have failed to develop innovative lending instruments designed and targeted specifically for small businesses.

Banks have been known to take a long time to process loan applications, which pushes up project implementation costs and disrupts operational plans and opportunities that the businesses may try to take advantage of. The problem is worsened by the fact that small businesses themselves lack the requisite knowledge of loan application procedures/requirements. Pertinent information does not get to a large number of potential beneficiaries partly because the programmes are centralised and also because information dissemination is weak.

Some banks have established units specifically targeted to meet the financial needs of small businesses. These units place emphasis on business plans and potential capacity of individual entrepreneurs or projects. However, it is evident that the final criteria (i.e., approval procedures and collateral) employed are not different from those of other commercial financial institutions. They are still too cautious and risk-averse when dealing with the small business sector. There is need to orient formal financial institutions to better appreciate the small business sector on the one hand, and to build the necessary capabilities within financial institutions to improve project appraisal, loan approval and project monitoring skills.

5.2.1 Promotion of Rural Initiatives and Development Enterprises (PRIDE)

The failure of the conventional financial institutions to reach out to a large number of small businesses has given rise to a number of financial mechanisms that are targeted at this type of entrepreneur. An example is PRIDE, which aims to increase incomes and employment in the rural sector, create a mechanism for future resource flows to the lower end of the financial market and initiate the building of a regional network of informal sector financial intermediaries. Its credit model is based on the formation of Market Enterprise Committees (MECs), each consisting of Enterprise Groups (EGs). Before application, the MEC members meet for a specified period during which they contribute to a Loan Insurance Fund and receive basic instructions on credit programme policies and regulations. The Loan Insurance Fund is intended to cover loan default, and mobilise client savings. Members are required to meet and repay their loans on a weekly basis and interest rates are concessionary. Loans are repayable over 50 weeks.

5.2.2 Small Enterprise Development Agency

The Small Enterprise Development Agency (SEDA), a subsidiary of World Vision Tanzania, was set up as a micro-finance institution to provide financial and non-financial services to CBOs. It relies on strong community involvement and is based on group lending.

Its credit system is based on the “UPATU” notion of lending heavily to the same groups as this is anticipated to encourage community self-help and support. SEDA also assists groups to evolve formal constitutions and to open bank accounts. Each member in a group must have a bank account and a business.

Other related schemes include the President’s Trust Fund for Self Reliance, Equal Opportunities Trust Fund (EOTF) under the patronage of the First Lady, the Tanzania Youth Development and Employment Foundation, etc. Some grassroots WMA activities may benefit from some of these, although the amounts involved are unlikely to be anywhere near sufficient for the four activities identified as potential businesses in WMAs.

The following is a summary of major issues and constraints from the existing forms of financial assistance to small businesses:

- Limited financial resources: most financial support schemes have very limited funds, with some of them thinly funded by government or by one or two donors, thereby limiting their outreach activities.
- Centralisation of the schemes and limited coverage.
- Amounts loaned are too small to cover the capital investments required for both fixed and working capital.

5.3 Mutually Beneficial Schemes

It has been noted by the consultants that, whereas formal banks such as The Co-operative and Rural Development Bank (1996) Limited, cannot meet all the needs of WMAs, it is evident that they are one of the most important instruments by which WMAs can obtain finance. A case in point is the concessionary finance schemes (in partnership with its foreign shareholder and the European Union). CRDB offers a wide range of credit facilities, primarily to the rural sector of the economy, including commercial ventures. The bank caters to all categories of clients, and these are covered under the bank's loan insurance or highly marketable collateral.

The Bank thoroughly appraises anticipated financial performance of the proposed project and satisfies itself that it is economically viable and technically feasible. The bank typically finances up to 75 percent of total project costs. For small businesses and other disadvantaged groups, the expected performance of the project is enough security. The Bank diversifies lending risks by ensuring that its resources are not wholly invested in a single borrower. It offers free training in various aspects of management to the small business sector to increase capacity.

5.4 Investment Requirements

It is difficult to estimate the investments required in WMAs. Each WMA will be unique with its own profile. Specific investment strategies will depend, *inter alia*, on the condition of the existing infrastructure, the potential and costs of installing new capacity, local market conditions and so on. Hence, the needed investments and technical options for WMAs should be assessed on a case-by-case basis. However, it can be said that investments will in general be less expensive for the pilot projects that have made a start already with internal and external support.

The opportunity for improving existing infrastructure (rather than building from scratch) and benefit sharing in WMAs will lessen the burden of undertaking the up-front capital investments. This alternative has to some extent been used in the pilot projects.

5.4.1 Cost estimates

The cost of a typical investment in a WMA can be estimated either by measuring the investment costs required to run a similar activity, or constructing a hypothetical WMA and valuing the requisite investments. Cost estimates from a number of pilot projects (TANAPA and JUKUMU) have been suggested. These were made for specific areas, and should thus be interpreted with care when used for WMAs. However, high costs appear to apply to a number of cases, and hence they provide a very good indication of the magnitude of the investments required. It should be noted that investment requirements for WMAs might be very high as some of them are in the least developed parts of the country. But these investments are necessary, not only for villagers but also for generating efficiency gains for future WMA activities

5.4.2 *Financing*

Many large projects in developing countries experience difficulties in attracting investors. This is also a major concern for WMAs. It is unlikely that enough funds can be internally generated by a WMA to cover such costs. Government will still be needed to perform its traditional role of basic infrastructure provision. Private sector resources will also be needed. Necessary actions will need to be taken to encourage the private sector and NGOs to become partners in infrastructure financing. WMA authorities, in conjunction with district councils, may then work out charges to be levied on users of the facilities to ensure continued smooth operations. Concessionary financing can play an important role in accelerating WMA development in areas where the lack of financing is considered a major constraint on development. The financial markets are not fully developed to cater to the needs of WMAs., Therefore, investment schemes partially financed by international financial institutions (IFIs) on favourable conditions can prove important in facilitating the blossoming of WMAs. In addition to providing partial financing for investments, IFIs can also play an important role by providing assistance in project preparation and documentation.

6. WMAs and the Tax System

6.1 Introduction

In this chapter, the current taxation regime is considered. The *Economic Opportunities Study* report views a WMA as a “business with wildlife and other natural resources as its productive assets” (p. 19). An Authorized Association (AA) charged with the responsibility for managing and utilizing wildlife resources in a declared WMA will thus be liable for taxation under the existing tax legislation in the same manner as is TANAPA. Since the members of an AA will not be individual persons, but rather villages, the AA cannot be registered as a primary cooperative society. So it has to take advantage of existing preferential tax treatment. It is reasonable to assume that an AA will be liable for standard taxation unless existing tax or other legislation (e.g. the Wildlife Conservation Act, 1974) is amended to provide otherwise.

According to the draft WMA Guidelines, Wildlife Management Areas are to be managed by AAs. The revenues that accrue to such associations arise from all or any of the following functions:

- Issuing permits for use of wild animals and other natural resources in a WMA, e.g. trophy hunting, resident hunting, game cropping, live animal capture, use of forest and/or bee products or fish resources, and non-consumptive tourism activities except commercial filming and photography.
- Charging fees for utilization of wild animals and other natural resources in the WMA, such as those mentioned above, as well as for commercial filming and photography.
- Sale of game meat.
- Leasing an area to a trophy hunting company.
- Giving concessions to investors in the WMA.
- Conducting investment activities in the WMA.

6.2 Main Taxes

The main taxes for which AAs are liable include the following:

Corporate Tax. The current corporate income tax rate is 30 percent of taxable income. Taxable income is calculated in a manner closely related to commercial accounting practice. But the Income Tax Act (1973) provides for specific treatment of certain expenditures and revenues that may not necessarily be in agreement with generally accepted accounting principles.

This tax is an annual tax that is settled after a final income tax return has been filed with the relevant TRA department. However, at the beginning of the accounting year, the taxpayer is required to furnish a provisional return, i.e. an estimate of income and tax liability for the year. On the basis of the provisional return, provisional tax is payable in four equal instalments at dates specified in the law. The provisional tax paid is treated as corporate tax paid in advance and is thus set off against the final tax liability calculated on the basis of the final return after the end of the accounting year.

Payroll Levy. This tax is based on the gross emoluments of employees of an AA, provided such AA employs four or more employees. The current rate is four percent of the gross emoluments paid during the month and the tax becomes due and payable every month. The Income Tax Act (1974) allows the amount paid as Payroll Levy to be treated as a commercial expense in ascertaining taxable income for corporate tax purposes.

Stamp Duty. There are two major classes of stamp duty. One is on receipts that based on turnover; the other is for specified legal documents for authentication purposes. For corporate taxation purposes, this duty is just another form of expense, and it is thus deductible in ascertaining taxable income.

The stamp duty on receipts is paid by taxpayers who are not registered for value added tax (VAT) purposes at a rate of 1.2 percent of gross turnover, and the due date for payment is the 21st day of the month following the month of receipt. However, the above arrangement is only applicable if the taxpayer has entered into a composition agreement with the Commissioner for VAT. In case no such agreement has been entered into, adhesive revenue stamps need to be affixed on cash receipts at a rate of four percent of the amount received.

Value-Added Tax (VAT). This is a consumption-based tax charged to VAT registered taxpayers on goods and services at a standard rate of 20 percent. The tax is also levied on most imports, regardless of whether the importer is registered for VAT or not. Some persons, as well as specified goods and services, are exempt from the tax.

Import Duty. This tax is levied at an *ad-valorem* rate on the CIF value of goods imported into Tanzania. There are five different rates—0 percent; 5 percent; 10 percent; 20 percent and 25 percent. The law is specific on which imports are taxable at which rate. Moreover, the country of origin of the imports also matters, as there are reduced rates for partner countries, such as member countries in COMESA.

Excise Duty. Excise duty is charged either at specific or *ad-valorem* tax rates on certain consumer goods upon importation into the country and also on specified locally manufactured goods. Items that are charged specific rates are cigarettes, wines and spirits, beer, soft drinks and petroleum products. There are only two *ad-valorem* rates, 10 percent and 30 percent, e.g. for saloon cars and some station wagons respectively.

There are a number of other taxes that are administered by the central government (table 5).

In addition to the above central government taxes, there are a number of other taxes administered by local authorities, i.e. city, municipal, town, and district councils. Each local government authority is empowered to make by-laws that allow the authority to charge local taxes, levies and fees within its jurisdiction. Authorized Associations are likely to be liable for taxation under by-laws of their respective district councils. The main types of taxes, levies and charges currently operational in the two District Councils of Monduli and Iringa are shown in Table 6.

Table 5 Other taxes in Tanzania, July 2000

Type of tax	Tax base	Taxpayer	Frequency
Motor vehicle registration tax	Motor vehicle	Owner of motor vehicle	Once upon entry into the country
Transfer tax	Motor vehicle	Purchaser of vehicle already registered	Upon purchase
Car benefit tax	Saloon car	Company not involved in transportation	Annually
Foreign motor vehicle permit	Non-commercial foreign motor vehicle	Owner of motor vehicle	Every 30 days of stay in Tanzania
Road fund tax	Motor vehicle fuel	Buyer of motor vehicle fuel	Upon purchase
Airport departure service charge	Aircraft passenger	Aircraft passenger	Upon boarding aircraft
Port departure service charge	Ship passenger	Ship passenger	Upon boarding ship
Windfall tax	Petroleum	Buyer	Upon purchase

Table 6 Taxes, charges and levies operational in Monduli and Iringa

Development levy	Market fees
Income tax	Industrial product cess
Produce cess	Plantation fees
Guest house levy	Bicycle fees
Livestock cess	Slaughtering fees
Game license	Camping site fees
Business licenses	Parking fees
Minor business licenses	Business premises levy
Fees for approval of buildings/maps	Advertisement fees
Liquor License	Forest products fees

Communities in WMAs as well as entrepreneurs who decide to invest in the WMAs are likely to pay some of these local taxes in addition to the central government taxes outlined above.

6.3 Tax Holidays and Other Incentives

With the enactment of the National Investment Promotion and Protection Act, 1990, the Government granted a number of tax incentives, notably tax holidays, to both local and foreign investors as a way of encouraging investment.

Although holders of such tax holiday certificates continue to enjoy the privileges on terms and conditions under which such certificates were issued, the Act has actually been repealed and replaced by the Tanzania Investment Act, 1997. Under the new legislation, tax holidays have been abolished altogether and the tax incentives have been transferred to the relevant tax laws.

The existing tax incentives are as follows:

- Unused tax holidays that were granted under the former investment law.
- Investors with a Certificate of Incentives issued under the new investment law i.e. the Tanzania Investment Act, 1997, do not pay import duty on capital goods for use in the lead sectors of mining and economic infrastructure upon importation. Instead, they pay the duty after commencing production.
- The VAT on capital goods imported by investors in the lead and priority sectors is deferred up to the commencement of production when the VAT is treated as input tax and credited against the output tax collected from the sale of goods produced or services rendered. It is important to note here that tourism and tour operations as well as natural resources based enterprises, including fisheries, are specified as being priority sectors under paragraph 9 of the Third Schedule to the Income Tax Act, 1973.
- All exports of locally manufactured goods are chargeable to VAT at a rate of zero percent with the normal full refund of input tax.

We are not aware of any empirical evidence on the effectiveness of tax incentives in achieving the objectives for which they were designed. However, studies conducted elsewhere point to the possible overrating of tax incentives worldwide. For example, Chua (1995) documents the findings for Canada's 1985-92 Cape Breton Investment Tax Credit that the cost of tax incentives to "society is high, and that, to achieve a similar outcome, less costly alternatives might be available" (p. 168). The cost referred to is the necessity for increased rates applicable to those not eligible for the tax incentive scheme to compensate for revenue lost as a result of the incentive. Moreover, tax incentives are discriminatory, complicate tax administration and are prone to abuse, especially in developing countries where tax administration is relatively weak. In this sense, tax incentives fly in the face of the widely acceptable goals of simplifying the tax system, enhancing compliance and fighting corruption among tax officials (see for example Stotsky, 1995).

6.4 Charges Versus Taxes

Although communities forming a WMA benefit from utilization of wildlife within their areas to the point where wildlife conservation becomes a competitive land use, the State, as represented

by the central and local governments, remains responsible for the provision of supportive public services for these communities. It is thus important to evaluate different revenue raising instruments available to the State for the purpose of financing these public services.

The basic difference between a tax and a charge is the absence of a *quid pro quo* in the case of the former i.e. nothing in return. A tax involves a compulsory transfer of real resources from the private sector to the public sector without the former receiving any benefit that can be directly attributed to the amount transferred. Most of the revenue collected by the Wildlife Department results from charges rather than taxes, since the people who pay such charges acquire something in return e.g. right to hunt or capture game, right to deal in or export trophies, etc. On the other hand, the six instruments discussed in 6.1 above are examples of taxes since, for example, payment of corporate tax does not entail any specific direct benefit to the taxpayer.

Once the proposed WMAs are operationalised, the AAs will be called upon to contribute to the state coffers at both local and central government level so as finance the provision of supportive public services in the WMAs. The government has three options for raising revenue from the AAs:

- Charging for services to be provided within the WMAs.
- Taxing directly and/or indirectly the AAs.
- Any combination of the two options above.

There are three possible attractions for charging as opposed to taxing in so far as WMAs are concerned:

Avoids excessive demand for publicly provided services. If a WMA is required to pay for, say technical advisory services by WD, infrastructure support for wildlife utilization etc., it will demand the services only to the extent that it is socially efficient. This implies that the WMA will demand services from the government, central or local, only if it values such services more than the charge for the same.

Makes the collection of revenue politically easier. If the communities forming a WMA pay the government for what they receive in return, it is more difficult for them to complain and conceive schemes for defrauding the government of its statutory revenue share.

Avoids unfairness. It is possible to avoid some gross unfairness if those who receive the services are made to pay for them. This point is crucial for communities living in remote areas where WMAs are likely to be established. Raising revenue from WMAs through normal taxation is likely to be unfair since those revenues finance public services largely in not-so-remote areas. It is obvious that the quality of the roads, schools, health facilities, law enforcement and the like, all of which are financed through taxation, is inferior in WMAs to those in urban areas.

On the other hand, taxation has some merits in so far as WMAs are concerned. These include administrative feasibility, redistribution to the poor and the provision of merit goods regardless of actual demand.

Administrative feasibility. One obvious problem in charging the WMAs for public services provided to them is in the case of public goods i.e. goods and services that people enjoy jointly (for example sanitation, clean environment, national defence, major roads, research, etc.). A WMA in Idodi Division in Iringa surely benefits from the Dar es Salaam–Tunduma highway. But it is very difficult to come up with an acceptable formula to charge the WMA for the cost of maintaining this highway.

Redistribution from rich to poor communities. Poor communities making up a WMA may legitimately need supportive public services that are beyond their existing resources. If these services are charged for by the Government, the WMA has no way of accessing them. However, financing public services through taxation implies that funds from the public coffers may be accessed for use in the less fortunate WMA. In this way, it is possible to transfer resources from rich communities to poor ones.

Merit goods. These are goods and services that are so designated because it is judged by society that they ought to be provided to people regardless of whether they are willing and able to pay for them. It may happen that a given WMA is not willing to spend on anti-pollution activities, or on child immunization programmes or a school. If those services were only financed through charges, communities within the WMA would go without them. Taxation can be instrumental in ensuring that all the basic goods and services that society considers necessary for all people are provided to all communities.

It is clear from the above discussion that each of the two methods for covering the costs of providing public services has advantages and disadvantages. This explains why a combination of these methods is almost always used in most countries. However, it should be pointed out that taxation is by far the most favoured instrument for financing public services universally. In Tanzania, for example, taxes make up close to 90 percent of total recurrent revenue annually.

Two rival principles coexist in the public finance literature i.e. the benefit principle and the ability-to-pay principle. Under the benefit principle, it is held that revenues needed to finance a particular service should be raised from those people who will benefit from such service. This is the conservative principle since it seeks to maintain the *status quo* in so far as income distribution is concerned. Strict adherence to the benefit principle transforms taxes into charges for public services.

Under the ability-to-pay principle, the question changes from what benefits do the taxpayers enjoy to how much they are capable of paying. In other words, taxation in accordance with this principle looks to the means of a taxpayer rather than the benefits received in determining how much tax he or she will pay. It requires that tax collected be a positive function of income, wealth or some other indicator of ability to pay.

6.5 Recommendations

Where circumstances permit, i.e. where the limitations of charging can be overcome, it may be advisable to charge communities in a WMA on the basis of cost incurred by either the district council or the central government. Otherwise, taxation has to be used.

The general trend in tax reforms worldwide is to simply existing tax systems as much as possible. From the discussion in Section 6.3, it can be seen that preferential tax treatment for WMAs and/or entrepreneurial activities envisaged to develop therein flies in the face of the course that Tanzania has adopted. It is important to note the seriousness of the government in this regard by appreciating the fact that, with effect from July 2000, the traditional tax exemptions to the government on petroleum have been scrapped altogether. It is thus hereby recommended as follows:

WMAs as well as other entrepreneurial activities that may develop as a result of WMA designation should be subject to taxation in accordance with existing standard practice.

In addition to the common arguments against tax incentives presented above, it is important to note the following specific arguments:

- In their early years of operation, WMAs are unlikely to generate surpluses, in which case they will not be liable for income tax in any event.
- During later years, when WMAs start generating surpluses, taxation of the surpluses will help mitigate any potential revenue loss to the central as well as the local governments in the initial period.
- The regime of available tax incentives can be made use of by WMAs as and when appropriate under the existing tax legislation.
- According to information gleaned from interviews with members of several local communities, people understand the importance of taxation and are willing to carry their own legitimate burden.

The most important tax incentive for the WMAs is for the government to streamline the existing tax system with a view to simplifying and rationalizing it. This applies to both central and local government taxes. Only in this way can the government ensure fairness, administrative efficiency and convenience for the whole taxpaying community, including WMAs.

7. Summary and Recommendations

7.1 Summary and Recommendations

The previous chapters have highlighted several important issues surrounding wildlife revenue sharing, financing and taxation. Consultations revealed that there is general dissatisfaction with the current revenue sharing arrangement in Game Controlled Areas and Open Areas. WMAs can play an important role in solving wildlife management problems. They give people an alternative to destructive uses of the land by making wildlife a valuable resource. Wildlife activities are in fact economically and ecologically sound land uses in many of the GCAs and Open Areas. Through WMAs, Tanzania seeks to involve rural communities in conservation and development by returning to them the stewardship of their natural resources, thus harmonising the needs of rural people and those of ecosystems.

The most important conclusion from the work of this consultancy is that it is technically and economically feasible to increase local villagers' share (in recognition of their management and development role in wildlife). Model based projections suggest that activities made possible and practical by WMA designation will eventually leave all the principal stakeholders better off: the central government will have a wider tax base, local communities will be empowered, wildlife will be better managed, and per capita incomes will rise.. The projections indicate that it will take district councils only two years to start collecting more revenues with WMAs compared to without them, while it will take government about five years. Authorities will save money because of greatly reduced wildlife management costs. Experience in sub-Saharan Africa and elsewhere highlights the conditions required for economic and ecological feasibility of community-based wildlife management. It is therefore recommended that:

- ◆ The share of hunting fees going to WMAs through the Authorised Associations should be increased. The government would now receive 30 percent of the game fees while the district council would receive 10 percent. The remaining 60 percent would accrue to the AA. All other wildlife revenues (block fees, conservation fees and resident hunting game fees would accrue to the AA). On the other activities (Collection Centre, Natural Forest Management and Tourism) the AA would be charged only the VAT of 20 percent and a further 10 percent to the district council.
- ◆ Enabling legislation for WMA programmes should strive to achieve proprietorship over resources and the revenue streams that derive from their utilization at the community level. As pointed out by Ostrom (1992), for resource users to participate in resource management initiatives, the benefits of doing so should exceed the costs. Incentives that assure revenue to communities will encourage collective action and compliance with rules. The WMA Guidelines should be binding and effective in controlling wildlife revenue shares.
- ◆ The private sector is a powerful actor with considerable knowledge of the tourism industry. This puts community organisations at a distinct disadvantage. Sometimes third party brokers are needed to ensure that fair and equitable arrangements are made.

- ◆ High population growth and declining real incomes can force people into exploitation of natural resource capital as their only possible alternative. High demand for land and natural resources as a result of declining economic conditions and rising population constitute a major exogenous challenge to sustainable management of wildlife and wildlife habitat under WMAs.

The rest of this chapter identifies the types of actions that need to be taken in order to ease identified constraints. The constraints that are most critical, either because of their impact on the feasibility of WMA-based enterprises, and/or because of difficulties in devising workable remedies, are as follows:

- The need for ensuring that most wildlife revenues reach the village communities
- The need for legislative reforms;
- The high up-front investment requirements which can be foreseen in some WMAs;
- The lack of sufficient and effective financial instruments to meet the needs of those undertaking the new activities (who may not have conventional forms of collateral or a record of business accomplishment),and
- The need to enhance the marketing skills of WMA members.

Recommended measures to deal with these constraints are described below. The implementation of these measures, where relevant, is a prerequisite to achieving the objectives of community-based wildlife management.

7.2 Improving and Streamlining the Legal and Regulatory Framework

In order to realize the potential of WMAs, government has to provide an enabling environment through enacting, amending, or repealing a number of laws (see *Review of the Legal Aspects of the Draft Guidelines for Wildlife Management Areas* study). The key issue as identified in that study is that the enacting of supportive legislation can only bring positive change if the purpose and principles of the acts are clearly defined and commitment by the government is made evident. Government commitment, coupled with political stability, is the first prerequisite for effective support of WMAs. Below we cite a number of steps that the government can seriously consider taking to achieve its goal of an enabling environment for the WMA sector.

Most WMA stakeholders, government included, have concurred that the development of the WMA sector will most likely be limited by the existence of a panoply of regulations and procedures. It is government's responsibility to streamline and adjust these regulations and procedures. The key areas that require urgent redress involve deregulation and decentralisation to reduce the 'cost' of doing business and to facilitate investment.

However, there is an on-going debate on the balance that should be struck. Authorities are fearful that aggressive competition might result in environmental degradation.

Strategies for intervention

- ◆ Government should pursue the adoption of appropriate sectoral regulations that are based on consultations and an intensive analysis of WMA conditions of operation and the expectations of all stakeholders. Local government will be expected to play an active role in repealing

restrictive by-laws and regulations as identified in the *Review of the Legal Aspects of the Draft Guidelines for Wildlife Management Areas* study.

- ◆ Beyond removing regulatory inefficiencies, the role of government should also include improvements of infrastructure services and a general review of the manner in which the public sector impacts WMAs through diverse regulations.
- ◆ Unclear institutional responsibilities for actions affecting WMAs should be clarified. There is need for a clear delineation of roles and for clarification of objectives of the Ministry of Natural Resources and Tourism (Wildlife Division) and the Ministry of Local Government in order to avoid duplication and, more importantly, delays or inaction.
- ◆ The establishment of a conducive and enabling environment calls for the improvement of documents and forms that need to be processed by WMAs. The best option would be developing documents that are specifically designed for WMAs, with special attention being paid to the language used and the degree of complexity. Such documents include:
 - business registration and licensing
 - financial and loan applications
 - purchasing and subcontracting documents
 - export documentation and other commercial documents
 - tax return forms
 - documents that are designed to compile industrial data and other statistics

The design of these documents can be improved by a multi-disciplinary group of public officers and private players knowledgeable about the different areas of WMA operations.

It was noted that the existing tax system need not change when WMAs become operational. However, the importance of a properly functioning, simple, stable, fair, effective and efficient tax system cannot be overemphasised.

- Simplicity and fairness can be enhanced through sustaining the current tax policy stance of limiting exemptions and tax relief to the minimum possible levels and broadening the tax base to the maximum possible extent.
- A stable tax regime facilitates compliance, administrative effectiveness and efficiency as well as instilling a sense of predictability of future tax liability for different economic agents.

In order to realize the above it is mandatory that the Government rationalize in the near future central and local government revenue systems along the lines suggested by the Task Force on Rationalizing the Tax System of the tier-government structure. Otherwise, as WMAs generate surpluses, the two levels of government might find themselves in a tug of war, each one attempting to exercise its statutory authorities on the same tax base to the long-term detriment of community-based conservation that is a central feature of WPT.

7.3 Mobilisation of Private Sector Support for WMAs

A major responsibility of government is to provide a stable, conducive and sustainable environment for financing by the private sector, donor community and self-financing by the WMAs themselves. Any support from the national and local government will play a marginal, but extremely crucial, role by providing an incentive to other stakeholders, especially those in the market place—big business, banks, trade associations, etc.—to invest in the future development of the WMAs.

Strategies for intervention

- ◆ Government should support mobilization of resources for WMA promotion and development, e.g., through schemes such as matching grants, promoting the use of information technologies, providing efficient and decentralised services, creating an appropriate regulatory framework and developing training in new technologies. But the onus will lie with the private sector to bolster and improve industrial, technological and marketing performance of the WMAs.
- ◆ WMAs should be encouraged and trained to undertake savings seriously and to engage in self-help activities through WMA groups and associations.
- ◆ The private sector should provide funding for WMAs (in most cases these will be profit-driven). Examples of possible private sector involvement include franchising, joint ventures, sub-contracting and other forms of business linkages; credit provision through commercial banks, micro-finance institutions and other specialised institutions; and business mentoring and consultations for WMAs.
- ◆ NGOs should support WMA efforts to mobilise resources for development through revolving funds and in some cases grants from other aid agencies for mini-loans, training schemes, marketing support, etc.
- ◆ Local authorities should provide services and infrastructure support to WMAs at cost or in subsidised form, depending on the nature of the support.

These strategies would benefit from foreign technical and/or financial assistance in the form of:

- government to government programmes or multilateral aid
- financial resources and other forms of assistance to other implementing agencies
- regional joint programmes e.g., SADC.

7.4 Access to Finance

Access to finance is one of the major problems likely to be faced by WMAs.

Strategies for intervention

- ◆ The WMAs should be equipped to strengthen their structure and operational capabilities by means of intensive training programmes to enhance their credibility with lending institutions.

- ◆ WMAs should be educated and encouraged to develop a savings culture with the micro-finance institutions or banks so that they build credit histories on the basis of which financial institutions can consider them for loans.
- ◆ Commercial banks with small business units should provide training in bank practices for WMAs, and equip them with the requisite knowledge about loan applications, processing and servicing.
- ◆ The Bank of Tanzania should be responsible for encouraging financial institutions to develop a new, positive perception of WMAs. Formal financial institutions should be encouraged to formulate special financial products for WMA activities. Another form of assistance that can be provided by the banking sector is creation of WMA loan desks, *inter alia* to provide required logistic and administrative support to prospective WMA borrowers. The Bank of Tanzania could provide incentives for financial institutions to develop innovative lending techniques targeted specifically for WMAs.
- ◆ A positive orientation of financial institutions should be encouraged by training of bank officers in small loan administration and simplified banking procedures.
- ◆ NGOs can provide training to potential loan applicants so as to streamline loan appraisal procedures and quality of reports. This reduces the costs and time delays in appraisal and approval of loan applications (these usually have incremental effects not only on bank administrative costs but also on project implementation costs for WMAs). The appraisal and screening of numerous small enterprises for loans is an expensive exercise for financial institutions. Enhanced WMA capacity will enable these organizations to train their members in preparing business plans that meet the requirements of financial institutions and help assure that WMA enterprises are efficient.
- ◆ Introduction and expansion of more financing schemes (e.g., micro-finance) should be encouraged. The main objective in the context of WMAs in a rural environment should be to mobilize financial resources to stimulate development. Savings and credit community banks should be encouraged and established in every region of the country. The concept should be incorporated in the Finance and Banking Act of Tanzania. Efforts should be made to assist these institutions to provide more funds and ultimately become sustainable at levels that can fund the large capital requirements of WMAs.
- ◆ Financial regulations that demand collateral for loan approval by commercial banks and other financial institutions should be reviewed with the aim of developing new forms of collateral or introducing collateral substitutes:
 - The prospects of using moveable goods as collateral should be thoroughly investigated e.g.; accounts receivable by the WMAs from reputable debtors could be recognized as collateral.
 - A database containing information on the status, profile, history, reputation, and strengths and weaknesses of individual WMAs should be established for use by prospective creditors in determining the creditworthiness of applicants. Such a database can be developed by one organisation along the same lines as databases maintained in formal sectors.

- Credit companies dealing with medium scale enterprises should undergo restructuring and training of their personnel to ensure that their portfolios include WMAs.

7.5 Infrastructure Provision

While some areas of Tanzania are well serviced, infrastructure in the rural areas is generally poor. Deficiencies in transport, telephones, water, and sewage services, electricity and state road networks will pose problems for WMA development and operations. The severity of the problem varies in different parts of the country. General lack of or inadequate services are particularly limiting factors to the creation, growth and sustainability of WMAs. Most district councils are likely to merely provide unserviced land without the requisite supporting infrastructure. Public facilities, hospitals and training centres are limited.

Strategies for intervention

- ◆ There is little doubt that licensing of private cellular operators has improved the provision of telephone services. But the majority of WMA residents cannot afford these services. It is important that the momentum for privatisation that has been achieved is maintained, with an appropriate regulatory framework put in place.
- ◆ There is an urgent need for the development of rural feeder roads and bridges.
- ◆ On physical planning, local authorities should consider revising current master plans and local plans in order to site facilities for the WMA close to their target market and sources of raw materials.
- ◆ There will be a critical lack of access to electricity, water and telephones. Government matching-grant funding for physical infrastructure needs should focus very strongly on these basic needs.

7.6 Improved Marketing

From discussions held with pilot WMAs, it came to light that potential WMAs are likely to lack a coherent strategy with respect to market positioning, product development and customer care, resulting in failure to access local and outside markets. Instead, they are likely to rely on orders that are secured largely through personal contacts by entrepreneurs. Being mostly unregistered businesses, most WMAs will not have an identifiable trade name, and it is only in rare cases that supplier-customer relationships will be cultivated and sustained.

Strategies for intervention

- ◆ There is need for up to date information on marketing outlets, trends and other such support for WMAs. A private agency can take responsibility for compiling and maintaining such a database on market opportunities and technologies for WMAs. Based on local needs and existing sources, market information should be developed and widely disseminated at the local level in a manner that ensures that all target groups are catered to.
- ◆ Market promotion of WMA products through franchising, joint ventures, subcontracting, etc. should be undertaken.

- ◆ The Standards Association body should develop an educational and marketing drive to inform WMAs of the concept of quality assurance and the benefits of taking advantage of the services they offer both for local and export markets. More specifically the Standards Association body should design product quality improvement courses for WMA operators.
- ◆ The WMA sector should be educated about the need to market branded products that have a distinct quality.

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Annex 1

Scope of Work

Financing, Revenue Sharing and Taxation Issues in WMAs

1. EPIQ/Tanzania Task Order

EPIQ/Tanzania is a buy in from USAID/Tanzania into EPIQ (Environmental Policy and Institutional Strengthening Indefinite Quantity Contract), a USAID/ Washington Global Bureau sponsored mechanism. International Resources Group (IRG) is the lead contractor in the EPIQ consortium. EPIQ/T supports achievement of USAID/Tanzania’s Strategic Objective in E/NRM (Strategic Objective #2 or “SO2”). EPIQ/T strives to achieve its objective through assisting the government of Tanzania (GOT) to develop an enabling environment for community based natural resource management (CBNRM). Its main partner in this process is the Ministry of Natural Resources and Tourism, and its Wildlife Division (WD). EPIQ/Tanzania maintains an office in Dar as Salaam with full time staff, complemented by Tanzanian and Expatriate consultants.

2. CBC Advisory Services (GTZ)

As part of the Tanzania-German Governments Agreement of Technical Co-operation, GTZ is providing advisory and other services to the CBC section in the Wildlife Division. The Financing, Revenue sharing, Taxation and Investment issues in CBC and WMAs consultancy is conducted as part of that advisory function, and is financed as a joint tripartite activity of EPIQ/USAID, GTZ and WD.

3. Background

The “*CBC lessons learned*” and “*economic opportunities in WMAs*” studies addressed the financing and investment issues to some extent, including assumptions on financing and investment magnitudes for the enterprise opportunities identified and analysed, as well as the impact of alternative revenue sharing formulas. This analysis will take up these matters in a more detailed fashion and from different perspectives. The financing issue is two-fold as briefly described below.

The first perspective is that of the GOT. The issue is *revenue sharing* among the different stakeholders (the WD, Treasury, the District Council and local communities). Presently the formula applied for sharing hunting revenues is such that the local communities receive only a small fraction of the total, which in turn provides little if any incentive for them to conserve wildlife. Therefore, an important concern is to elevate the portion of revenues to be distributed to the local communities becomes a competitive land use activity. The breakeven magnitude of that portion is not known. The proposed study will therefore take its initial cue from the *economic opportunities in WMAs* study, which will provide the first estimate of the needed allocation of revenues for the local communities. For example, local communities may need to receive at least X percent of the total revenue in order to break even on the present value of the investment s

needed to make community based hunting a financially interesting proposition. If the receive more, local interest in conserving wildlife increases, if less, the WMA designation as far as hunting is concerned will, *de facto*, have little or no value for the local communities.

According to the draft guidelines, all proceeds except game fees go to the authorised associations. Therefore, important questions for consideration are (1) what is the appropriate share for the Government of Tanzania, (2) how the GOT is to get its share from AA's, and (3) and how much of the game fees is shares with the AA.

Second (and also closely related the *economic opportunities in WMAs* study) are the sources of funding available for the enterprise opportunities in Tanzania. Once an area receives WMA designation, many enterprise opportunities emerge; some of which will have been analysed in the *economy opportunities* study. All of these opportunities will require investments; hence the availability of local credit or investment funds becomes a real concern. Will the local entrepreneurs have adequate access to the credit needed to be able to make the required investments? The credit availability issue in the private sector is closely linked with the success of the WPT and the WMAs because benefits from a WMA designation can only be realised if the private sector invests. If availability of credit with which to make the investments is a constraint, then effective implementation of WPT and WMAs will not happen. For this reason, it is not sufficient just to draft and adopt legislative texts, guidelines, and by laws that operationalise the WPT. There must also be a strong consciousness of constraints posed by other, often seemingly unrelated, policy or market flaws, such as lack of credit availability.

4. The Assignment

4.1 Revenue-sharing formula

All revenue-generating activities sanctioned by WMA designation will be subject to taxes and to fees and other charges for permits, for entry into wildlife viewing and hunting areas and the like. Revenues generated will be distributed in accordance with some formula yet to be determined. The sanctioning of activities such as hunting, tourism, cropping, forest products utilisation, etc inside WMAs will take the form if permits issued in accordance with some carrying capacity estimates, also to be determined. The consultants will use the current revenue sharing formula as a baseline and estimate the magnitudes of revenues collected by the local communities and other stakeholders (GOT, district and local governments) over the past several years. Any real increases or decreases in the revenues should be determined. The consultants will also document, to the extent possible, the uses of the revenues received by the local communities, whether they meet critical needs (such as for clean water supplies, schools, medical facilities, sustaining the ecological character/ resource base and the like) and for whom. They will then consider and discuss a range of alternative revenue sharing formulas from the perspective of determining those that provide adequate incentives for wildlife and protecting land uses, while at the same time yielding sufficient revenues for district and central level government agencies to cover the cost of providing support services needed for sanctioned WMA- based enterprises. In determining acceptable revenue sharing formulas, due consideration will be given to anticipated growth in overall revenue as a result of new opportunities offered by WMA –designation, and to valuation of the ecological and social services provided by the WMA. The assumptions developed in the *economic opportunities in WMAs* study will be useful in deriving the initial

estimates of the breakeven point for revenue sharing, the point at which local communities may be indifferent about WMA designation

4.2 Winners and losers

The consultants will identify winners and losers among the various stakeholders as a result of changing the revenue sharing formulas, and, to the extent it is analytically possible, the approximate magnitude of such gains and losses. In addition the consultants will prepare analyses (with statistics and other analysis) to support (or refute) the proposition that revenue sharing is not a “zero sum” game, i.e. the notion that an increased allocation to one recipient (i.e. the local communities) necessarily means less for the GOT Treasury. The argument should analytically distinguish between long and short term gains, that opting for the higher returns to the treasury in the short run will lead to continued degradation of the wildlife resources in the long run as a result of poaching and lack of proper management of the wildlife resources. This would gradually eliminate the revenue generating capacity of the areas from hunting (and/or activities) altogether. If, on the other hand, the local communities find that with a higher share of revenues wildlife conservation is in their best economic interest, the GOT Treasury would be able to collect revenues in perpetuity, albeit a smaller portion. The consultants will need to assess the potential effect of reduced GOT revenues (if any) on the capacity of WD and other government agencies to support WMAs and other protected areas

4.3 Credit availability (financing WMAs) for private sector entrepreneurs.

The consultants will determine the availability of credit for small and medium-scale entrepreneurs in the target regions and analyse the mechanisms for obtaining credit; i.e. the application process, requirements for approval (including collateral), interest rates charged etc They will also analyse and discuss how Authorised Associations (AA) and other public sector agencies at all, relevant levels may acquire financing for infrastructure needed to support private investment in sanctioned activities within WMAs. Such necessary investments may include, but will not be limited to, improvements in transportation, communications and sanitation services. The main purpose of this activity is to ensure that all financial and investment issues are addressed. Changing the formulas for revenue sharing will mean little if entrepreneurs cannot avail themselves of the emerging opportunities for lack of access to credit or investment funds credit on commercial terms, or if public sector agencies are unable to provide necessary infrastructure.

4.4 Tax Incentives and Disincentives

Consultants must give clear advice on what type and levels of taxes should villages (with WMAs) pay or not pay. The same consideration needs to be taken for District Councils. How much should we get from the AAs or WMAs, and how much should go to the WD (Central Government).

The benefits and costs of tax holidays and other concessions to investors will be analysed as part of the economic opportunities study. Here, it is necessary to review current tax structures for the perspective of assuring that local communities, as well, as district and central agencies receive sufficient revenues to cover the cost of services needed for the success of the WMAs without raising rates to a point where they create disincentives to local communities, investors and/or tourists and hunters that impede otherwise remunerative activities. Since the cost of such services could be covered by fees rather than taxes or by some combination of the two, the consultants

will consider, discuss and make recommendations with respect to the best source(s) of revenue for the provision of supportive public services. In considering these matters, the consultants will take into account how the same services are offered elsewhere e.g. in National Park and game reserve.

5. Proposed Team

To carry out the proposed field study and analysis and presentation of the options as required in the TOR, a team of two persons is proposed. A third member of the team, expatriate environmental economist will work with expatriate financial expert for 3 days to help the latter gain insights from the Economic Opportunity study. The team will be as follows:

- An **internationally recruited economics and financial expert**, with at least 8 years practical experience in this field and with knowledge and experience of Africa or developing countries. The consultant must also have an understanding of issues regarding wildlife management, CBNRM programmes and various finance, revenue sharing and taxation systems.
- One **Tanzanian national taxation expert** with experiences in tax management and financial aspects. The local consultant must also have the knowledge of wildlife management, natural resource management, NRM policies and programmes. S/he must have a knowledge of current policies and laws (wildlife policy, forestry policy, mining, land, agriculture etc and several relevant legislation) Knowledge of the institutional context for natural resource management and for community based conservation will be useful.
- WD will provide a link up person who will work with the team, not on full time as a consultant, but only to provide information to the team, ensure and facilitate meetings as well as to ensure ownership of the final product. WD has been involved from the initial stages and their participation as end users of the product is enhanced by taking part in the whole process.
- The **international economic and financial expert** will be designated **Team Leader**, and will be responsible for the conduct of the study and for the timely completion and the quality of the deliverables.
- EPIQ/Tanzania Project Technical; Manager and Policy Support will support the team. The EPIQ/Tanzania and GTZ will provide logistical and administrative support to the team, including assistance with the scheduling of meetings and field visits. GTZ will meet the costs of the local consultant. GTZ will also be responsible in ensuring that, as joint undertaking, the study is progressing as planned. EPIQ will meet the cost of the international experts (i.e. the **economist** and the **financial experts**)

6. Methodology

The consultants should combine different methods in fulfilling the TOR. These should include, but not limited to literature review to highlight key issues and experiences in financing, revenue sharing and taxation, and draw lessons that can be useful in Tanzania. Consultants should also

undertake consultative meetings and discussion with stakeholders. Specifically, the consultants should do the following:

- a. Discuss with stakeholders within and outside WMAs. In particular, sample of relevant government institutions (e.g. Wildlife Division, Tanzania Investment Promotion Centre, Tanzania Revenue Authority, Forestry and Bee Keeping Division, Tourism Division, District Councils), private sector (e.g. Tanzania Association of Tour Operators – TATO, Tanzania Hotelier Association), NGO and CBOs must be consulted and their views documented and shown on the report.
- b. Discuss with a sample of stakeholders in pilot WMA areas, their concerns about revenue sharing and what they think can be done to improve the situation.
- c. Discuss with entrepreneurs (especially a sampling of those experienced in the areas of trophy hunting, photo safaris and provision of accommodations for tourists) their concerns about financing (investments), taxation and revenue sharing in areas that may be designated as WMAs, especially with respect to reaching accords with communities, District Councils and Central Government.

7. Level of Effort (LOE) and Deliverables

7.1 Detailed LOE

Consultant	Task	Days
Dr. R. Mabugu	<ul style="list-style-type: none"> • Team leader responsible for the study team organisation and for timely completion and quality of deliverables • Focus of analysis of all the issues as described under Section 4 above namely; provide recommendations on financing aspects, revenue sharing and taxation regimes as a result of having WMAs established, and implementation of economic/social programmes in these areas. 	30 days
Patrick Mugoya	<ul style="list-style-type: none"> • Work closely with the team leader in fulfilling all the tasks as detailed under Section 4 above • Facilitate consultation and field visits (if any) in-country • Analyse the extent to which present wildlife policy, and legal framework (taxation, land etc) provide conducive environment to entrepreneurs to invest in the sector (in this area) in the manner that would ensure benefits to all stakeholders • Develop with the team leader policy options for financing, revenue sharing and taxation regimes (including incentives and disincentives) 	21 days

7.2 *Deliverables*

- Initial draft report submitted to USAID/Tanzania and Wildlife Division- 3 copies to each institution plus a diskette with the report and any annexes in Word format
- The report should highlight key issues regarding financing, taxation and revenue sharing and propose tax regimes that would provide opportunities for all stakeholders to benefit from the investments.
- Final report prepared/submitted to USAID/Tanzania and Wildlife Division (5 copies each, plus a diskette with report and any annexes in Word format) within 5 working days following receipt of comments on the draft report from both institutions.
- Work with WD to prepare a presentation of report findings to important stakeholders and policy makers.

Annex 2

People Interviewed

Dar es Salaam

1. Prof. S. Iddi Director—Forestry and Beekeeping Division
2. Mr. F. Lyimo Ag. Director—Wildlife Division
3. Mr. Mdoe Assistant Director—Wildlife Division
4. Mr. Kibebe Wildlife Division
5. Ms. M. Zacharia Principal Game Officer
6. Mr. P. Sarakikya Administrative Secretary—TWPF
7. Ms. A. Akida Forestry Officer
8. Mr. P. Mponzi Ag. Assistant Commissioner for Fiscal Policies—Treasury
9. Ms. D. Fredrick Treasury official
10. Mr. M. Shabir ODI Expert—Treasury

Arusha

1. Mr. Mremi Game Officer
2. Mrs. P. Minga Arusha Regional Manager—TRA
3. Mr. M. Samade Manager—Uhuru Road NBC Branch
4. Mr. N. Dachi Operations Manager—Uhuru Road, NBC Branch
5. Mr. G. Bigurube Ag. Director General—TANAPA
6. Mr. D. Bell GM—Sokwe & Chairman, TATO
7. Mr. B. Bale Meserani Snake Park
8. Mr. Z. Nemiri Meserani Snake Park
9. Ms. E. Ngido Manager, Conservation Services Centre—AWF
10. Dr. J. Kahurananga Senior Project Officer—AWF
11. Mr. A. Kijazi Project Officer, Biodiversity—AWF
12. Mr. J. Hutton GM—TGT Safaris Ltd.
13. Mr. C. Dreyer CONSCORP
14. Mr. H. Sood Manager—Clock Tower NMB

Monduli

1. Mr. E. Munisi DED—Monduli District Council
2. E. Sigala DPLO—Monduli District Council
3. Mr. Lubambula DNRO—Monduli District Council
4. Mr. I. Mushi DGO—Monduli District Council
5. Mr. Mlingi District Town Planning Officer—Monduli

6. Mr. Sondo DT—Monduli District Council
7. Mrs. Makame Manager—Monduli NMB Branch

Iringa

1. Mr. K. Ngomello MBOMIPA Project Manager
2. Mr. C. Meseyek Manager—CRDB Bank Ltd, Iringa Branch
3. Mr. Kimaro DGO—Iringa District Council
4. Mr. Kapinga DED—Iringa District Council
5. Mr. A. Malango DNRO—Iringa District Council
6. Mr. Z. Nzota Iringa Regional Manager—TRA
7. Mr. Banyenza TRA Office—Iringa
8. Mr. G. Fliakos Chairman—Tanzania Hunters' Association
9. Mr. M. Fliakos Professional Hunter

Tungamalenga Village (Iringa)

1. Mr. V. Mwaikambo Community Development Officer—Idodi Division
2. Mr. J. Ganyilika Village Chairman
3. Mr. L. Ng'wani VEO
4. Mr. Z. Ndongole Chairman—Village Natural Resources Committee
5. Ms. A. Kabonyela Secretary—Village Natural Resources Committee
6. Mr. D. Mwandambo Head Teacher—Tungamalenga Primary School
7. Ms. O. Nyangwa Villager
8. Mr. M. Mfilinge Villager
9. Rev. H. Sagga Lutheran Church (Tungamalenga)
10. Ms. B. Kilyenyi Villager
11. T. Nyalusi Villager
12. Mr. H. Nyove Villager
13. Mr. E. Kidunye Villager
14. Mr. M. Kayovola Secretary—Village Defence Committee
15. Mr. H. Bani Villager
16. Ms. F. Mkalumoto Villager
17. G. Fumbe Villager
18. B. Mgafu Villager
19. Mr. R. Mbembati Chairman—Village Defence Committee
20. Mr. D. Ndelwa Chairman—Village Finance Committee
21. Mr. B. Mbiduka Village Game Scout
22. D. Kidago Villager
23. Mr. F. Suga Villager

24. M. Msuva	Villager
25. Mr. H. Fuluma	Villager
26. Mr. J. Samila	Head Village Game Scout
27. Mr. B. Ngoda	Villager
28. Ms. P. Kiyasile	Villager
29. Mr. V. Luvinga	Village Chairman (Mapogoro)
30. Mr. L. Utenga	Chairman—Mapogoro Village Natural Resources Committee
31. Ms. M. Kaundama	Secretary —Mapogoro Village Natural Resources Committee

Malinzanga Village (Iringa)

1. Mr. L. Kadaga	Village Chairman
2. Mr. P. Mswata	VEO
3. Ms. R. Matupa	WEO—Idodi Ward
4. Mr. B. Kindole	Head Teacher—Malinzanga Primary School
5. Mr. A. Ngewe	Village Elder
6. Ms. M. Gwivaha	Villager
7. Mr. P. Lameck	Villager
8. Mr. Y. Nzilano	Villager
9. Mr. R. Kidagayo	Villager
10. Mr. R. Kinyunye	Village Treasurer
11. Mr. N. Molosoni	Chairman (Kitongoji)
12. Mr. P. Sanduli	Villager
13. Mr. A. Mhanga	Chairman (Kitongoji)
14. Mr. I. Nindi	Chairman (Kitongoji)
15. Mr. A. Nyanda	Chairman (Kitongoji)
16. Ms. M. Msilu	Villager
17. Mr. T. Luhaha	Village Game Scout
18. Ms. J. Nyato	Villager
19. Mr. M. Lumato	CCM Branch Chairman
20. Mr. B. Makeula	CM Branch Secretary
21. Mr. W. Gwivaha	Village Elder
22. Mr. H. Msilu	Chairman (Kitongoji)
23. Mr. G. Ngonde	Village Elder
24. Ms. E. Ng’unga	Community Development Officer
25. Mr. R. Lusinda	Village Elder

Morogoro

1. Mr. L. Noah	Regional Natural Resources Officer
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| 2. Mr. P. Kauzeni | Wildlife Community Development Officer |
| 3. Mr. M. Mwakisole | Ag. TRA Regional Manager & RRO—VAT |
| 4. Mr. Laswai | RRO—Customs |
| 5. Mr. A. Mwaimu | Ag. RRO—Income Tax |
| 6. Mrs. G. Maselle | ROO—VAT |
| 7. Mr. S. Kolahili | Chairman—JUKUMU |
| 8. Mr. A. Mwinyihija | Chairman—JUKUMU Board of Trustees |
| 9. Mr. S. Pelege | Member—JUKUMU |
| 10. Mr. C. Chullu | WEO—Kisaki Ward |
| 11. Ms. A. Kisako | WEO—Mngazi Ward |
| 12. Mr. J. Mnyune | |
| 13. Mr. J. Mchau | District Forestry Officer |
| 14. Mr. S. Mawanja | DGO |
| 15. Mr. W. Chambua | DNRO |