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inspiring solutions*

## **Living Outside the Fence:**

**Opportunities for neighbouring communities to supply products and services to the Sabi Sand Game Reserve, South Africa**

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([www.thetravelfoundation.org.uk](http://www.thetravelfoundation.org.uk))

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([www.sabisand.co.za](http://www.sabisand.co.za))

# Paper Overview

- Aim to understand opportunities for stimulating **local enterprise development** within the **tourism supply chain**, linked to a private game reserve in South Africa: the Sabi Sand Game Reserve, neighbouring the Kruger National Park.
- **Quantifies the value** of current procurement spend by lodges on local products and services and estimates their **potential future expenditure**.
- Provides insights into relationships between private lodges, game reserves and local communities in South Africa.

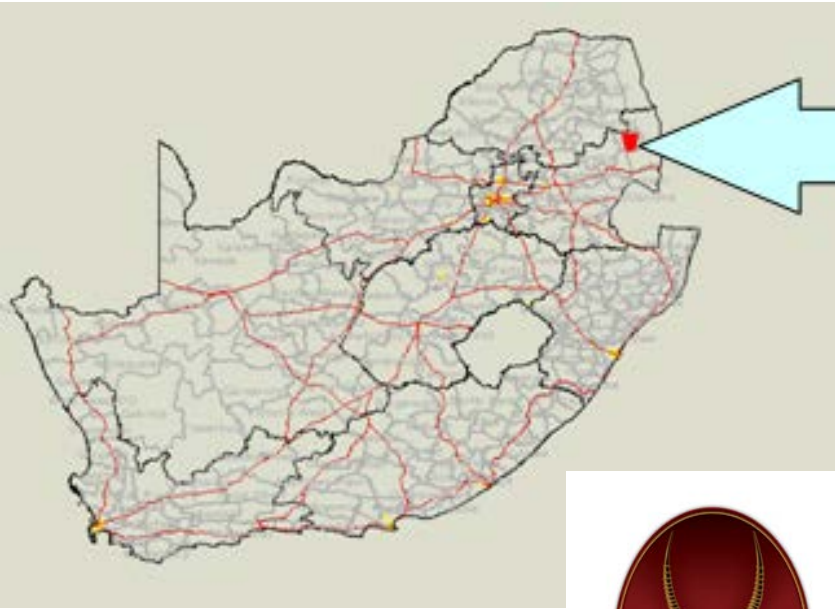


Communities living next to the game reserve fence line



Local Thatcher

# Sabi Sand Private Game Reserve (SSGR)



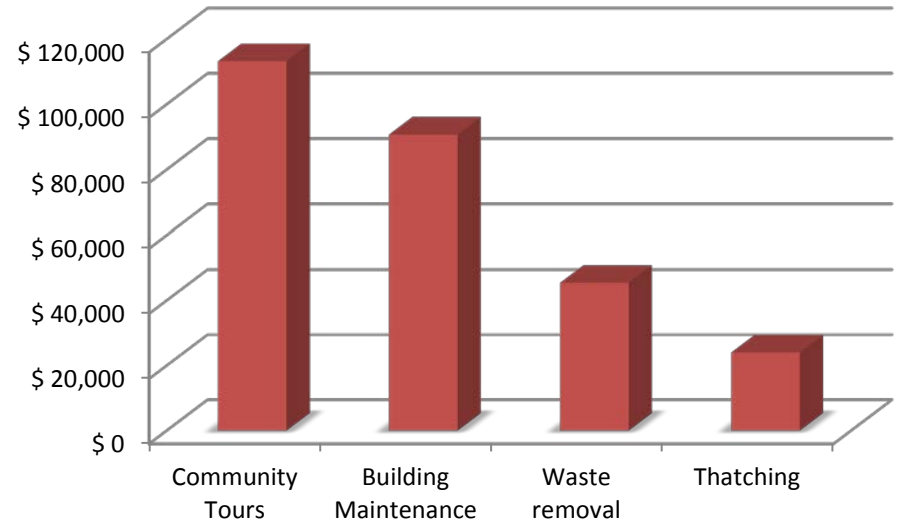
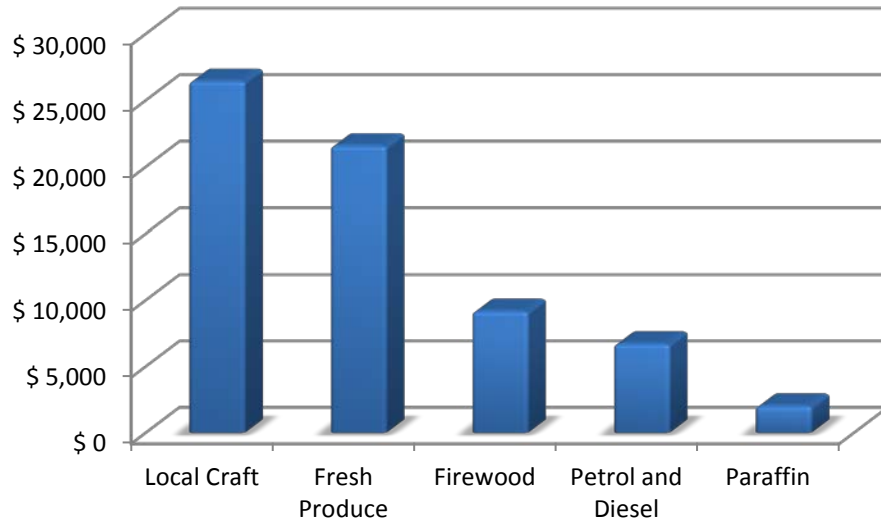
Source: GTZ (2010:3)



- 39 commercial lodges in the SSGR, managed by 19 companies.
- Next to rhino poaching hotspot – Kruger National Park.
- Located within third poorest municipality in SA.
- Area of high rural population density - 300 people/km<sup>2</sup>
- 50% unemployment levels.
- Realised that incorporating communities into SSGR supply chains is critical to addressing socio-economic wildlife pressures.

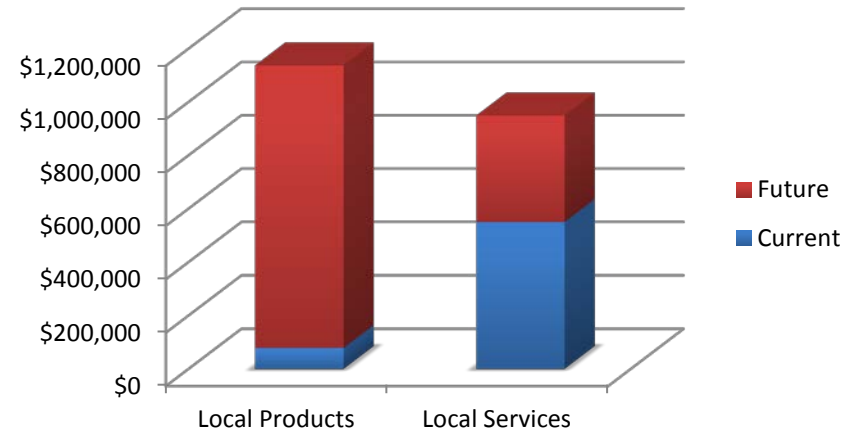
# Current procurement situation

- 80% lodges procuring at least one **product** from local communities
  - Annual current spend (2013) approximately **US \$ 78,000**
  - Top 5 Product Areas:
- 91% lodges procuring at least one **service** from local communities
  - Annual current spend (2013) approximately **US \$ 550,000**
  - Top 4 Service Areas:



# Future Interest in Local Procurement

- 100% of lodges expressed interest in increased local procurement
- Total potential annual current purchase (2013) approximately **US \$ 2 million**
- Local businesses where expertise currently exists and demand > US \$ 10,000 per annum from lodges include:



Products	Services
Fresh Produce	Electricians
Craft	Laundry Services
Meat	Repair Services: Air-con, Fridges etc
	Transport Services

# Bridging the Gap between Supply and Demand

- **Demand exists** but supplier study indicates that the majority of local enterprises are not yet equipped to meet this demand.
- Lodges and communities **need to understand and adapt to each other's constraints**.
- **Local enterprises** need to understand how the lodge operates, the demands of their guests and the consequences of poor supplier service on their businesses.
- **Lodge managers** need to better understand the financial, logistical and social constraints on local enterprises and factor these issues into their procurement strategies.



# Why is this important?

- Sharing the **economic benefits of wildlife** areas with communities neighbouring protected areas is essential for long-term buy-in to conservation.
- Critical to develop a **legitimate wildlife economy** to compete with the illegal animal product market.
- In areas of high poverty levels if benefits of legitimate business activities outweigh those from illegal activities, **poaching levels reduce**.

## Why is this useful for other countries?

- Demonstrates how links between communities and reserves can be sustainable when based on **solid business principles**.

# What makes it work?

## Components that lead to success

- Effective **communication** strategy
- **Existing demand** from lodges, who understand the bigger picture!
- **Business and product development** support for community enterprises to supply quality products, consistently and communicate effectively with lodges

## Enabling factors

- Designing transparent processes that respect local protocols
- Capacity building requires a multi-faceted approach, tailored to meet the particular demand-supply gap.