

Tourism Development Framework

For the Maputo Special Reserve and Futi Extension TFCA components



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August 2006

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List of Acronyms

CWR	Community Wildlife Reserve
ECDA	Elephant Coast Development Agency
ERL	Elephant Restraining Line
GOM	Government of Mozambique
IDDP	Integrated District Development Plan
MITUR	Ministry of Tourism (Mozambique)
PAD	Park Authority Development
PATI	Priority Area for Tourism Development
RFP	Request for Proposal
RFQ	Request for Quotation
SPDTM	Strategic Plan for the Development of Tourism in Mozambique
TFCA	Transfronteir Conservation Area
TFCATDP	Transfronteir Conservation Area Tourism Development Project

PROJECT FOCUS

The focus of this study is on the Mozambican component of the TFCA and its direct synergies to neighboring components. This study also mainly concentrates on tourism issues, and not necessarily management or other issues.

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Project process

STAGE 1: Tourism Development Framework

Phase i : Confirm Goals & Objective Statement

Phase ii : Data Collation

Gather and collate all existing data available for study area including:

- Biophysical
- Infrastructure
- Socio-economical
- Institutional
- Legal, etc.

Phase iii : Regional Overview

Conduct a regional overview of the macro area in order to determine micro integration.

Phase iv : Determine & Evaluate The Tourism Opportunities & Constraints In terms of The Four A's

Namely:

- Attractions
- Access
- Amenities
- Awareness

Phase v : Determine An Ideal Tourism Model For The Project Informing Diversity Of Both:

- Market
- Product

Phase vi : Develop A Zoning Plan For Tourism Development in terms of:

- Utilization
- Activities
- Facilities
- Circulation

Phase vii : Develop Zoning Plan into Tourism Development Framework indicating Quantities And Lay-Out

Phase viii : Determine Critical Interventions

STAGE 2: FINANCIAL FEASIBILITY

Phase i: Determine Phasing Programme

Phase ii: Determine Costs

Phase iii: Determine Income Streams

Phase iv: Define Financial Feasibility

STAGE 3: THE WAY FORWARD

**Phase i: Define a Roll-out Framework
For Implementation**

STAGE 1 – Tourism Development Framework

1. Phase i: Goals and objectives

Goal:

To determine a sustainable tourism development framework for the Mozambican component of the Usuthu / Tembe / Futi TFCA, based on maximization of opportunities to become a premier tourism destination in southern Africa

Objectives:

Key objectives:

To provide tourism overlay that will serve as an input to the MSR - Futi TFCA Management plan and also to the IDDP.

General objectives:

Stage 1

1. Understand the tourism demand (Potential Market)
2. Understand bio-physical supply (Potential Product)
 - To identify and prioritise opportunities for tourism development in the region.
3. Integrate Supply and Demand so as to maximise tourist experience and optimise socio-economic benefit.
 - To propose a coherent planning approach to facilitate tourism development
 - To determine infrastructure requirements in and around the TFCA in line with identified opportunities

Stage 2

1. Achieve financial feasibility for funding and investment
 - To forecast costs and benefits, direct and indirect to MSR/Futi and the surroundings
 - To identify resources required for implementation of the MSR/Futi extension Tourism Development Framework and define a strategy for resource mobilisation.

Stage 3

2. Determine an implementation plan

- To propose an action plan embracing key activities and time lines for development and implementation.
- To identify key stakeholders and propose and integrated institutional framework for participatory development and implementation of the MSR/Futi extension Tourism Development Plan in terms of infrastructure development, investment promotion, marketing of the projects, community participation and resource mobilisation.

Scope of Work

Stage 1

- 1) Review the tourism and zoning plans of the Futi corridor area, the TFCATDP draft PAD and other relevant documentation of the Matutuine district and collect as much tourism and conservation information as possible on various issues concerning the district including maps (vegetation, coastal, settlements, rainfall, etc.), land use, agriculture, livestock, mining, etc.;
- 2) Developed a tourism zoning of the Futi TFCA including a list and description of the area tourism assets and opportunities for improving such assets;
- 3) the type of tourism to be catered for in the circuit (up-market, eco-tourism, back packer etc);
- 4) The development standards expected for each type of tourism development e.g. what are the minimum standards for eco-tourism for example);
- 5) The market for each type of tourism;
- 6) The level of each type of tourism required for the circuit;
- 7) evaluation of current status of tourist's infrastructure and support services, identify shortfalls, new opportunities and recommended regional linkages;
- 8) identify new "enabling" infrastructure (roads, airfields, tourists, accommodation, customs posts, water supply, electricity, health facilities telephones, etc. and tourist attractions, identify shortfalls and recommend improvements where necessary;
- 9) Based on the above and the already approved Priority Areas for Tourism Investment suggest locations for each type of tourism development.
- 10) identify the most ideal sites for customs' posts that will allow easy movement of tourists;
- 11) identify tourist attractions that would be packaged in marketing tourism, and produce maps that would show linkages within the TFCAs;

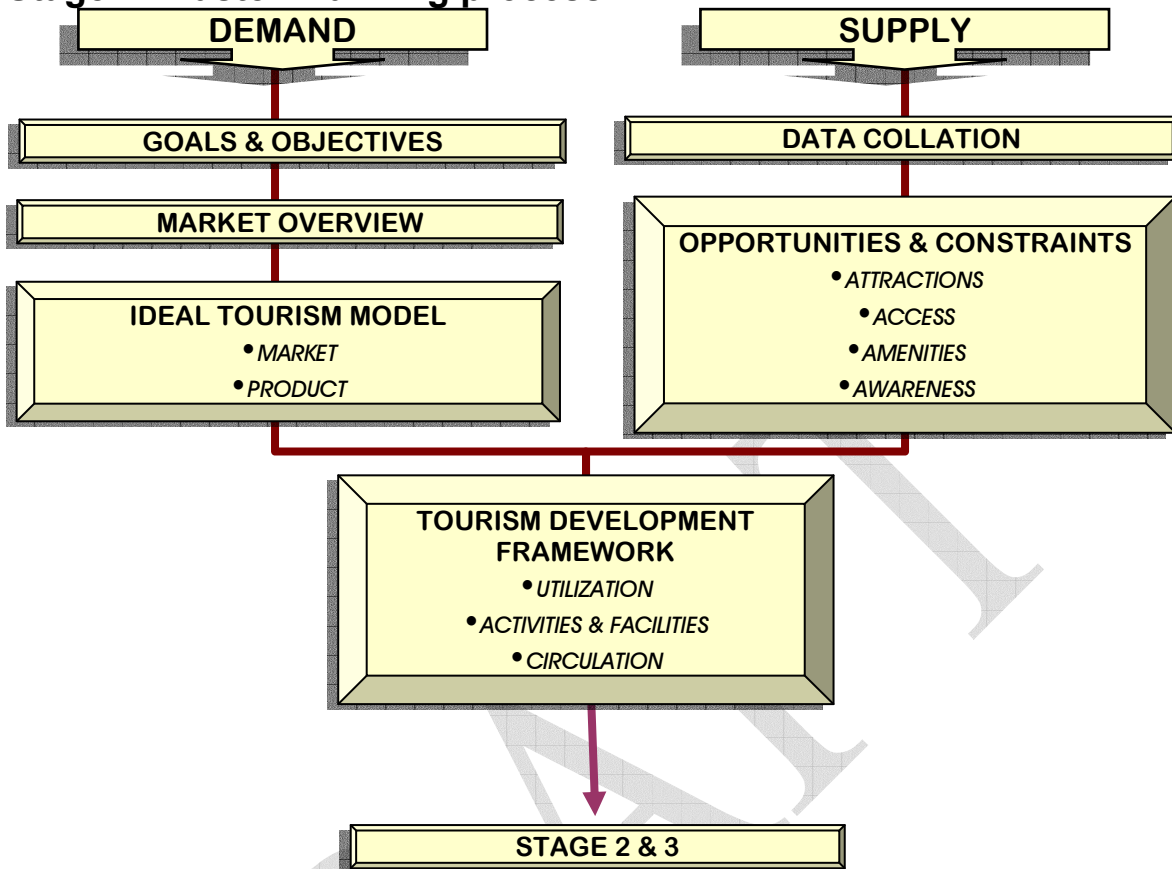
Stage 2

- 12) Develop a phasing programme for the development of identified tourism related infrastructure within the MSR - Futi TFCA .
- 13) Define the Financial Feasibility of the proposed developments through determination of costs and income streams.

Stage 3

- 14) Define a roll-out framework for implementation of the developments proposed in the Tourism Development Framework.
- 15) Identify the priority sites for private sector investment.

Stage 1: Master Planning process



2. Phase ii: Data Collation

The creation of a Tourism Development Framework is primarily guided by the following departments and policies which are briefly listed below. A list of documents consulted and referenced is provided at the end of the document.

Planning Environment

Ministry of Tourism - MITUR

Ongoing consultation with MITUR and the Elephant Coast Development Agency (ECDA), which was formed by the GOM with the specific objective of stimulating responsible tourism development with community participation and empowerment in the district of Matutuine. Consultation occurred at both district and National level.

National Tourism Policy and Strategy for Mozambique (2003) & Strategic Plan for Tourism Development in Mozambique (2004)

The Ndumo/Tembe/Futi TFCA identified by the Strategic Plan for Development of Tourism in Mozambique (SPDTM (2004)) and Tourism Policy and Implementation Strategy (2003) as being a focal area for strategic tourism development.

The three platforms for tourism development identified in the SPDTM are exemplified in the study area as follows:

1. The Elephant Coast is identified as a type A/B Priority Area for Tourism Investment (PATI).

Existing Destinations with limited development (Type 'A/B')				
Zone	Type	Name & Location	Key Products	Market segments
1	A/B	<i>Elephant Coast Tourism Zone</i> includes Coastal zone between Maputo and Ponta do Ouro in Maputo Province	Coastal eco-tourism Water sports Sun, sand and sea	Regional, domestic leisure International leisure Niches

SPTDM (2004) – Ministerio de Turismo

2. MSR and Futi Extension form the Mozambican component of the Ndumo/Tembe/Futi TFCA.
3. Components of the study area are incorporated into two of the identified Tourism Routes in Southern Mozambique.

Tourism Routes in Southern Mozambique	
Lebombo Circuit	Kosi Bay (SA) - Santa Lucia (SA) - Ponta do Ouro - Maputo Elephant Reserve – Maputo – Namaacha – Swaziland
	A unique experience combining beach, bush, heritage, water sports, cultural diversity, scenic beauty, special interest activities such as birding and diving. Brings together Mozambique, Swaziland and South Africa.
'Costa das Lagoas' Route	(Ponta do Ouro - Maputo Elephant Reserve) – Maputo - Xai-Xai – Inhambane – Vilankulos
	A southern Mozambique Coastal Route starting in Maputo or even at the SA/Moz border in Ponta do Ouro, upwards until Vilankulos/Bazaruto Archipelago. This Route focuses on coastal eco-tourism and connects the many coastal lakes of the southern coast. The Route brings together scenic beauty, beach, water sports, different coastal ecosystems and flora and fauna (sand dunes and forests, coastal lakes, birds, turtles, marine life etc.)

SPTDM (2004) – Ministerio de Turismo

Provincial Directorate of Environmental Affairs of Maputo

Consultation with Provincial Directorate of Environmental Affairs of Maputo and reference to the District Land use Plan for Matutuine. Although this plan is currently being updated, it provides the context in which the TFCA is being developed. It is acknowledged that the Tourism Development Framework for the TFCA must take cognizance of district planning.

3.1 Existing land use

Current land use is shown in figure below.

Data has been assimilated from the following sources:

- Site visits
- Consultation with MICOA
- **DNGC. 1997** - 1:250 000 Topocadastral Map
- **Van Aarde, R. 2004** – Restoration of the Tembe-Futi-Maputo Coastal Plain elephant populations.
- **MICOA 1996** - Plano do Uso da terra do distrito de Matutuine
- **Kloppers, R J. 2005** – Life in the Mozambique/South Africa Borderland since 1975. Doctorate thesis.
- **Kloppers, R J. 2001** – Local economic practices in the Matutuine district of Southern Mozambique: implications for Transfronteir conservation.

Proclaimed Parks

1. Maputo Special Reserve
 - Proclaimed with current boundaries by the Legal Diploma n° 22314 of 9 August 1969.
2. Tembe Elephant Park
 1. Ndumo Game Reserve

Agricultural land

- The Maputo river exhibits agricultural land use along most of its length within Matutuine. A short section of the Maputo river directly to the south of the Liquati forest has limited or no agricultural usage.
- Numerous agricultural concessions allocated along Maputo river

Human habitation

- Higher densities associated with agriculture along Maputo River. Bela Vista, Salamanga, Massongue and Catuane.
- Very low density habitation within Futi corridor. Land uses in the Futi corridor are grazing of livestock and consumptive utilisation - predominantly palm wine and traditional medicine (Kloppers 2001).



3.2 Boundaries of MSR Futi extension

Maputo Special reserve boundaries (Legal Diploma n° 22314 of 9 August 1969)



North: The north coast, from the Estuary of the Maputo River, up to the arm of sea which forms Machangulo Peninsula and after the parallel which cross the south extreme of the referred arm to east coast.

East: The Indian ocean coast, from the above defined point (parallel 26°18') up to the Matonde mark.

South: The actual antihunting barrier which begins close to Matonde and extends west, crossing the south part of Piti lake, south of Chingute lake, Mechingane mark, then following the Salamanga-Ponta do Ouro road, for the distance of about 2 km, up to Nunes's canteen, after that perpendicularly following the referred road and along this up to Futi River.

West: The left margin of Futi River, in the distance varying between 50 and 100 meters, according with the actual barrier, then to northeast, from the guard post, until Viana; from this point the barrier follows again in the southnorth direction, in an extension of about 8 Km, finally following to North west until meeting the Maputo River right margin, then the water course up to the mouth of River.

*Within these limits, the Reserve has approximately an area of **80.000 ha***

Futi Extension

The current boundaries of the Futi Extension are presented in the figure below. The final positioning of the elephant restraining line (ERL) will define the Futi extension.

There is currently much consultation with local communities as to the positioning of the ERL. The President has declared that the communities should decide on the positioning of ERL. It was also stated that the Futi Corridor would be a corridor for elephants in order to prevent conflict.

There is currently a perception amongst local communities residing within the proposed Futi corridor that they will lose access to the land if they allow the development of the ERL through areas which they are currently utilising. There is much work being undertaken by the MSR Project Implementation Unit in the determination of the final positioning of the ERL.

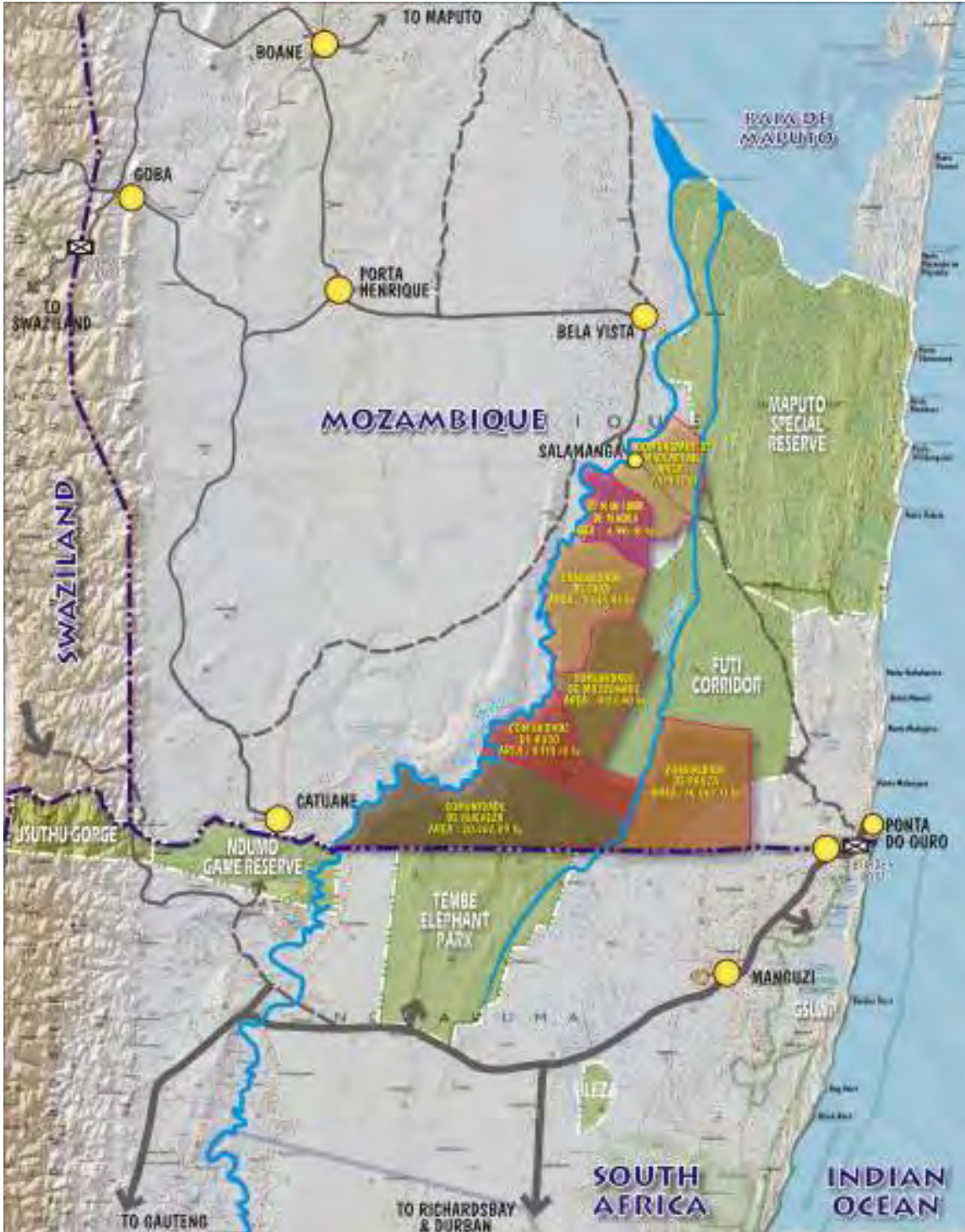
Capacity for community consultation and involvement in the Futi corridor is currently being developed through the establishment of the ECDA on the ground in Matutuine and the appointment of a Community Broker as part of the Tembe-Ndumo-Futi TFCA project.

Once the ERL has been erected and mapped by CADASTRO the Futi extension to the MSR will be gazetted. The Futi extension and the current MSR will become known as the Maputo Special Reserve (MSR).

“Buffer Zones” or Community Wildlife Reserves have been referred to immediately adjacent to the MSR. These buffer Zones forms part of the TFCA, however their boundaries are unclear and are yet to be defined through ongoing community consultation.

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Community boundaries within the proposed Futi corridor



The figure shows the community boundaries for communities living within the proposed Futi corridor area. It has been estimated that approximately 130

families live in the region between the Maputo and Futi rivers, with most of these being associated with agriculture along the Maputo River (Kloppers 2001). Surveys conducted by Els and Kloppers (2000) indicate that 43% of people are willing to make their land available for tourism development. This reality has to be taken into consideration in the planning for this region.

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4. Phase iv: Evaluation of Tourism Opportunities and Constraints

The 4 A's

A successful tourism product is defined by the fulfillment of four primary criteria that have been termed the 4 A's.

Attractions – A product needs to be attractive from a tourism perspective. The range and quality of attractions will determine the level of tourism that is possible.

Access – Once it has been determined that attractions are at a level that would promote tourism, access to these attractions must be evaluated. An attraction is of low tourism value if it is inaccessible. Opportunities and constraints of access should be evaluated.

Amenities – Once attractions and access have been established, the level and intensity of tourism will be defined by the facilities and activities available.

Awareness – Awareness of a product, that fulfils the above criteria, will define its success. Existing awareness should be evaluated together with the potential to improve awareness.

4.1 Attractions:

As a result of the study area covering an array of very diverse vegetation zones it has a diverse range of tourism attractions, offering it the potential to provide a totally unique destination. These include:

- Spectacular beaches and bays on the Indian Ocean seaboard.
- Pristine coral reefs with high potential for scuba diving.
- Various inland coastal lakes and the Futi and Maputo river deltas presenting a unique ecosystem with potential to be included as a World Heritage Site and RAMSAR site.
- Maputo Bay and the associated Mangrove zones adjacent to the Maputo Special reserve present a unique environment with high conservation value.
- Established reserves. Ndumo and Tembe are well established reserves with viable game populations and excellent birdlife associated with the Pongola River system. The Maputo Special Reserve has exceptional scenic beauty and a viable population of elephants estimated at around 300 individuals.
- The Futi River with its natural riverine forest and adjacent sand forest and Lala palm zone hold the potential for excellent game viewing once animal populations have been re-established.

- The Usuthu, Maputo and Futi rivers with unique fauna and flora communities. The scenic floodplains of the Maputo River also hold good potential for supporting game populations.
- The area has strong cultural and historical aspects which can be developed as tourism attractions.

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4.2 Access

Road Access

Border posts exist at:

- Ponta do Ouro (Mozambique / RSA)
- Goba (Mozambique / Swaziland)

Current road access is possible from:

RSA

South Africa has developed a high quality tarred road to the Ponta do Ouro border post. From this point the road is very sandy and only accessible to 4x4 vehicles.

Swaziland

Good access is available through Goba Border post on a tarred road to Porta Henrique.

Maputo

Good access on tar from Maputo to Boane, dirt from Boane to Bela Vista, tar from Bela Vista to Salamanga.

Internal access:

MSR

Roads are sandy and accessible to 4x4 vehicles only. Traveling is slow. An average speed of 15-30 km per hour means that only relatively short distances can be covered in a given time period. The slow traveling is however well compensated for by the scenic beauty of the roads which meander through the various vegetation types offering magnificent views.

Futi Corridor

A very basic network of roads is in existence at present and is focused on linking the various community nodes. Access is by 4x4 only.

Planned upgrading of the road between Ponta do Ouro and Boane has been tabled. This will provide greatly improved access to the area for people traveling from Maputo and South Africa. Concerns have been raised about the effect of commercial traffic on this route. According to the Lubombo Spatial Development Initiative heavy commercial traffic is to be routed through Goba.



Air Access

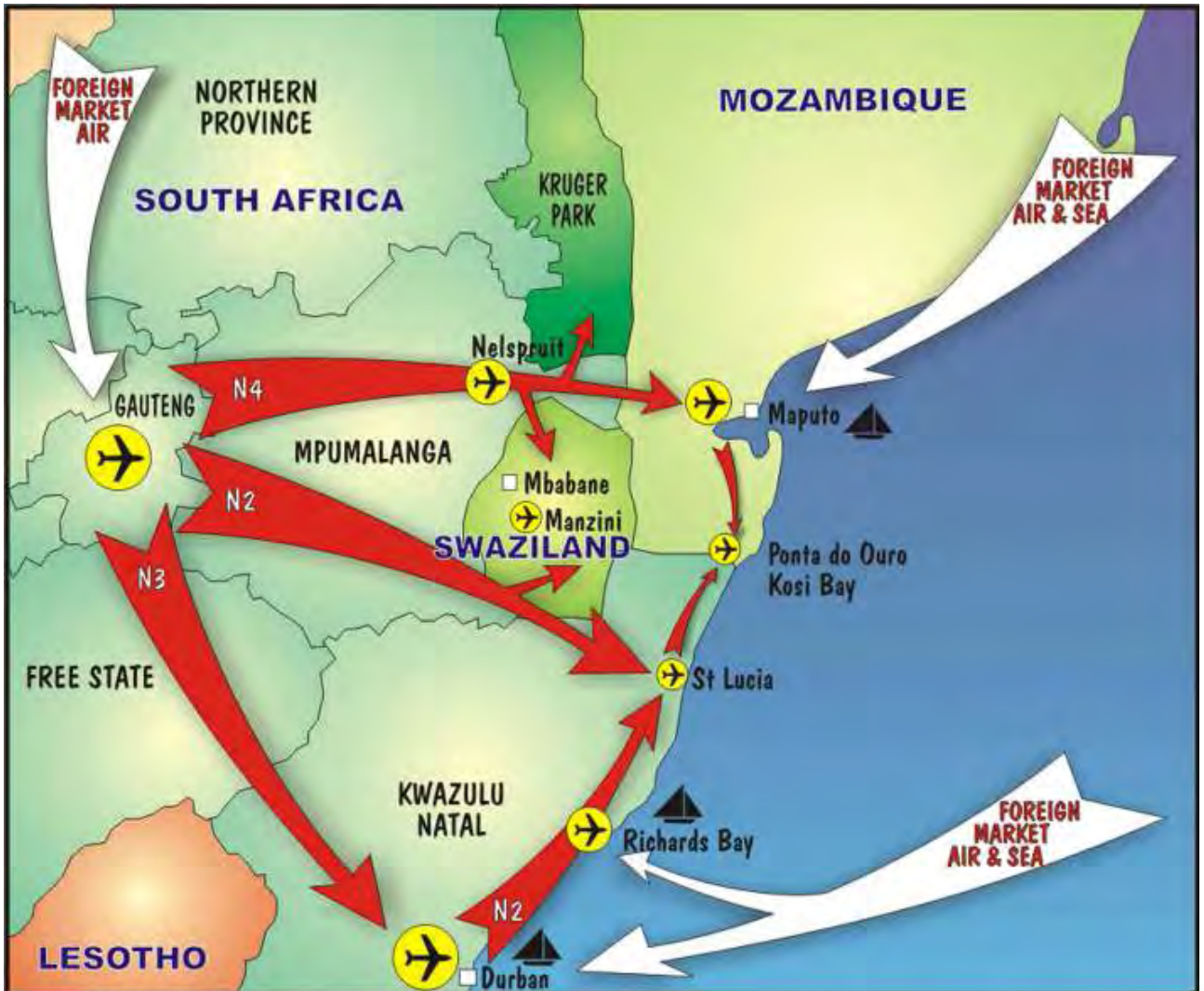
Air access to the study area is poor. The international airport at Maputo is the nearest airport. An airstrip is planned at Santa Maria, however this will be designed for small charter flights.

Rail Access

Currently there is no functional rail access to the area. The Calcrete mine at Salamanga has an operational rail link for the transport of products to Matola, however it is not envisaged that this will be upgraded to become a passenger line.

Marine Access

No marine access for medium to large vessels. No facilities exist for access, however it may be possible to access the MSR by small vessels from the Maputo Bay. Access to MSR may also be afforded by the Maputo River North of Bela Vista.



4.3 Amenities

Maputo Special Reserve

The reserve has been declared and defined by Legal Diploma n° 22314 of 9 August 1969. As such it is under Government control allowing a clear definition of land utilisation rights and ownership.

1. Four primary bays in MSR have limited development. All of these bays are accessible along 4x4 only tracks. Access to the beach has been created at all these bays.
 - Ponta Chemucane has several sheltered campsites which have been cut into the dune forest immediately adjacent to the beach. All of these sites are informal and have no legal status. There are no permanent structures in this area. There are no facilities. Lake Mazai provides a nearby source of fresh water
 - Ponta Membene also has several sheltered campsites cut into the dune forest. A small freshwater lake immediately behind the campsites provides water. This site has also been illegally used. There are no permanent structures and no facilities.
 - Ponta Milibangalala has the only legal facility which is comprised of 10 campsites cut into the dune vegetation adjacent to the beach. Pit latrines are provided, but there is no running water. Pits have been dug to dispose of refuse. This campsite is currently operated by the MSR authority. A Game Scout is positioned at this facility to control the collection of fees and vehicular access to the beach. Current rates charged for this facility are very low (R35-00 per person) by Mozambican standards, however this is attributed to the lack of facilities.
 - Ponta Dobela has several campsites in the dune vegetation. These are also being illegally used. There is evidence of an old development sheltered behind the point. This facility is in a state of ruin.

Several other small campsites exist along the coast, however these have no legal status.

2. No amenities exist in the remainder of the reserve. The lakes, flood plains, forests and rivers are undeveloped in terms of amenities. Local communities living within the reserve utilize several of the larger coastal lakes for fishing and have small fishing camps on the shores.
3. Two community lodges have been developed near the boundary of the MSR at the 2 official entrance gates. These lodges were built by the communities on their land using NGO funding. Their facilities are far in excess of facilities currently provided within the park.

Futi Corridor and “Buffer Zones”

There are currently no amenities within the Futi corridor.

Coastline south of the MSR

Various facilities exist at all the bays between Ponta do Ouro and the southern boundary of the MSR. Facilities also exist on several of the coastal lakes.

Amenities range in status from basic to exclusive. The legal status of many of these facilities is uncertain.

Transboundary components of TFCA

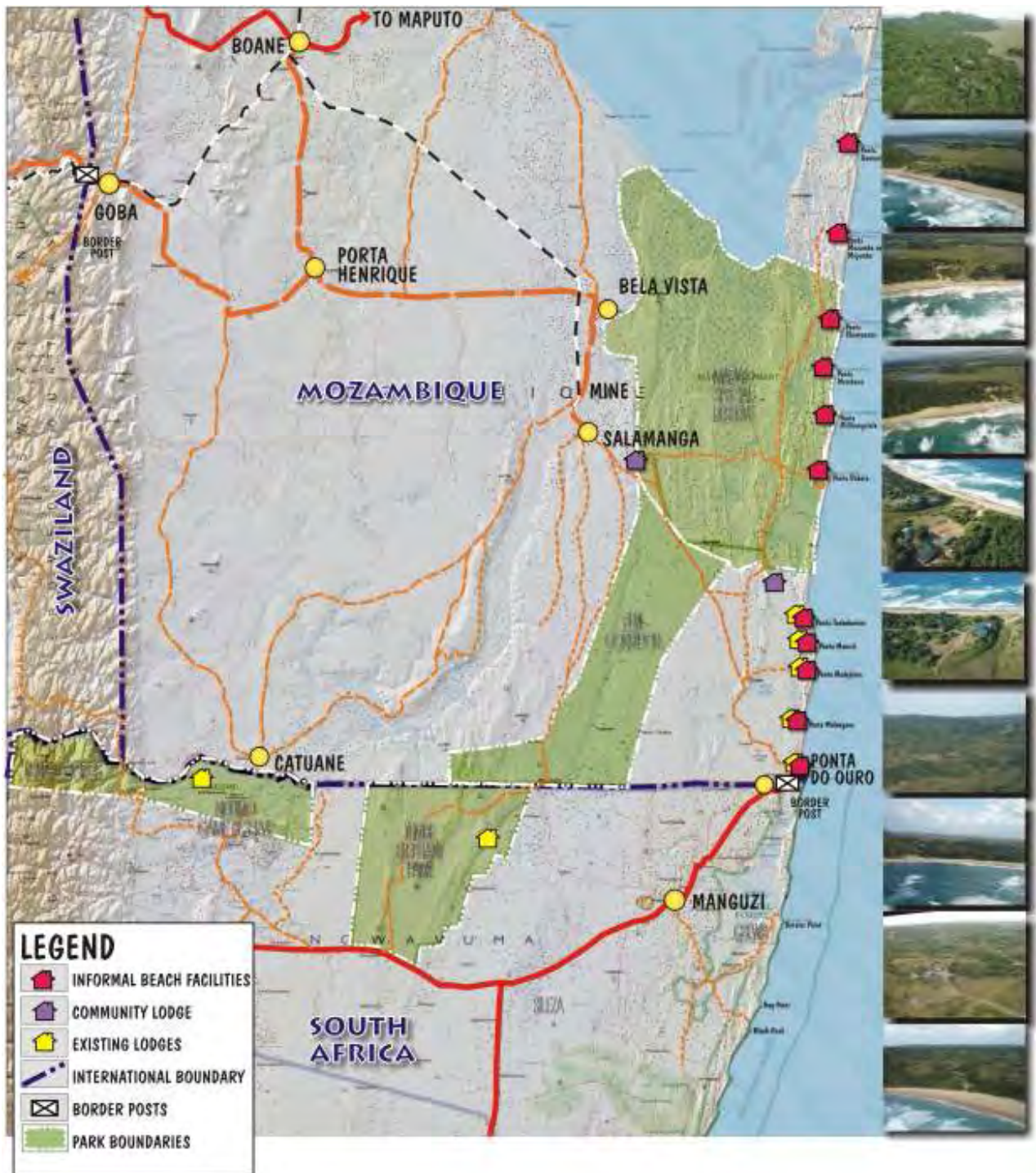
1. Tembe Elephant Reserve

The park has a well developed tourist infrastructure catering for day visitors to the park. Access is by 4x4 vehicles only. Several viewing hides have been established.

Accommodation is run by a private concessionaire and caters to the middle and upper segment of the market.

2. Ndumo Game reserve

This park has well developed amenities catering to the lower, middle and upper segment of the tourist market. Access is possible in 2x4 vehicles. Both self catering (camping and chalets) and exclusive fully catered options area available.



4.4 Awareness

The area is relatively unknown to the broader tourism market. Only Ponta do Ouro is better known due to its past history as a popular holiday town and its current reputation as a diving venue.

Awareness of the area has been promoted through the eco-adventure niche markets and the area is known as being a pristine beach getaway with no facilities.

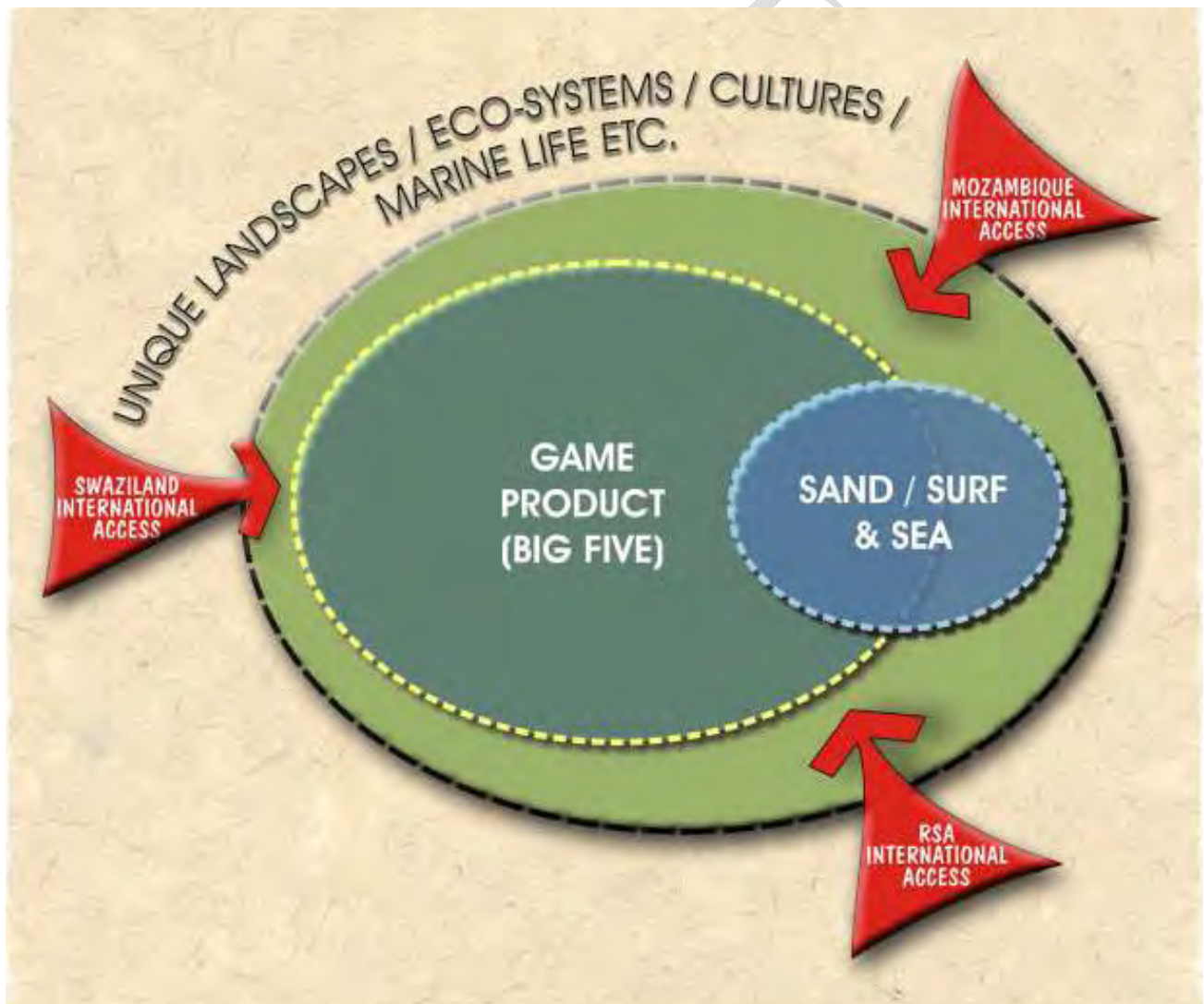
A basic evaluation of awareness to all segments of society was conducted by performing an internet search for the keywords *Maputo Special Reserve*. 90 000 documents containing the words were found. A search for *Kruger National Park* returned approximately 4 300 000 hits, *Serengeti National Park* returned 1 100 000 hits, while *Addo Elephant Park* returned 342 000 hits.

Although this search includes non-tourism related awareness, it does indicate that there is a relatively low awareness of the area. However the ratio of awareness to visitor arrivals to the park does not seem in line with the other parks suggesting that factors such as amenities and access pose a greater limitation than awareness.

5. Phase v: Ideal Tourism Model

The National Tourism Policy (2003) supported by the SPDTM (2004) identify the Elephant Coast PATI for international, regional and domestic leisure market. This area is suitable for the upper and middle market sectors.

The Tourism Model suggested for the MSR advocates **Low impact and High Value** tourism development. A unique High Value product (Bush and Beach) is encapsulated in a in a unique biophysical and cultural environment. The market is provided by access from 3 countries.



The table below provides a simplified comparison of three basic models considered.

<p style="text-align: center;">High Volume and Low Value Tourism</p> <ul style="list-style-type: none"> • Large Facilities (100+ beds), Camping and basic accommodation, Restaurant, Shop, Fuel • Park Managed • Self Catered • Self Drive • 2x4 access 	Advantages	Disadvantages
	Accessibility for local markets	High levels of Environmental impact: <ul style="list-style-type: none"> • Trampling of vegetation • Increased vehicle traffic. • Large development footprints from accommodation and service infrastructure • Intensified infrastructure – eg. gravelled roads, telecoms, powerlines
	Higher revenues through park fees as result of higher volumes	High Development and Management costs to Park <ul style="list-style-type: none"> • Upgrade road network and services • Require higher presence of park staff for control and monitoring • Park responsible for maintenance of infrastructure
	Employment opportunities as result of intensive development.	Benefits externalised <ul style="list-style-type: none"> • Supplies brought from outside (self catered). Loss of opportunity for development of local service and supply markets.
<p style="text-align: center;">Medium Volume and Medium Value Tourism</p> <ul style="list-style-type: none"> • Medium Size Facilities (<60 beds), Camping and Accommodation, Restaurant, Shop • Mix of Self Catered and Catered • Combination of Park and private facilities • Self Drive • 4x4 access 	Advantages	Disadvantages
	Lower Levels of Environmental Impact: <ul style="list-style-type: none"> • Fewer people • Smaller development footprint • Minor upgrades to infrastructure 	Medium value market - Low profit margins
	Lower Development and Management costs to Park than High Volume development	Management Capacity within Park needs to be built. Associated costs erode financial benefits
	Opportunity to reduce risk through private investment in tourism developments	
<p style="text-align: center;">Low Volume and High Value Tourism</p> <ul style="list-style-type: none"> • Small Size Facilities (<30 beds) • Fully catered • Combination of Park and private facilities • Guided activities • Air access, 4x4 access 	Advantages	Disadvantages
	High Value Market – High returns	Reduced accessibility to middle and lower segments of market
	Low Levels of Environmental Impact: <ul style="list-style-type: none"> • Fewer people • Small development footprint • Minor upgrades to infrastructure 	
	Lower Development and Management costs for Park due to potential for Private investment and Private management	
Opportunity to reduce risk through private investment in tourism developments		

Market:

The area holds the potential to provide a destination to the following market segments:

- **Mozambique:**
Mozambicans in the top and medium income brackets, particularly from Maputo; foreigners resident in Mozambique; visiting friends and relatives; other tourists to Mozambique (e.g. Business tourists who want a break).
- **South Africa and Swaziland:**
Top, middle and lower segments of the market.
- **International:**
Top and medium segments, in the longer term, once the product has become more established and linkages have been created.

Product:

Medium to Long term

The TFCA has the potential opportunity to offer a unique product, not available anywhere else in terms of diversity and accessibility to market. The opportunity consists of the combination of the eco-tourism product (fauna, flora, scenery etc.) with the so-called “sun, surf and sea” product.

The TFCA has the potential, within a relatively small geographical area of one conservation area, to combine elements which have historically only been packaged across geographically separate conservation areas. The concept of “Bush to Beach” links is one which is desirable as it has the potential to dramatically expand the market segments to which a product has access.

The distance from pristine beach attractions to the Futi floodplains, with the potential to offer excellent game product in the long term, is less than 50 kilometers. The direct line-of-sight distance from the Futi flood plains to Tembe, Ndumo and the Usuthu gorge is in the region of 20 - 30 km respectively. This provides the opportunity to establish viable links between the various products within the TFCA that encourage the flow of tourism to all the components, thereby ensuring sustainability of the product and an equitable distribution of benefits through the entire TFCA. This will require the development of “soft borders” to facilitate the flow of tourists between the various components situated in adjacent countries.

Short to Medium term

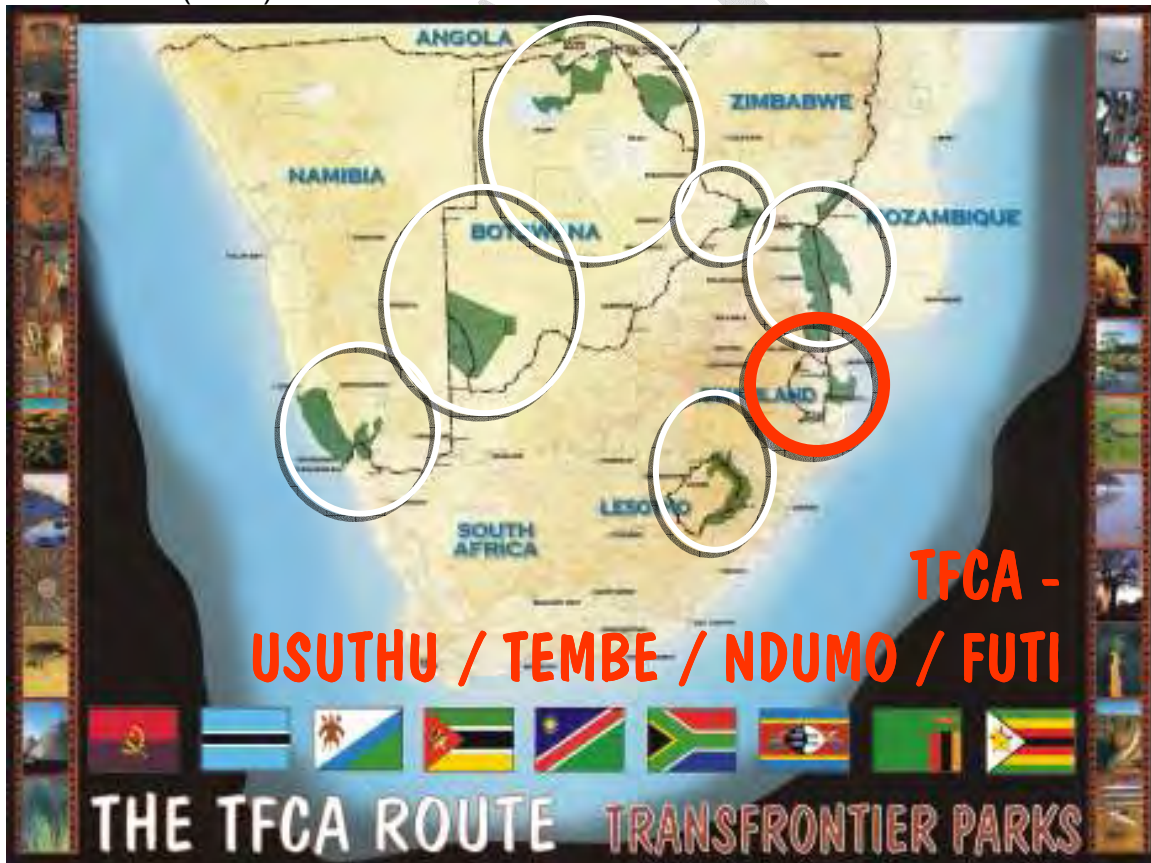
Short term product will focus on “sun, surf, sea” (Primary attraction) and establishment of other components (eco-tourism) within current MSR. This is in line with the PATI concept proposed by the SPDTM (2004).

The product will be further developed within the Futi corridor in a manner which increases the value and attractiveness of the area for investment in the medium and long term in order to ensure that the vision for the long term product is attained.

TFCA route integration

The Ndumo-Tembe-Futi TFCA forms an important link in the greater picture of the TFCA route.

In terms of short to medium term development the TFCA has the potential to capitalize on existing local markets in the 3 partner countries. This is in line with the SPDTM (2004).



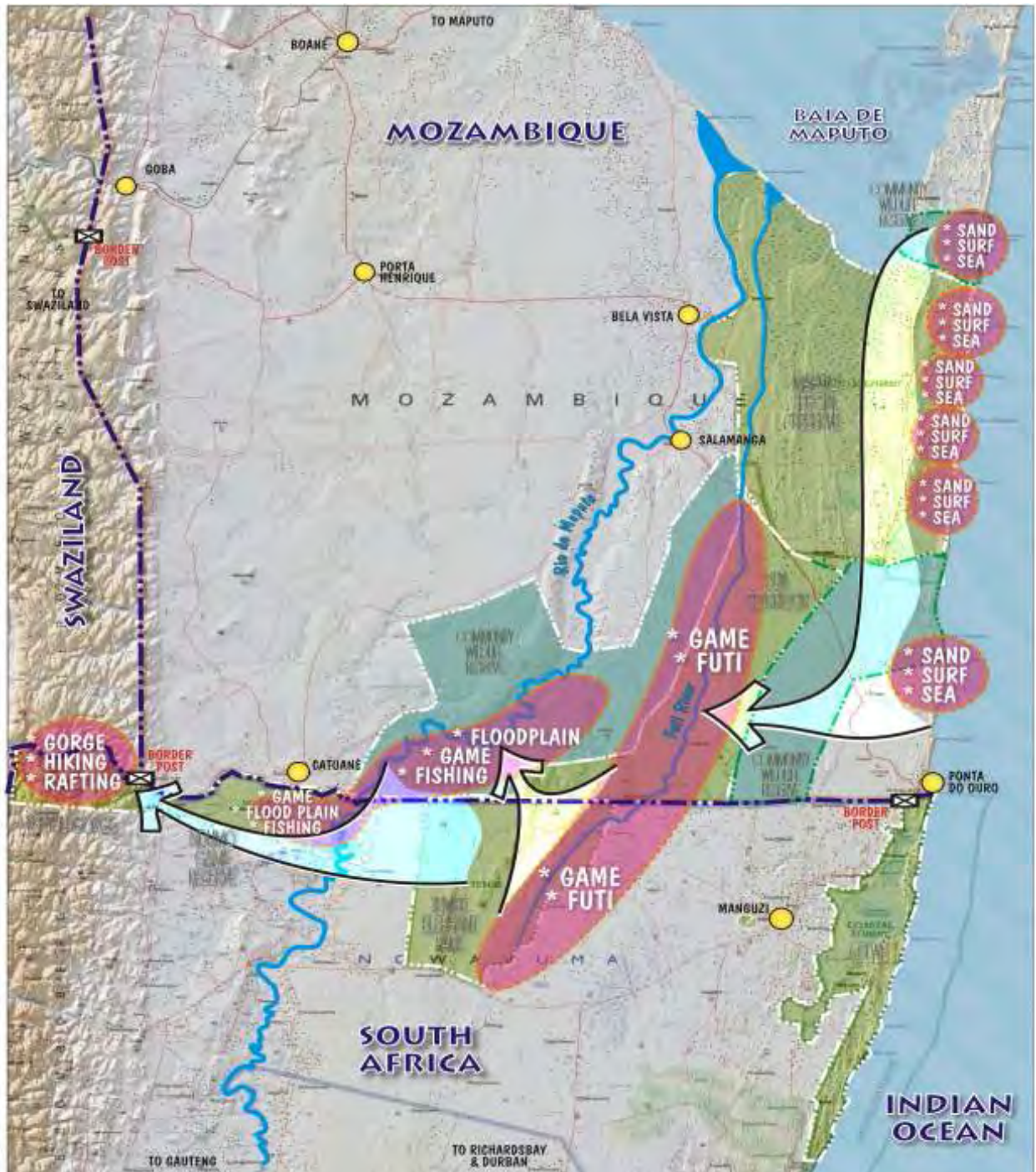
6. Phase vi: Zoning Plan

6.1 Utilization

The zoning attempts to maximize the visitor's experience of the TFCA product. It is therefore recognized that the TFCA offers the following primary attractions:

- The Indian ocean seaboard with its bays and the adjacent lakes system (Short, Medium, Long term)
- The Futi river and floodplains in Futi Extension (Medium, Long term)
- The Rio do Maputo with its floodplain lakes (not properly included in the present boundaries – potential inclusion as community wildlife reserves)(Medium, Long term)
- Tembe Elephant Reserve and Ndumo Game Reserve (Medium, Long term)
- The Usuthu gorge (Medium, Long term)

These attractions are strung together as a route within the TFCA, offering a complete experience of all the primary attractions to the visitor, whilst allowing for traveling through the secondary attractions en-route. Ideally operating contracts / concessions should be packaged so as to allow for above, meaning that any one operator / concessionaire will have access to and accommodation in all 5 primary attractions. This should remain a Medium to Long term goal.



In the Short to Medium Term it is recognized that the product (Bush&Beach) on which the long term utilization zoning is based, requires further establishment in order to increase its value and attractiveness for investment.

The Mozambican Government has expressed the desire to begin with several high value private sector investment opportunities at the primary attractions along the coast line. It is felt that the value of tourism opportunities in the MSR and Futi

Extension needs to be increased before further private sector investment is sought. The proposed zoning for the short and medium term takes this into account and aims to develop a tourism framework which will allow the MSR and Futi extension to be utilized in a manner that generates income and community benefit in the short term, while increasing the value for high value tourism investment in the medium to long term.

Current realities on the ground preclude the current adoption of the ideal model presented above:

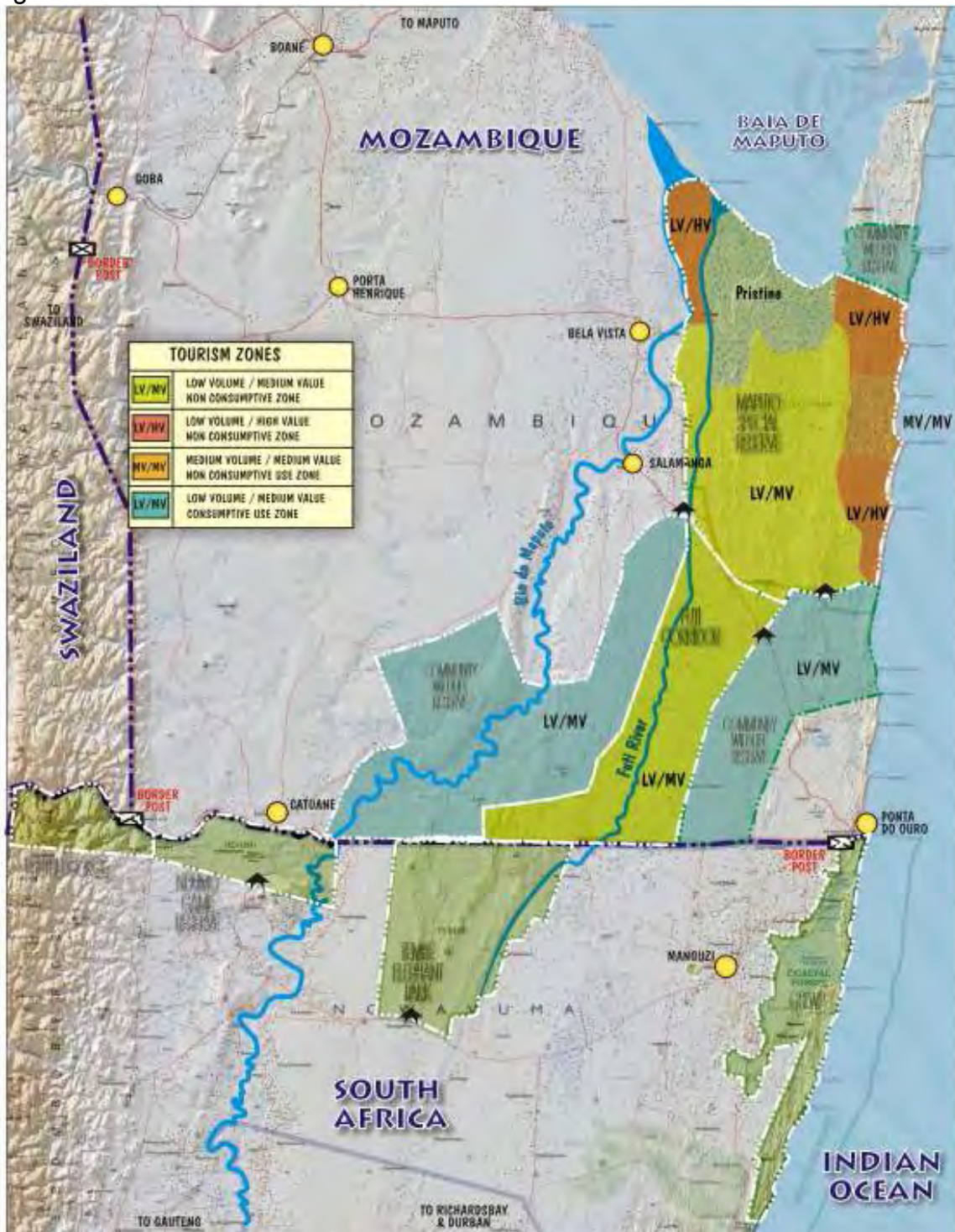
- TFCA will only become fully operational once the international fence between Tembe, Ndumo and the Mozambican component have been removed. This can only occur once a game proof fence has been erected on the boundary of the entire MSR and its extensions. The current Elephant Restraining Line (ERL) is unable to address issues such as veterinary control and human/animal conflict with species other than elephant.
- The current status of community consultation with regards to the erection of the Elephant Restraining Line (ERL) has revealed that communities fear losing access to the land without adequate compensation should any other form of fencing be erected. It will be critical for the ECDA and the TFCA community broker to foster strong community relations and to promote the potential benefits associated with tourism related activities, both consumptive and non-consumptive.

It is expected that over time (Medium term), as the benefits to communities of tourism related activities as opposed to subsistence agriculture and animal husbandry become apparent, portions of community land will be incorporated into the Futi corridor. Community land can only be incorporated with the consent of the community.

The Futi extension of the MSR will be gazetted according to the placement of the current ERL. This land will be under government control. The extensions to the Futi corridor by the inclusion of community land (referred to as "Buffer areas" or Community Wildlife Reserves) will have to be negotiated with the community, but it is expected that it may take the form of a contract park whereby the community retain ownership and usage rights (consumptive and non-consumptive). Full game proof fences would be constructed on the periphery of this area. This process will take several years to unfold. It is only once this process has run to conclusion that the fences with Tembe Elephant Reserve and Ndumo Game Reserve can be removed. At this point the process of repopulating the Futi Corridor with game can begin.

6.2 Facilities

A tourism zoning of the Mozambican component of the TFCA is indicated in the figure below.



Short term:

1. Primary facilities within the MSR will be developed on the seaboard. This area has the capacity to cater for the upper and middle segments of the market.

The zoning provides for high value concessions with exclusive use areas as well as for medium value development nodes without exclusive use areas.

- The seaboard from the northern limit of the MSR to south of Ponta Chemucane is zoned for Low Volume and High Value development. This area is seen as being ideal for this type of development as it provides:
 - i. Attractions – this site has access to pristine marine attractions, coastal dune forests and lakes, mangrove forests and Maputo Bay.
 - ii. Access – potential for airstrip at Santa Maria. Access from Maputo bay by water craft. Road access through existing MSR road network. High value development holds good accessibility as a priority in determining feasibility. The opportunities offered by potential air and water access are likely to make this site more valuable. Maputo is likely to be the primary staging post for such an up market concession. Ease of access is ensured.
 - iii. Community - this site provides good opportunity for community incorporation in the development concept.
- The seaboard south of Chemucane to north of Ponta Dobela is zoned for Medium Volume and Medium Value tourism utilization. It includes Ponta Membene and Ponta Milibangalala. It is envisaged that this area will provide facilities that cater for larger volumes of tourists than Low Volume zones. The area is better able to accommodate higher volumes of tourists due to the more expansive nature of the coastal bays. Facilities envisaged in this zone include:
 - Scenic high quality campsites with good amenities.
 - Well appointed accommodation units (possibly log cabins) aimed at the family market.

Note: The zoning of this section of the seaboard as Medium Volume/Medium Value does not preclude the development Low Volume/High Value facilities with exclusive usage areas. This may prove financially more beneficial to the MSR, however the market will determine the viability of such development.

- The seaboard north of Ponta Dobela to the southern boundary of the MSR is zoned for Low Volume and High Value development.

- i. Attractions - this site combined with access to Lake Piti provide opportunity for diversification of activities to accommodate ocean and fresh water based activities such as boat cruises.
 - ii. Access – this site has the potential for good access to markets based in South Africa.
 - iii. Community - this site provides good opportunity for community incorporation in the development concept.

2. Secondary facilities within the MSR will be developed on the floodplains and dune forests. This area has the potential to cater primarily to the middle and lower segments of the market. The zoning allows for the different markets to be differentiated.
 - The section of the MSR between the Maputo and Futi rivers from Bela Vista to Ponta Camandjuba (Maputo bay) holds excellent potential for Low Volume and High Value development.
 - Attractions - this site holds great potential for birding. The Maputo and Futi River provide good game viewing. Magnificent vistas over Futi delta. Fresh water based activities such as boat cruises.
 - Access – this site has the potential for good access to markets using Maputo as a staging post. Boat access from Bela Vista can be used for clients and supplies.
 - Community - this site provides good opportunity for community incorporation in the development concept

 - The remainder of the MSR has been zoned for Medium Value and Medium Value tourism development. The scenic inland lakes and unique vegetation will support the development of “eco-adventure” type facilities such as remote wilderness campsites linked to 4x4 routes. These facilities should retain the remote/wilderness character of the region and have limited facilities. They should cater for small numbers of people and charge a premium rate for this exclusivity.

3. The Futi extension of the MSR has been zoned for Low Volume and Medium Value tourism usage. Facilities envisaged in this zone in the **short term** will be “eco-adventure” type facilities such as remote wilderness campsites linked to self drive 4x4 routes to explore this unique and scenic area. These facilities should retain the remote/wilderness character of the region and have limited facilities. They should cater for small numbers of people and charge a premium rate for this exclusivity.

The zoning of the Futi extension of the MSR as Low volume and Medium Value will allow for the development Low Volume and High Value facilities in

the medium to long term once the product has been established to support this.

4. The zoning includes the “buffer zones” or Community Wildlife reserves. These areas are zoned for Low Volume and Medium Value tourism utilization. It is envisaged in the short to medium term that these areas will be predominantly consumptive use areas deriving benefit through hunting and very limited “eco-adventure” type tourism.

The zoning of these areas as Low Volume and Medium Value will allow for the development Low Volume and High Value facilities in the medium to long term.

Socio Economic Benefits:

1. Socio-economic benefit to the Mozambique district communities must be maximized. These benefits need to be established, quantified and strategised. Apart from the potential benefit from the proposed potential external utilization (agriculture, community wildlife reserves, upgrade roads and infrastructure), the TFCA itself should maximize socio-economic benefit through primarily:
 - Conservation establishment and management
 - Development of TFCA infrastructure
 - Tourism development and operation
 - Resource utilization

Above aspects should offer the widest spectrum of benefit including:

Shareholding
Training
Job creation
Management
Trading, etc.

The issues of socio-economic benefit will be addressed in Stages 2 and 3 of this study (to follow pending approval of Stage 1).

6.3 Activities *Inside TFCA*

The seaboard:

- Bathing
- Snorkeling
- Deep sea fishing
- Diving
- Sea-kayaking
- Horse riding



The Lake system:

- Fishing
- Boat cruises
- Kayaking



The Futi River and Tembe:

- Game viewing

The Rio do Maputo and Ndumo:

- Bird watching
- Game watching
- Fishing (especially tiger fish)
- Boat cruises



The Usuthu Gorge:

- Hiking
- Seasonal river rafting
- Game viewing
- Hunting
- 4 x 4



TFCA surround (Mozambique)

Potential for community wildlife reserves with associated non-consumptive and consumptive utilization (safari hunting)



Activities and facilities appropriate for each category of tourism are tabulated below.

NATURE	CATEGORY	ACTIVITIES (terrestrial/aquatic)	FACILITIES
NON CONSUMPTIVE	ECO-TOURISM	Guided self-drive and self-drive game viewing.	Game drive vehicles, interpretive centre, trails, view points etc.
		Hiking trails, special interest trails.	Hides, picnic sites, view sites, boardwalk, huts, trails etc.
		Game management safaris.	-
		4x4 trails and overland safaris.	Game drive vehicles, view point, hides, roads.
		Turtle tours.	Game drive vehicles, interpretive centre trails.
	ADVENTURE TOURISM	Scuba diving	Dive center, boats.
		4x4 Safaris.	Off-road tracks, appropriate signage
	RECREATIONAL TOURISM	River Cruises	Mooring jetties, launching site, storage facilities etc.
		Fishing.	-
	CULTURAL-HISTORICAL TOURISM	Research activities Special interest tours.	
	EDUCATIONAL	Environmental, cultural & Historical Education	Interactive Centre

CONSUMPTIVE	HARVESTING	Harvesting of excess / problem animals. Harvesting of plants for medical, crafts, building material etc.	Harvesting equipment, storage facilities, processing facilities, distribution facilities etc.
AUXILIARY	LOGISTICAL TOURISM SUPPORT SYSTEMS	Administration.	Offices
		Technical Support.	Stores, workshops etc.
		Communication support.	Retail, banking facilities, curio shops, speciality shops etc.
		Convenience and tourism retail.	Radio, satellite, telephone etc.
		Access.	Gravel/tar roads, airstrips, trails, launching jetties etc.
		Employment.	Labour force
		Staff accommodation.	Staff village
		Law enforcement.	Appropriate security force
		Cross border travel.	Border control (Customs and Immigrations offices)
		Fresh produce provision.	Peripheral Agricultural facilities
		Medical support.	Peripheral Clinic, hospital, mobile clinic, medical aid facilities.

6.3 Circulation

Circulation is indicated in the figure below.



Circulation

Primary circulation within the Province will be determined through the IDDP process, however the circulation proposed in this plan will facilitate the effective development of the TFCA within the province.

Internal circulation will be on existing and possibly new roads and tracks (upgrading needs to be investigated). The proposed model of Low Volume and High Value tourism development does not necessitate the upgrading of the road network to accommodate a dramatic increase in the number of vehicles. Maintenance of existing primary access routes will be necessary.

In the case of High Value tourism developments circulation may also be through the use of light aircraft. The proposed airstrip at Santa Maria will provide access to the coastal developments. Small airstrips may also be established for the identified concessions within the TFCA. Guidelines regulating flights and air traffic should be established for the TFCA.

An airport with immigration facilities is required bordering the TFCA. Ponta do Ouro as a high density development node is probably the best option (requires further investigation). Currently Maputo will serve this purpose.

Entry and Exit - TFCA

A soft approach to border crossing is proposed for tourists within the TFCA:

A tourist entering the TFCA from Mozambique may travel into the Swaziland and RSA components of the TFCA without performing immigrations. However this tourist may not leave the TFCA through a country other than Mozambique. The same will apply to tourists entering through Swaziland or RSA.

From RSA:

- Border post at Ponta do Ouro – Existing border control point. (trans-national entry and exit)
- Tembe and Ndumo (national entry and exit only)
- Usuthu Gorge (national entry and exit only)

From Mozambique

- Futi River Gate on Salamanga Ponta do Ouro road (national entry and exit only)
- Proposed Zitundo Gate once boundaries of Community Wildlife Reserves have been established (national entry and exit only)
- Proposed Catuane Gate once boundaries of Community Wildlife Reserves have been established (national entry and exit only)
- Proposed Machangulo Gate to control traffic moving into the MSR from the Santa Maria peninsula.

From Swaziland:

- Goba – Existing border control point (trans-national entry and exit)

Proposed:

- Border post and entry control to TFCA on RSA/Swaziland/Mozambique border west of Ndumo with associated road access (trans-national entry and exit)

MSR entrance Gates

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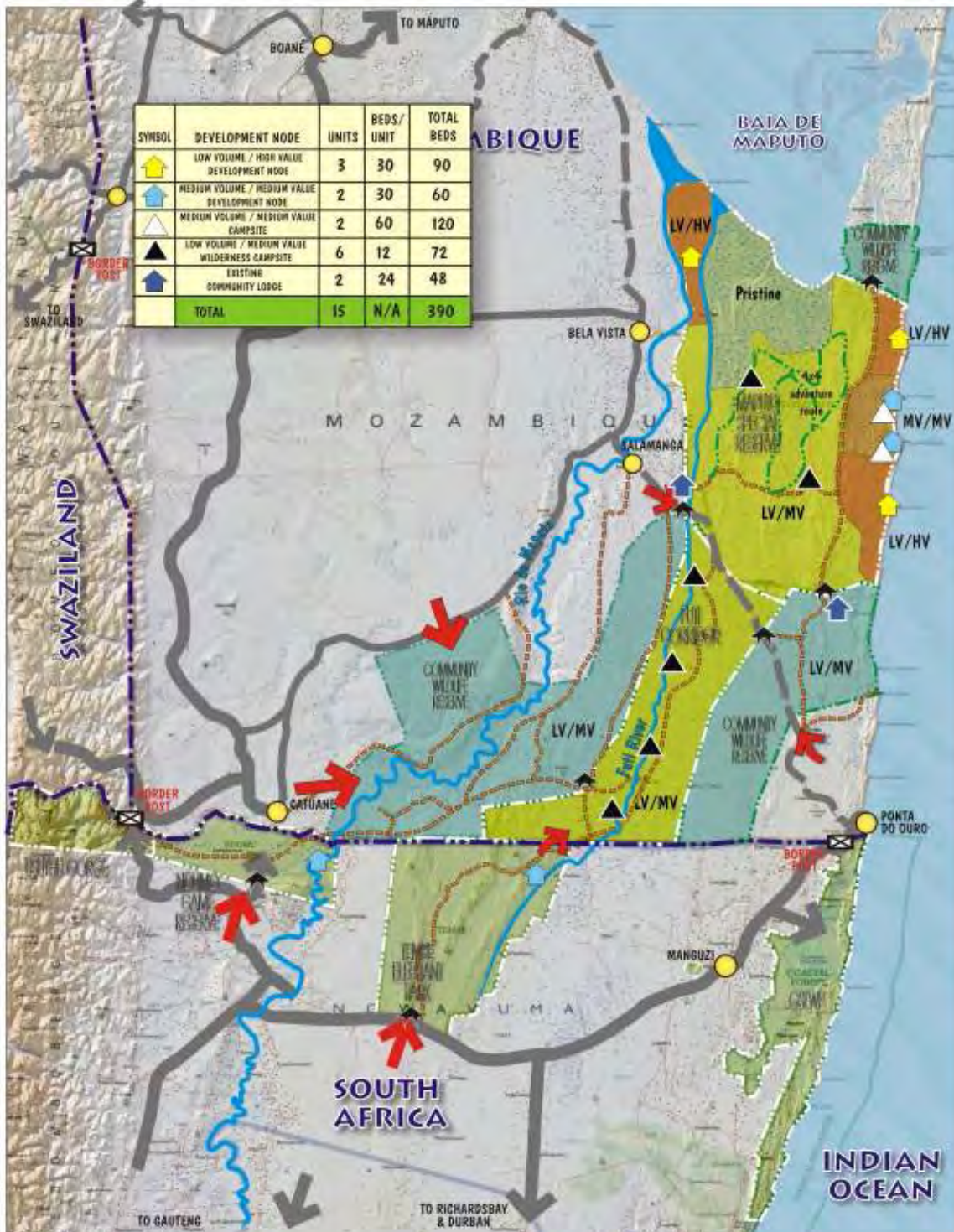
7. Phase vii: Concept Tourism Development Framework

Due to the numerous difficulties that will be encountered in the roll-out of the long term Tourism Development Framework, which provides the vision of the full potential of the final product, an interim or Short to Medium term Tourism Development Framework is defined below.






This Short to Medium term Tourism Development Framework provides the starting point while the ultimate goal remains the Long term Tourism Development Framework (Tourism Masterplan for the TFCA).

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7.2. Short to Medium Term Tourism Development Framework



The proposed development nodes are described in terms of visitor carrying capacity.

SYMBOL	DEVELOPMENT NODE	UNITS	BEDS/ UNIT	TOTAL BEDS
	LOW VOLUME / HIGH VALUE DEVELOPMENT NODE	3	30	90
	MEDIUM VOLUME / MEDIUM VALUE DEVELOPMENT NODE	2	30	60
	MEDIUM VOLUME / MEDIUM VALUE CAMPSITE	2	60	120
	LOW VOLUME / MEDIUM VALUE WILDERNESS CAMPSITE	6	12	72
	EXISTING COMMUNITY LODGE	2	24	48
	TOTAL	15	N/A	390

7.2.1. Description of components

Low Volume / High Value Coastal Development nodes. Gold and Platinum market

In line with the PATI concept two sites have been identified for initial tender. These sites provide opportunity for Low Volume and High Value private investment. The identified sites are Ponta Chemucane and Ponta Dobela.

These sites should be tendered together with exclusive use rights for the identified adjacent area to allow the concessionaire to develop activities on the lakes and in the coastal dune forest. The development footprint should not exceed 3 hectares while the exclusive access area should be in the region of 8 000 – 15 000 hectares. Concessioning must be governed by a defined process as defined in Chapter 9.

The primary market source for these developments will be the Gold and Platinum Market (upper segment of the international market)

It is intended that the concession contract is structured in a manner that will ensure that the concessionaire will have access to sites for the development of

amenities in the various components of the TFCA once the product becomes established (Long term goal). This will be critical in ensuring effective circulation through the TFCA. This integration of components is the fundamental principle that will differentiate the TFCA as having a unique product.

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Medium Volume / Medium Value Coastal Development nodes. Silver market.

Ponta Membene and Ponta Milibangala have been identified as sites which offer the potential for higher volumes of visitors. These sites offer opportunity for Medium value private investment in the short to medium term. They also offer the opportunity for the MSR to immediately begin generating revenue from existing markets.

High quality campsites should be developed at these sites in the short term. The facilities offered at these campsites should be of a high standard. The campsites should have a maximum of 10 sites accommodating 6 people each. Rates charged for these facilities should pitch the facilities at the medium income local and regional market.

The sites should be offered on a short term concession (3 years). This will allow the re-evaluation of the market for the potential of high value investment.

These sites may hold the potential to attract Low Volume and High Value private investment (similar to Ponta Chemucane and Dobela) in the Medium to Long term and the market should be carefully evaluated to assess this demand before renewal of the Medium Value concession.

In the Medium to Long Term these sites have been identified as holding the potential to cater to the silver and gold market (Medium to upper segment of local and regional market) through the development of a family orientated resort. This may take the form of catered or self catering accommodation. A maximum of 5 six bed units should be allowed.

The exploitation of the silver market ensures that local and national markets are accessed. The diversification of markets within the MSR is identified as an important risk management strategy.

Again the concession contract should be structured in a manner that will ensure that the concessionaire will have access to sites for the development of amenities in the various components of the TFCA once the product becomes established.

Low Volume / High Value development node on Camandjuba peninsula. Gold Market.

The section of the MSR between the Maputo and Futi rivers from Bela Vista to Ponta Camandjuba (Maputo bay) holds excellent potential for Low Volume and High Value development.

This development should be tendered together with exclusive use rights for the identified adjacent area to allow the concessionaire to develop activities on the peninsula and the Rio Maputo river where the opportunity for land and water based bird and game viewing exists. The development footprint should not exceed 3 hectares while the exclusive access area should be in the region of 8 000 – 15 000 hectares. Concessioning must be governed by a defined process as defined in Chapter 9.

The primary market source for these developments will be the Gold Market (upper segment of the local and international market)

The management of the MSR will have to ensure that the value of this concession is not reduced through indiscriminate development along the Rio Maputo north of Bela Vista. A development of a buffer zone is recommended for this area.

Again the concession contract should be structured in a manner that will ensure that the concessionaire will have access to sites for the development of amenities in the various components of the TFCA once the product becomes established.

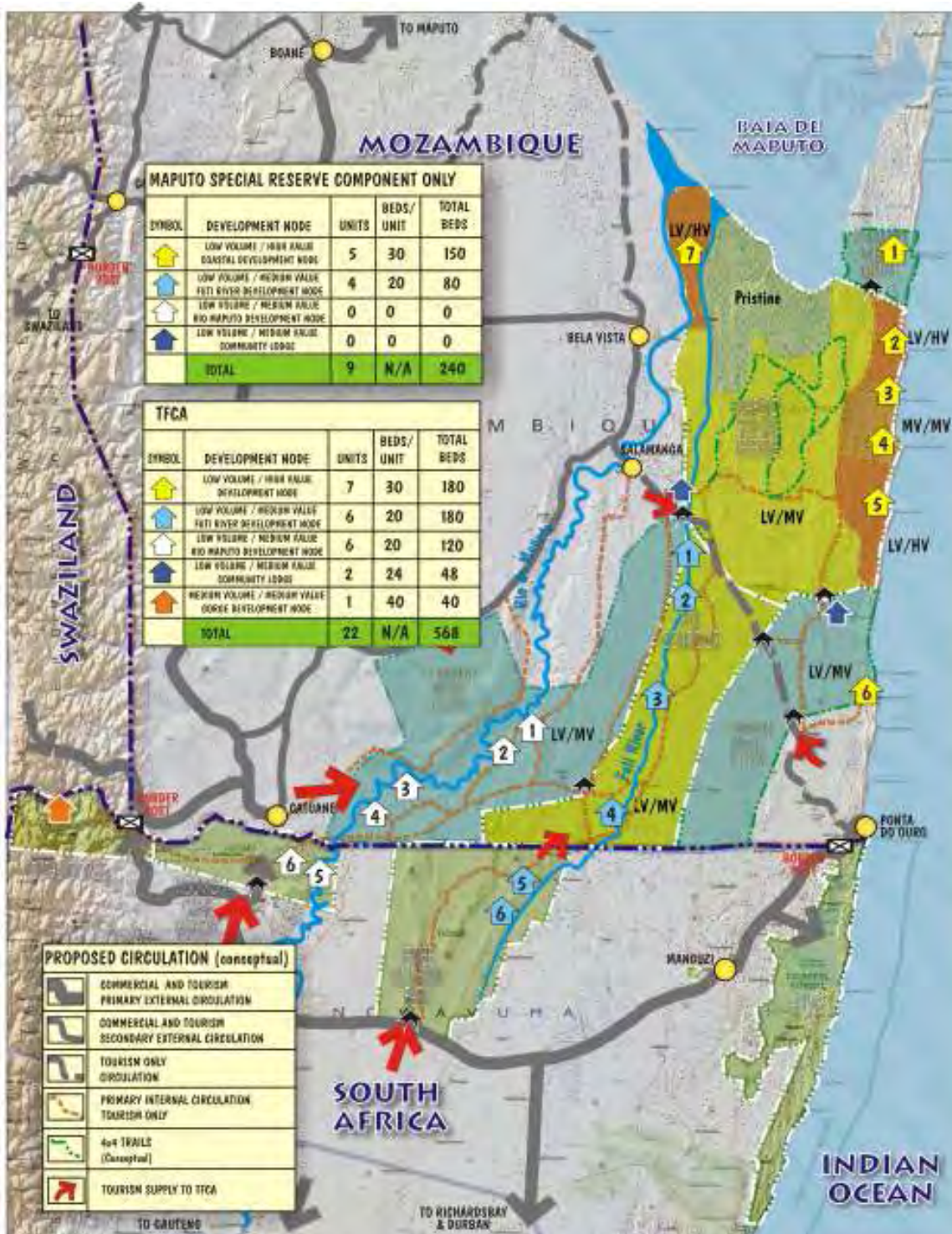
Wilderness 4x4 trails and remote camping

The development of exclusive 4x4 routes through the remainder of the MSR and Futi Extension should be undertaken in the short term. This will raise awareness of region. This activity can be established by the MSR and can be managed by the MSR or by an operator.

Four basic wilderness campsites should be developed along the Futi river and 2 within the dune landscapes between the Salamanga/Zithundo road and Maputo Bay. These campsites will be very scenically located and will have a maximum of 2 sites catering for a maximum of 12 people. These sites will have a basic ablution facility with a chemical or pit latrine. These sites will be unattended and should be serviced on a weekly basis.






Use of the 4x4 trails and associated camp sites should be through reservation only. It is not a public access facility.

7.2. Long Term Tourism Development Framework



The proposed development nodes are described in terms of visitor carrying capacity.

MAPUTO SPECIAL RESERVE COMPONENT ONLY				
SYMBOL	DEVELOPMENT NODE	UNITS	BEDS/ UNIT	TOTAL BEDS
	LOW VOLUME / HIGH VALUE COASTAL DEVELOPMENT NODE	5	30	150
	LOW VOLUME / MEDIUM VALUE FUTI RIVER DEVELOPMENT NODE	4	20	80
	LOW VOLUME / MEDIUM VALUE RIO MAPUTO DEVELOPMENT NODE	0	0	0
	LOW VOLUME / MEDIUM VALUE COMMUNITY LODGE	0	0	0
	TOTAL	9	N/A	240

TFCA				
SYMBOL	DEVELOPMENT NODE	UNITS	BEDS/ UNIT	TOTAL BEDS
	LOW VOLUME / HIGH VALUE DEVELOPMENT NODE	7	30	180
	LOW VOLUME / MEDIUM VALUE FUTI RIVER DEVELOPMENT NODE	6	20	180
	LOW VOLUME / MEDIUM VALUE RIO MAPUTO DEVELOPMENT NODE	6	20	120
	LOW VOLUME / MEDIUM VALUE COMMUNITY LODGE	2	24	48
	MEDIUM VOLUME / MEDIUM VALUE GORGE DEVELOPMENT NODE	1	40	40
	TOTAL	22	N/A	568

Implicit Assumptions of the Long term Tourism Development Framework

The Long Term Tourism Development Framework has the following implicit assumptions:

1. Boundary issues have been resolved and effective game fencing has been installed.
2. Communities within the MSR and Futi extension have been resettled.
3. Community Wildlife Reserves (Buffer zones) have been established.
 - i. Illegal land tenure issues have been resolved. Land has been made available for concessioning at values that reflect the value of the established product which the TFCA offers.
 - ii. These Community Wildlife Zones are zoned for Low Volume and Medium Value Tourism development.
 - iii. The section of the Rio Maputo within the Community Wildlife Reserve is reserved for eco-tourism.
4. Ancillary economic engines for the Province of Matutuine have been established.
 - i. The potential for the revival of commercial agriculture within the Rio Maputo floodplains has been exploited.
5. Access and circulation to and within the TFCA has been improved through effective implementation of the Integrated District Planning Process (IDDP).
 - i. "Soft" border crossings are established for visitors to the TFCA to allow the effective integration of the various components (Bush and Beach).
 - ii. Issue of combined border post (RSA/Swaziland/Mozambique) is resolved.
6. The product offered by the TFCA has been fully established through:
 - i. The repopulation of the Futi corridor with game species.
 - ii. The fences between Tembe , Ndumo and the MSR have been removed to allow the free movement of game species.

7.2.1. Description of components within the TFCA

Low Volume / High Value Coastal Development nodes. Gold and Platinum market

Within the MSR, all 4 coastal bays will hold Low (or Medium) Volume and High Value concessions. These developments may have associated exclusive use areas. The development footprint should not exceed 3 hectares while the exclusive access area should be in the region of 8 000 – 15 000 hectares. Concessioning must be governed by a defined process as defined in Chapter 9.

There will be no Low Value development on the coastline within the MSR.

Coastal bays within the Community Wildlife reserves (Buffer Zones) will also hold Low/Medium Volume and High value developments.

Concession contracts will be structured in a manner that will ensure that the concessionaire will have strong links to secondary developments in the various components of the TFCA. This will be critical in ensuring effective circulation through the TFCA. This integration of components is the fundamental principle that will differentiate the TFCA as having a unique product.

Low Volume / High Value development node on Camandjuba peninsula. Gold Market.

This Low Volume and High Value development with its exclusive area (developed in the medium term) will remain as part of the long term Tourism Development Framework. The development footprint should not exceed 3 hectares while the exclusive access area should be in the region of 8 000 – 15 000 hectares. Concessioning must be governed by a defined process as defined in Chapter 9.

The concession contract will be structured in a manner that will ensure that the concessionaire will have strong links to secondary developments in the various components of the TFCA.

Wilderness 4x4 trails and remote camping

This activity will be stopped once the tourism value of this area has been raised through the repopulation of game species. The high value Concessionaires will be utilizing these opportunities in the long term.

The 4x4 routes and 2 remote campsites established in the short term in the MSR between the coast and the Futi river will be retained but will be used by the various concessionaires. The area will be used communally by all the concessionaires. Exclusive areas are limited to the development nodes.

Use of the 4x4 camp sites should be through reservation only.

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Low Volume / Medium Value development along the Futi River. Silver to Gold Market.

Within the MSR component of the TFCA, 4 medium value concessions can be developed on the Futi river. These developments may have associated exclusive use areas and will offer game viewing along the Futi River and floodplains. The development footprint should not exceed 3 hectares while the exclusive access area should be in the region of 8 000 – 15 000 hectares. Concessioning must be governed by a defined process as defined in Chapter 9.

Opportunities for linkages to 2 medium value concessions within the Tembe Elephant Park exist. These developments may have associated exclusive use areas and will offer game viewing along the Musi (Futi River) and floodplains.

These concessions should ideally be linked to the primary coastal concessions in order to ensure tourism flow through the components of the TFCA.

Low Volume / Medium Value development along the Rio Maputo floodplain lakes. Silver to Gold Market.

Four Low Volume / Medium Value concessions are identified on Rio Maputo floodplain offering access to tiger fishing, game viewing, birding. Activities can be both land and water based. Opportunity also exists within the Community Wildlife reserves for the exploitation of other consumptive uses such as hunting.

A further two Low Volume and Medium Value concessions are identified within Ndumo on the South African side.

These concessions should ideally be linked to the primary coastal concessions in order to ensure tourism flow through the components of the TFCA.

Medium Volume / Medium Value development within the Usuthu Gorge.

A Medium Volume, Medium Value node in Usuthu Gorge providing access to rafting and the gorge for the various concessions operating within the TFCA.

The development nodes indicated represent the long term Tourism Development Framework for the Mozambican component of the TFCA. The roll-out plan for implementation of the tourism development will be defined in Stage 2 & 3 **(Section 9 & 10)**.

8. Identified Issues to be addressed by IDDP:

These issues are seen as being important for the successful future development of Tourism in the TFCA and Matutuine district as a whole.



Determine road and border post issues.

Ponta Do Ouro Maputo Commercial Link

The potential development of this route has implications for the tourism development of the TFCA.

The Lubombo SDI agreement indicates that commercial traffic to and from Maputo should make use of the Goba border post, however with the development of Ponta Do Ouro there will be commercial and tourism traffic utilizing this route. The issue of whether the Mozambique/RSA border will allow commercial traffic needs to be clarified. If commercial traffic is allowed then this route may become utilized to the point where it severely impacts on the tourism potential of the region of the MSR bordering the road.

This link provides access control problems to the MSR. Park Access gates are planned on this road where it enters the MSR at the Futi River and exits to the south near Zithundo. Access protocols need to be established to control the through flow of traffic. The following issues must be addressed:

- Access times. The Park does not allow access between sunset and sunrise. How will this issue be resolved.
- Vehicle restrictions. What category of vehicles will be allowed. The MSR does not allow motorbikes.
- Fee structures. Will all traffic passing through the MSR on this road be liable to pay park entry fees?

Alternative Commercial Link

A potential alternative Commercial link has been proposed to link the three countries through a combined border post as indicated on the figure. This route has the potential to revitalize the commercial agricultural operations in the Catuane region of the Matutuine district.

Border Posts

As soft approach to border crossing is proposed for tourists within the TFCA:

A tourist entering the TFCA from Mozambique may travel into the Swaziland and RSA components of the TFCA without performing immigrations. However this tourist may not leave the TFCA through a country other than Mozambique. The same will apply to tourists entering through Swaziland or RSA.

Determine feasibility of commercial agriculture on Rio do Maputo.

The former existence of large scale commercial agricultural projects near to Catuane and along the Rio Maputo indicate that this region may be able to revitalize these activities as an economic driver. This should be investigated further and possible funding for such projects identified.

The existing roads servicing these areas should be upgraded to enable products to reach markets.

Determine feasibility of community wildlife reserves.

The potential future existence of the Community Wildlife Reserves as a part of the TFCA must be considered by the IDDP so that planning does not preclude this opportunity. For example, agricultural concessions should not be awarded in these areas.

The potential future extension of Community Wildlife Reserves to create a tourism and ecological link with the Liquati Forest Reserve should be considered during district planning.

- Determine boundaries within Matutuine Province of the Community Wildlife Reserves, Commercial Agriculture and other adjacent land uses.

STAGE 2 – Phasing Program

9. Phasing Programme

This programme is based on the adoption of the Tourism Development Framework which advocates the linkages between the various components of the TFCA in order to strengthen the product and maximise the unique opportunities offered by the region.

The current tourism product that can be offered by the TFCA is very different from the long term tourism objective. For this reason a phased approach to tourism development is advocated in order to ensure that tourism development occurs in an optimal manner that takes full advantage of the economic opportunities offered at the various stages.

9.1. Phase 1

Summary of Phase 1 tourism opportunities within the MSR and Futi Extension

- Coastal bays. This opportunity is currently available for development. No, or very little, intervention is required in order to improve attractiveness of the identified sites.
- The floodplains and delta area of the Futi River, Coastal Lakes, “Sacred forests” are pristine in terms of flora, however the fauna populations of these areas are much depleted. Currently sections of these areas are being utilised by rural communities for subsistence agriculture and livestock farming.
- The Camandjuba Peninsula between the Maputo River and Futi floodplain offers pristine flora, however fauna populations are depleted. Currently sections of this area are being utilised by rural communities for subsistence agriculture and livestock farming.

Objective of Phase 1 Tourism Development

- Income generation for the MSR and the TFCA as a whole.
- Generation of maximum value from available tourism opportunities in the short, medium and long term. It follows from this that development should not tie-up or limit the future potential of a site. Opportunities should be developed in manner that allows greater benefits to be derived as the opportunity matures to allow this.

Steps to be initiated

The opportunities for development have been identified in the Tourism Development Framework, however as this is a “greenfields” type development

the alignment of the product and the market have not been clearly defined. Prior to commencing with the concession process it is important that Expressions of Interest be invited to be able to determine the products to be offered to best capitalise on the market.

Outcomes of Expression of interest process:

- a. Should there be strong interest in the product by established and experienced operators then the option exists to initiate the concession process. It is recommended that only 2 of the primary bays be put out to tender as 20 year concessions in the short term.
- b. Should there be limited interest from established and experienced operators, this indicates that the barriers to entry are perceived to be too high and that the product requires further establishment before high value can be obtained from long term investment opportunities. In this case shorter term concessions (7-10 years) with lower infrastructural investment but still catering to the high value market, should be initiated. This will allow for the opportunity to fully capitalise on the value of the tourism opportunities once the product has become better established.

9.1.1. Low Volume and High Value Development

This product will be defined through the “Expression of Interest” process.

As there has been no formal “Expression of Interest” process and given the fact that the product is not established at present, it is assumed that maximum financial benefit cannot be generated through the current development of long term concessions.

To this end Medium Term (8 year) Low Volume High Value concessions should be developed at 2 of the primary coastal sites as part of Phase 1.

Overview

2 x 30 bed up market lodges at identified coastal sites. (Ponta Chemucane, Milibangalala or Dobela). These low volume nodes will be associated with the use of an exclusive area.

These opportunities will be offered once the concession process has been established. The opportunities during Phase 1 are based within the MSR and the concession contracts will be modeled on a Private/Public partnership between the concessionaire and the MSR.

The Concessions will be aimed at the Gold class market, and all meals and activities will be included in the package. The Concession activities will be lodge-based (viewing decks, swimming pools, wellness centers), water-based (boating, fishing, diving) and game based (walks, drives).

The access roads to the respective lodges will be private, and will be developed by the respective Concessionaires.

9.1.2. Medium Volume and Medium Value Development

Overview

The MSR should develop several 4x4 wilderness trails through the various components of the TFCA. This product can be developed using donor funding. A primary facility in the form of coastal campsite with good facilities, and several secondary campsite facilities in the different regions of the TFCA (Futi River, Coastal lakes, floodplains) should be developed.

This package should be tendered as an Operator Contract for a period of 3 years, thereby allowing the re-evaluation of tourism development opportunities as the overall product develops.

This product will provide access to the MSR and generate revenue in the Short term.

TOURISM DEVELOPMENT – PHASE I PROGRAM

PRODUCT	ACTION	YR 0 200 6	YR 1	YR 2	YR 3	YR 4	YR 5	YR 6	YR 7	YR 8	YR 9+
MSR	Complete Erection of Elephant restraining Line and Entrance Gates from Mozambique into the Park, i.e. Futi, Salamanga, Machangulo.										
Park Authority Development	MSR develop and manage Coastal Campsite										
4x4 Operator contract	MSR develop 4x4 trail and campsites. Select Operator for trail and campsite.										
Medium term Coastal concessions	Concession Process and development of infrastructure										
Voluntary resettlement of local communities.	Start process										
Community Wildlife Reserves	Community partnerships developed by MSR community broker										
Facilitate trans-border game migration	Erect Big Game fencing around MSR. Remove fence between MSR and Tembe										
Diversity of game	Introduce game in MSR										

9.2. Phase 2

Phase 2 should only be initiated once several criteria have been met:

- Fencing issues have been resolved. A full game proof fence has been established around the MSR and Futi Extension.
- Game populations have been re-established in the MSR and Futi Extension to a level that provides a viable tourism game product.
- The fence between the MSR, Tembe and Ndumo have been removed allowing the movement of game between the various components.
- Community partnerships have been developed to the extent that the Community Wildlife Reserves offer secure opportunities for tourism development.

Based on current progress of the MSR project implementation unit it is anticipated that the above criteria will be met within a timeframe of approximately 8-10 years. This timeframe is an estimation and may vary substantially.

Summary of Phase 2 tourism opportunities within the MSR, Futi Extension and Community Wildlife Reserves

- Coastal bays. This opportunity is available for development. The value of this product will be enhanced by the existence of successful High Value Tourism operations established in Phase 1.
- The floodplains and delta area of the Futi River, Coastal Lakes, "Sacred forests" are pristine in terms of flora. Fauna populations of these areas have been re-established. A viable ecological and tourism link exists between the South African and Mozambican components of the TFCA.
- The Community Wildlife Reserves have been established and offer access to the Rio Maputo floodplain combined with an established game product. These areas present the opportunity for both consumptive and non-consumptive utilisation. They also provide opportunity for High value coastal development.
- The Camandjuba Peninsula between the Maputo River and Futi floodplain offers pristine flora and re-established game populations.

Objective of Phase 2 Development

- Income generation for the MSR and the TFCA as a whole.
- Generation of maximum value from available tourism opportunities in the long term.

Steps to be initiated

The opportunities for development have been identified in the Tourism Development Framework.

9.2.1. Low Volume and High Value Development

During Stage 2 the concession process can be initiated for the tender of all 4 primary coastal sites linked to secondary sites along the Futi River and the Rio Maputo floodplain. These will be Long Term concessions (20 years).

During Stage 2 primary coastal developments will also be developed at sites identified within the Community Wildlife Reserves (Ponta Techobanine, Mamoli, Mucombo ou Majumbo). These primary developments must also be linked with secondary developments along the Futi River and Maputo Floodplain.

Ponta Camandjuba will be put out for Low Volume High Value Concession. This product may or may not be linked to secondary development sites (to be determined through Expression of Interest).

The concessionaires will utilise the interstitial area between developments for the undertaking of tourism related activities.

9.2.2. Medium Volume and Medium Value Development

No Medium Volume and Medium Value development will occur during Phase 2.

The existing Medium Volume Medium Value development initiated during Stage 1 will be replaced by Low Volume High Value development as described above.

TOURISM DEVELOPMENT – PHASE II PROGRAM

PRODUCT	ACTION	YR 0 2006	YR 1	YR 2	YR 3	YR 4	YR 5	YR 6	YR 7	YR 8	YR 9	YR 10	YR 11+
Primary Coastal High Value Concessions	Concession and Contract Process. Development of facilities.												
High value development in Futi Corridor	Concession and Contract Process. Development of facilities.												
High value development in Futi Corridor	Concession and Contract Process. Development of facilities.												
High value development Ponta Camandjuba	Concession and Contract Process. Development of facilities.												

DRAFT

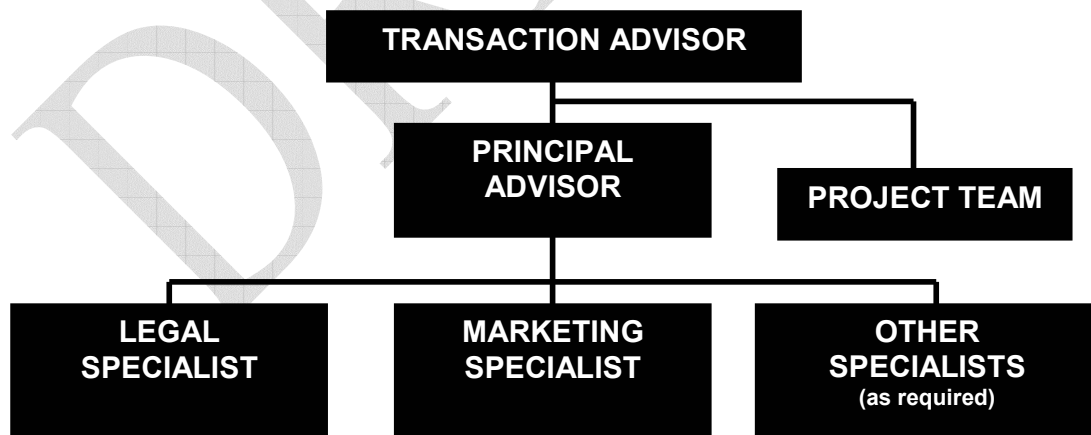
9.3. Concession Process

The Concession process must ensure that maximum benefit is derived from the development of the Mozambican component of the Futi TFCA. This includes income generated for the MSR, opportunities created for the Local Communities as well as the attraction of tourists to Mozambique through the TFCA. This can only be achieved if the development risks are reduced and opportunities maximized. A transparent and professional Concession process should ensure that potential bidders are not only available to bid, but also that the highest possible bid will be achieved.

A Transaction Advisor must be appointed to manage the Concession Process through all its phases. It is recommended that a Consultant with international experience be appointed as Principal Advisor to assist with the Concession Process. The Principal Advisor would normally appoint and manage all other Advisors. They should appoint a Legal Firm, who will be responsible for reviewing the legal framework, reviewing of the Contract and other documents, as well as advising on all legal matters. A Marketing Firm should also be appointed to analyze the market and to confirm the Concession opportunities.

Besides the Principal, Legal and Marketing Advisors, the Project Team must be established that will assist with the development of the documentation, the bid process as well as the implementation of the Concessions. (See proposed Concession Team Organogram)

PROPOSED CONCESSION TEAM:



The Project Team will consist of members of the Mozambique Government, the ECDA, MSR Staff and other persons nominated.

The Concession process should consist of the following Phases which are part of the complete project Life Cycle:

TABLE 1 – Timeline of Events & Tasks for Outsourcing – Source: O’Looney, 1998

EVENTS and TASKS	
1. Strategic Analysis of the Need to Outsource	2. Analysis of the Negotiated Environment
3. Assess Service Needs	4. Determine the Scope of Work
5. Review Previous Outsourcing Issues	6. Establish Outsourcing Policies and Procedures
7. Rank desired Payment Methods	8. Estimate Cost/Price of Contract
9. Choose Contracting Solicitation Process	10. Make Assessment of Contract Risks
11. Prepare an RFP	12. Develop Negotiating Strategy and Staff
13. Review RFP by Legal, Financial, Risk Advisors	14. Choose Timing of the RFP
15. Finalize Bidders List and issue RFP	16. Finalize Awards Criteria
17. Select Evaluation Panel	18. Conduct Bidders Conference
19. Open Review Proposals for Compliance	20. Instruct Panel in Award Criteria
21. Evaluate & Rank Accepted Proposals	22. Award Proposal if Low-bid Rules Apply
23. Begin Negotiation with Top Ranking Bidder	24. Terminate Negotiations if unsuccessful
25. Negotiate with next-ranking Bidder	26. Prepare Final Contract
27. Have Contract Reviewed by Advisors	28. Finalize Contract Monitoring Criteria and Staff
29. Award and Sign Contract	30. Handle Award Protest
31. Establish Plan for Record Keeping & Communication	32. Conference with Contractor
33. Implement Monitoring Plan	34. Begin Contract
35. Implement Conflict Plan	36. Amend Contract
37. Handle Claims	38. Terminate Contract

9.3.1. Conceptual Phase (3 Months)

During the Conceptual Phase, the development of the tourism opportunities as a Concession must be evaluated holistically, and must be seen as part of the MSR Business Plan. The desire to out-source must be properly evaluated to determine what the actual need of the MSR and Mozambique Government is.

The internal and external factors influencing the MSR must be identified and taken into consideration. The needs-analysis is therefore the first step that must be taken, and the output would be a clearly defined NEED, and the approval of this NEED is the first milestone of the Concession process. The following questions must be asked and answered to finalize the need:

Are the existing opportunities clearly defined and understood?

This is a very important first step and it would include a clear understanding of the tourism opportunities in the MSR. The actual opportunity value must therefore be determined, in order to ensure that a fair price will be obtained in the bidding process. This first step will then lead to the next question:

What are the objectives of the MSR?

Only now can the goals or objectives of the MSR clearly be identified. The goals can include quality, profit, service level or other specific objectives. It should also define the level of control over the out-sourced business that is required.

How can these objectives best be achieved?

Different options available must be evaluated. The cost implications, as well practical implementation should be taken into consideration.

What will the system design be?

Only after all the different options available were evaluated, can a final decision be made on the system design for the Concessions in MSR. The actual out-sourcing or Concession process should also be broadly defined, and should include the pre-tender stage, bidding and tender stage, evaluation and implementation stage.

During the Conceptual Phase, the actual NEED of MSR is determined, and only then can a strategic decision to outsource the tourism opportunities be taken. This is the first milestone, and marks the actual start of the Concession process.

Note: Some aspects of the Conceptual Phase have been completed in this Tourism Development Framework, and should be revisited and finalized.

9.3.2. Definition Phase (10 Months)

The definition phase will start once formal approval for the development of the Concessions has been received. During this Phase the complete Concession process must be designed. It is important that quality must be designed into the system. The design of the Concession process should include the following aspects:

Legal Review

The Legal Firm appointed must do a complete legal review, to ensure a sound legal base exists for the Concession opportunities to be developed on. The review will include the following aspects:

- Are National and other Legislation in place to support the MSR and the development of Concessions?
- Did the Authorities have the legal powers to make and implement decisions taken to date, and are structures in place to ensure legal decisions in future.
- Are there any land claims from communities or other users/Concessions on MSR, and how will these claims be managed.
- Will the Concession Contract provide legal protection to the Concessionaire against poor or mal-performance of the MSR or Government Authorities?
- Identify any other legal or other risks that exist.

The Bidding Process

The bidding process must include the following aspects, as identified by O'Looney:

- ❑ Finalize the actual value of each Concession opportunity. By doing this, the minimum bid price can be determined.
- ❑ Choose the solicitation process (e.g. RFP [Request for Proposal], RFQ [Request for Quote]). The applicable process must be chosen that will ensure the best in the market bid.
- ❑ Prepare and review the RFP
- ❑ Determine bidder selection process (pre-qualification, qualification). This must ensure transparency and a fair process.
- ❑ Design bidder information process (Bidders conference, library, due diligence period)
- ❑ Identify the selection criteria and selection panel

Develop the Communication Strategy

The communication strategy must ensure that all role-players and stakeholders are informed during the process. It is essential that not only the public and potential bidders are informed, but keeping the staff and officials of the MSR and the Government informed, is a critical part to ensure, not only that the bidding process is successful, but also the implementation after a bid was awarded. Buy-in will only occur if people are involved in the process, and this is a critical success factor. The communication strategy must include the following:

- ❑ Public participation process (legal requirement, press, radio, meetings). By informing the public, the risk of bad publicity or incorrect perceptions is reduced.
- ❑ Staff/official information process (meetings, brochures, and information sessions). This will not only ensure buy-in, but staff/officials will also provide valuable input into the process.
- ❑ Bidders Information (advertisements, conference, library). By ensuring that potential Bidders are informed, the risk of uncertainty is reduced, and this should result in higher bid prices.

The Implementation Strategy

The Implementation Strategy is the "Game Plan" to ensure that the Concessions can be successfully developed, and must include the following:

- ❑ MSR Staff. The roles and functions of the MSR staff must be clarified with all role-players. Since MSR will still manage the Park including the Concession areas, responsibilities and lines of communication must be clarified.
- ❑ Management. Ensure that the management structure is finalized and that staff are trained or appointed to support the new Concessions.
- ❑ Operational Manual (Define roles and responsibilities of the MSR as well as the Operator/Concessionaire). The completion of the Draft Operational Manual will not only give the potential bidders a clearer picture of the business, but will also ensure that smaller issues, that can have major impact on the Concession, are addressed.

- ❑ Business Control (Reports required, Manager appointed, etc). This will ensure that the transfer process, as well as the subsequent operations of the Concessions are monitored and rectified where necessary.
- ❑ Quality Control (Measures, mechanisms, corrective actions). The “goalposts” must be determined up front, as well as how the outputs will be measured.
- ❑ Assets (Transfer, sold, valued). Will the existing assets be transferred or sold, and what will happen to the assets at the end of the period if it is a fixed Concession period.

Risk Analysis

A formal risk analysis must be conducted where all the potential risks in each Concession are identified, and the impacts of the risks quantified. The Risk Management Plan will include these risks, as well as the ways to mitigate or control them. By multiplying the chance of occurring with the impacts, risks can be ranked. By managing these risks during the different phases, the potential to create wealth is optimized.

Work Breakdown Structure

The Concession process as well as each Concession must now be broken down into the different elements in a hierarchical format (WBS), until the lower level elements can be managed in terms of cost, schedule and resources required. Each element can then be managed as a Work Package, while still integrated in the WBS.

Cost Estimates

Realistic cost estimates must be developed for the Concession process, as well as for each Concession. This must include the real cost of the phases, as well as the potential income of each Concession. Specific items that must be allowed for includes the following:

- ❑ Costs of Project Management Team;
- ❑ Costs of Specialists and Advisors (Legal, IFC, Asset Valuers, other);
- ❑ Costs of Bidding Process (Advertisements, meetings, evaluation process);
- ❑ Cost to implement;
- ❑ Cost to manage and control the operational phase and
- ❑ Cost to decommission.

The cost estimates are used to determine the Net Present Value and Internal Rate of Return of the Concession opportunity. The potential creation of wealth can therefore be determined.

Schedule Requirement

The Project Schedule must be developed and must make provision for realistic time estimates for the different elements. A mistake that is frequently made is that the decision to outsource should be implemented as soon as possible. However, the preparation phase will determine the final outcome and wealth created or destroyed in the process. If maximum potential or income is not ensured, then the correct potential bidders are not attracted. The Project Schedule must therefore make provision for the design of the process, as well as the information/buy-in of staff/officials. Only then can the bidding continue and the implementation start.

9.3.3. Implementation and Monitoring Phase

The Implementation Phase can commence when the objectives of the Definition Phase have been achieved, and formal approval has been obtained for the process to go into the next phase. Although it is not possible to identify all risks and to foresee all possible events, good planning will dramatically increase the potential of successful implementation.

The Implementation Phase will include the bidding process, allocation of Concessions to successful bidders, as well as the development and operation of the Concession. It is important that the process be supported during the bidding, development and operational phases. During the Implementation Phase, a Concessions Contracts Manager will have to be appointed to monitor that the Concessions are developed as approved in the Concession Contracts, and he will assist the Concessionaires during this process.

STAGE 3 – Financial Feasibility & Roll-out

10. Financial Feasibility

The Tourism Opportunities will be developed primarily as Concessions. The Concession Process can take several years to be implemented. However, the Mozambique Government would like to see tourists coming into the Park at the earliest time. One can address this need by introducing Park Authority Developments, whereby tourism opportunities are developed and managed initially by the MSR. These opportunities can be developed by external or donor funds, and can be managed by the MSR Staff or by Operators under the control of MSR.

10.1. Phase 1

10.1.1. Product – 8 Year Coastal Concessions

Medium Term concessions (8 years) for the development of 30 bed luxury facilities.

Location:

Two primary bays within the MSR. Final sites to be decided through expression of interest.

Market:

The Gold market segment will be targeted. The average rate charged per bed night is likely to be in the region of Euro 400.

Needs satisfied by Product:

The Basic Needs for the 8-year Low Impact High Value Concessions are:

- a) Create an opportunity to attract gold and platinum class tourists to the MSR
- b) Income generation for the MSR and the region. Positive spin offs for communities.
- c) Minimize the risk and need for capital by MSR, by developing the area on a Concession basis.
- d) Maximize the possible income generated for MSR in the short to Medium term while allowing the greater revenue earning potential of the opportunity to be realized once the overall TFCA product becomes established.

- e) Maximize the possible income generated for MSR, without negatively impacting on the wilderness qualities of the area.
- f) Maximize opportunities created for the local communities during development and operational phase. This includes labour, as well as the supply of products or services.
- g) Ensure that the integrity of the area is retained through effective conservation management of the area as a high value tourism asset

Social impacts:

- a) The impacts on the communities should be mainly positive, due to the creation of job and other opportunities.
- b) These concessions will be based on a Private/Public partnership. There is no direct community stake holding, however community benefits should be incorporated through the development of reasonable empowerment criteria in the bid documentation.

Resource Requirements:

a) Planning Phase

- During this Phase the Concessionaire will complete the Final Design as well as EIA Process. All resources required will be provided by the Concessionaire
- The MSR Concessionaire Manager will coordinate activities and assist the Concessionaire with the development and operations of the Concession. The Concessionaire Manager will represent the MSR, and will ensure that the Concessionaire implement and operate the Concession as intended in the Concession contract. The Concessionaire Manager will spend an estimated 2 days per month on the Concession.

b) Development Phase

- During this Phase, the Concessionaire will develop the Concession as approved in the EIA process. The Concessionaire will be responsible for all costs related to the development.
- The support function of the Concessionaire Manager will continue. The Concessionaire Manager will spend an estimated 2 days per month on the Concession.

c) Operational Phase

- During this Phase the Concessionaire will operate the Concession as approved in the Contract. The Concessionaire will be responsible for all operational costs.

- The support function of the Concessionaire Manager will continue. The Concessionaire Manager will spend an estimated 1 day per month on the Concession.

Environmental Impacts

Environmental Guidelines will be developed during the bid process, which will form part of the bid documentation. The Environmental Guidelines must address all issues that can affect or impact on the environment. This will also define the EIA Process to be followed, as well as the appointment of an independent Environmental Control Officer during the development and operational phase, to monitor the implementation of the EMP's developed.

The environmental implications should be kept to a minimum with this type of development, and must be evaluated during the EIA Process.

Financial Component:

- All Figures are provided in Euros
- No consideration is taken of inflation. All calculations have been reflected at Net Present Value (NPV)

High Value 8 year concessions								
Income	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8+
Lodge: Maximum Beds	32	32	32	32	32	32	32	32
Rate per bed	€ 400.00	€ 400.00	€ 400.00	€ 400.00	€ 400.00	€ 400.00	€ 400.00	€ 400.00
Occupancy	30.00%	35.00%	40.00%	45.00%	50.00%	55.00%	60.00%	60.00%
Concession Income	€ 1,401,600.00	€ 1,635,200.00	€ 1,868,800.00	€ 2,102,400.00	€ 2,336,000.00	€ 2,569,600.00	€ 2,803,200.00	€ 2,803,200.00
Concession Fees	€ 140,160.00	€ 163,520.00	€ 186,880.00	€ 210,240.00	€ 233,600.00	€ 256,960.00	€ 280,320.00	€ 280,320.00

10.1.2. Product – 3 Year Operator Contract

Development of Coastal campsite and 4x4 trails (Including campsites) by MSR to be transferred to operator on 3 year contract. This contract period may be renewed until such time as the criteria for the initiation of Phase 2 developments have been met.

This will ensure that Medium Value guests traveling with their own vehicles get access to the MSR. Certain routes will be open for unguided and guided 4x4 driving with several designated campsites. The Coastal camp will allow access to the seaboard for self drive visitors.

The development of tourism opportunities by MSR will be an interim arrangement, to allow tourists to visit the Park, while the Concession Process is developed and implemented. The funding of these opportunities must be sourced (Government or Donor funds) for the capital and operational expenses.

Another option is to develop these opportunities in conjunction with a preferred Operator. Such an Operator will be selected, based on ability and capacity, and will manage the product for a short period (typically three years). While the MSR will provide a basic budget for the initial development, the Operator can also contribute to the development costs, on the following conditions:

- a) The Capital Cost of the Operator will be amortized over an agreed period, and the Operator will be reimbursed with the remaining portion at the end of his Contract.

Coastal Campsite

The Coastal Campsite to consist of 10 sites (maximum of 6 people per site) with good facilities.

A maximum of 3120 people can be accommodated per annum. The suggested rate per person is Euro 10 per night.

The launching of Boats will be allowed from this point. A launching fee for boats should be implemented; however this should be administered by the MSR and does not form part of the Operator Contract.

The opportunity also exists for the establishment of a dive center.

4x4 Trails

Initially 1 non-guided and 1 guided 4x4 trail will be developed on existing tracks through the MSR and Futi extension accessing the various different components of the region. Basic wilderness campsites should be developed at scenic locations. A total of 6 campsites will be sited throughout the MSR and Futi. Each campsite will consist of 3 campsites allowing a total of 12 people. These campsites will be very primitive. Campsites utilised by unguided trails will be unattended, while those used for guided trails will have a camp attendant. The possibility of developing additional campsites in conjunction with the communities in the Community Wildlife Reserves should be exploited as this provides an avenue of immediate benefit to communities while providing access to an additional ecosystem.

These trails and wilderness campsites and Coastal Campsite will be developed by the MSR using donor funding. Once these products have been developed an Operator Contract can be entered into. The operator may invest additional capital in infrastructure development under specified conditions.

It is anticipated that the operator contract will be designed to allow for guided and unguided 4x4 trails. The operator Contract will provide the MSR with a 30% share of turnover for unguided trails and the Coastal campsite, and 20% share of turnover for guided 4x4 trails. Calculations of fees will occur on turnover accrued in the MSR. (Community fees are excluded from royalty calculations.)

10.1.2.1. Unguided trails

5 Unguided 4x4 trails a week will be operated. These trails will be 3 nights and 4 days. 2 nights will be at MSR campsites and 1 night can be in the Community Wildlife Reserve camp site. A maximum of 12 people per trail will be permitted. The cost per vehicle will be Euro 150 for the trail. 20% of this fee will be payable to the community operating the campsite in the CWR.

Program

The suggested program for the Unguided 4x4 trail under Operator Contract is as follows:

	Day 1	Day 2	Day 3	Day 4	Day 5	Day 6	Day 7	Day 8
Trail 1	Leave at 10:00 Over-night at 1 st camp	Leave at 08:00 Over-night at 2 nd camp	Leave at 08:00 Over-night at 3 rd camp	Leave at 08:00. Trail terminate at 15:00				
Trail 2		Leave at 10:00 Over-night at 1 st camp	Leave at 08:00 Over-night at 2 nd camp	Leave at 08:00 Over-night at 3 rd camp	Leave at 08:00. Trail terminate at 15:00			
Trail 3			Leave at 10:00 Over-night at 1 st camp	Leave at 08:00 Over-night at 2 nd camp	Leave at 08:00. Over-night at 3 rd camp	Leave at 08:00. Trail terminate at 15:00		
Trail 4				Leave at 10:00 Over-night at 1 st camp	Leave at 08:00. Over-night at 2 nd camp	Leave at 08:00. Over-night at 3 rd camp	Leave at 08:00. Trail terminate at 15:00	
Trail 5					Leave at 10:00. Over-night at 1 st camp	Leave at 08:00. Over-night at 2 nd camp	Leave at 08:00. Over-night at 3 rd camp	Leave at 08:00. Trail terminate at 15:00

At total of 260 trails can be conducted per annum resulting in a total maximum of 780 vehicles.

10.1.2.2. Guided Trails

5 guided and catered 4x4 trails a week will be operated. These trails will be 4 nights and 5 days. 3 nights will be at MSR campsites (different from non-guided trail) and 1 night can be in a Community Wildlife Reserve camp site (different from non-guided trail). A maximum of 12 people (4 per vehicle) per trail will be permitted. The cost per vehicle will be Euro 1000 for the trail. 5% of this fee will be payable to the community operating the campsite in the CWR.

Program

The suggested program for the guided 4x4 trail under Operator Contract is as follows:

	Day 1	Day 2	Day 3	Day 4	Day 5	Day 6	Day 7	Day 8	Day 9
Trail 1	Leave at 10:00 Over-night at 1 st camp	Leave at 08:00 Over-night at 2 nd camp	Leave at 08:00 Over-night at 3 rd camp	Leave at 08:00 Over-night at 4 th camp	Leave at 08:00. Trail terminate at 15:00				
Trail 2		Leave at 10:00 Over-night at 1 st camp	Leave at 08:00 Over-night at 2 nd camp	Leave at 08:00 Over-night at 3 rd camp	Leave at 08:00. Over-night at 4 th camp	Leave at 08:00. Trail terminate at 15:00			
Trail 3			Leave at 10:00 Over-night at 1 st camp	Leave at 08:00 Over-night at 2 nd camp	Leave at 08:00. Over-night at 3 rd camp	Leave at 08:00. Over-night at 4 th camp	Leave at 08:00. Trail terminate at 15:00		
Trail 4				Leave at 10:00 Over-night at 1 st camp	Leave at 08:00. Over-night at 2 nd camp	Leave at 08:00. Over-night at 3 rd camp	Leave at 08:00. Over-night at 4 th camp	Leave at 08:00. Trail terminate at 15:00	
Trail 5					Leave at 10:00.	Leave at 08:00.	Leave at 08:00.	Leave at 08:00.	Leave at 08:00.

					Over-night at 1 st camp	Over-night at 2 nd camp	Over-night at 3 rd camp	Over-night at 4 th camp	Trail terminate at 15:00
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At total of 260 trails can be conducted per annum resulting in a total maximum of 780 vehicles.

Staffing

The following staff will be required by the Operator:

- 1 Concession manager
- 1 Trails manager
- 5 Trails guides
- 4 Camp attendants
- 4 Cooks

Total Staff: 15 Persons (This excludes leave/relief staff)

Base camp

The Coastal Campsite will serve as the Base Camp for the Concession. It will include an office required to support the trials. The Office Complex will include the following:

- Reception and office, including toilets.
- Staff accommodation.
- Store room
- Vehicle parking and fuel tank.
- Radio base station and antenna.

The Base camp will be in radio contact with the Trails guides and the camping sites.

Camp sites

Four rustic safari camp sites will be developed along the route, specifically to cater for the guests of the Guided self-drive 4x4 trails. Each of these camp sites will include the following:

- 6 Tents for guests
- 1 Tent for guide
- Ablution facilities for male and female guests
- Kitchen for cooking purposes
- Lapa for food preparation and socializing purposes
- 1 Tent for camp attendant/cook

Market:

The Bronze and Silver market segment will be targeted. The campsite will charge a rate of Euro per person. The average rate charged per vehicle on the non-guided 4x4 trail will be Euro 150 while the guided 4x4 trail will be E1000.

Needs satisfied by Product:

The Basic Needs for the 3 year Operator Contract are:

- a) Create an opportunity to attract Bronze and Silver class tourists to the MSR in the short term, while creating awareness of the region as part of the medium to Long term product development process.
- b) Income generation for the MSR and the region. Positive spin offs for communities.
- c) Minimize the risk and barriers to entry by developing the area with donor funding for private operation on an Operator Contract
- d) Maximize the possible income generated for MSR in the short to Medium term while allowing the greater revenue earning potential of the opportunity to be realized once the overall TFCA product becomes established.
- e) Maximize the possible income generated for MSR, without negatively impacting on the wilderness qualities of the area.
- f) Maximize opportunities created for the local communities during development and operational phase. This includes labour, as well as the supply of products or services.
- g) Ensure that the integrity of the area is retained through effective conservation management of the area as a high value tourism asset

Social impacts:

- a) The impacts on the communities should be mainly positive, due to the creation of job and other opportunities.
- b) These developments will be based on a Private/Public/Community partnership. There is direct community stake holding through the development of facilities and activities in Community Wildlife reserves.

Resource Requirements:

- a) Planning Phase
 - During this Phase the MSR will complete the Final Design as well as EIA Process. All resources required will be provided by the MSR through donor funding.
- b) Development Phase

- During this Phase, the MSR will develop as approved in the EIA process. The MSR will be responsible for all costs related to the development.

c) Operational Phase

- During this Phase the product will be operated by an Operator as approved in the Contract. The Operator will be responsible for all operational costs.
- The support function of the MSR will continue. The MSR Concessionaire Manager will spend an estimated 7 hours per month on the Concession.

Financial Component:

A tabulation of costs and returns associated with the development of the above product is provided below:

Costs:

ITEM	UNIT	UNIT COST	TOTAL UNITS	TOTAL COST
A. DEVELOPMENT COSTS				
1. Fixed Assets (MSR)				€ 86,040.00
1.1 Sites for guided safari				
1.1.1 Site clearing	Each	250	6	1,500.00
1.1.2 Ablutions	Each	500	6	3,000.00
1.1.3 Kitchen/lapa	Each	500	4	2,000.00
1.1.4 Water supply	Each	8000	6	48,000.00
1.1.5 Sewage disposal	Each	2200	6	13,200.00
1.1.7 Water heating	Each	1000	4	4,000.00
1.2 Contingencies (5%)				
	Item			3,585.00
1.3 P&G's (15%)				
	Item			10,755.00
SUB-TOTAL:				86,040.00
2. Assets (Operator)				
				€ 46,300.00
2.1.1 Office				
	Each	7500	1	7,500.00
2.1.2 Accommodation for Trails manager				
	Each	10000	1	10,000.00
2.1.3 Tents (Guests)				
	Each	1000	24	24,000.00
2.1.4 Accommodation Guides				
	Each	600	4	2,400.00
2.1.5 Accommodation Camp Attendants				
	Each	600	4	2,400.00
SUB-TOTAL:				46,300.00

B. WORKING CAPITAL				
1 Items				€ 218,000.00
1.1 Vehicle & trailer				
	1	40000	5	200,000.00
1.2 Rifles				
	1	1200	5	6,000.00
1.3 Radios				
	1	500	6	3,000.00
1.4 Furniture, stretchers etc.				
	Item	2250	4	9,000.00
SUB-TOTAL:				218,000.00

C. OPERATIONAL COSTS (per annum)				
1. Human resource costs				€ 217,520.00
1.1 Trails guides				
	1	9600	5	48,000.00
1.2 Camp attendants				
	1	3000	4	12,000.00
1.3 Trails manager				
	1	12000	1	12,000.00

2. Transport costs	Km	0.35	100,000	35,000.00
3. Maintenance costs				
3.1 Guided safari sites maintenance	Site	500	4	2,000.00
3.2 Self-drive safari sites maintenance	Site	850	3	2,550.00
3.3 Services infrastructure maintenance	Site	850	2	1,700.00
4. Consumables				
4.1 Gas	Site	3500	4	14,000.00
4.2 Cleaning material	Site	210	7	1,470.00
4.3 Other	Item	700	1	700.00
5. Inventory	Item	600	1	600.00
6. Meals (12 meals per trail per person)				
6.1 Tourists (50% occupancy)	Trail	300	260	78,000.00
6.2 Guides & camp attendants	Trail	15	260	3,900.00
7. Kitchenware				
7.1 Pots & pans	Site	550	4	2,200.00
7.2 Cutlery & crockery	Site	750	4	3,000.00
8. Other				
8.1 Sleeping bags	1	60	0	0.00
8.2 Cooler bags	1	80	5	400.00
SUB-TOTAL:				149600
D. OTHER COSTS				€ 35,000.00
1. Marketing				
1.1 Promotional items	Item	900	1	900.00
1.2 Advertising	Item	8000	1	8,000.00
2. Administration				
2.1 Telephone/fax costs	Item	850	1	850.00
2.2 Stationery	Item	250	1	250.00
3. Depreciation	Item	25000	1	25,000.00
SUB-TOTAL:				35,000.00

Returns:

Income	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9
Futi Unguided 4x4 Trail									
Max vehicles per year: (5 Trails per week)	780	780	780	780	780	780	780	780	780
Occupancies	45%	55%	60%	65%	70%	70%	70%	70%	70%
Income per vehicle	€ 150.00	€ 150.00	€ 150.00	€ 150.00	€ 150.00	€ 150.00	€ 150.00	€ 150.00	€ 150.00
Total Income	€ 52,650.00	€ 64,350.00	€ 70,200.00	€ 76,050.00	€ 81,900.00	€ 81,900.00	€ 81,900.00	€ 81,900.00	€ 81,900.00
Community Fee	€ 10,530.00	€ 12,870.00	€ 14,040.00	€ 15,210.00	€ 16,380.00	€ 16,380.00	€ 16,380.00	€ 16,380.00	€ 16,380.00
Concession Fee	€ 12,636.00	€ 15,444.00	€ 16,848.00	€ 18,252.00	€ 19,656.00	€ 19,656.00	€ 19,656.00	€ 19,656.00	€ 19,656.00

Futi guided 4x4 Trail									
Max vehicles per year: (5 Trails per week)	780	780	780	780	780	780	780	780	780
Occupancies	45%	55%	60%	65%	70%	70%	70%	70%	70%
Income per vehicle	€ 1,000.00	€ 1,000.00	€ 1,000.00	€ 1,000.00	€ 1,000.00	€ 1,000.00	€ 1,000.00	€ 1,000.00	€ 1,000.00
Total Income	€ 351,000.00	€ 429,000.00	€ 468,000.00	€ 507,000.00	€ 546,000.00	€ 546,000.00	€ 546,000.00	€ 546,000.00	€ 546,000.00
Community Fee	€ 17,550.00	€ 21,450.00	€ 23,400.00	€ 25,350.00	€ 27,300.00	€ 27,300.00	€ 27,300.00	€ 27,300.00	€ 27,300.00
Concession Fee	€ 66,690.00	€ 81,510.00	€ 88,920.00	€ 96,330.00	€ 103,740.00	€ 103,740.00	€ 103,740.00	€ 103,740.00	€ 103,740.00

Coastal Campsite									
Max number of people. (6 per campsite)	3120	3120	3120	3120	3120	3120	3120	3120	3120
Occupancies	50%	55%	60%	65%	70%	70%	70%	70%	70%
Income per person	€ 10.00	€ 10.00	€ 10.00	€ 10.00	€ 10.00	€ 10.00	€ 10.00	€ 10.00	€ 10.00
Total Income	€ 15,600.00	€ 17,160.00	€ 18,720.00	€ 20,280.00	€ 21,840.00	€ 21,840.00	€ 21,840.00	€ 21,840.00	€ 21,840.00
Concession Fee	€ 3,120.00	€ 3,432.00	€ 3,744.00	€ 4,056.00	€ 4,368.00	€ 4,368.00	€ 4,368.00	€ 4,368.00	€ 4,368.00

Total Income from Operator Contract									
Total Income	€ 82,446.00	€ 100,386.00	€ 109,512.00	€ 118,638.00	€ 127,764.00	€ 127,764.00	€ 127,764.00	€ 127,764.00	€ 127,764.00

10.2. Phase 2

Introduction

These opportunities will be offered once the concession process has been established. The opportunities during Phase 2 are based both within the MSR and in community land and the concession contracts will be modeled on a Private/Public/Community partnership between the concessionaire, the community and the MSR.

The Concessions will be aimed at the Gold and Platinum class market, and all meals and activities will be included in the package. The Concession activities will be lodge-based (viewing decks, swimming pools, wellness centres), water-based (boating, fishing, diving) and game based (walks, drives).

10.2.1. Product – 20 year Coastal Concessions

20 year Concessions for the development of 30 Bed luxury facilities.

Location:

Primary Bays within the TFCA, namely:

- Ponta Mucombo ou Majumbo
- Ponta Chemucane
- Ponta Membene
- Ponta Milibangalala
- Ponta Dobela
- Ponta Techobanine
- Ponta Mamoli

Description

- 4 x 30 bed Up market lodges at identified coastal sites within the MSR
- A further 2 x 30 bed up market lodges at identified coastal sites in community Wildlife Reserves (Ponta Mamoli, Ponta Mucombo).

These low volume nodes will be associated with the use of an exclusive area. The concession contracts will be structured in a manner that the concessionaires are obligated to develop a 20 bed up market facilities at identified sites in the Futi corridor and Rio Maputo Floodplain. Exclusive use areas will be awarded. Activities will be conducted within exclusive use areas and non-exclusive areas (shared by all concessionaires).

The access roads to the respective lodges and game viewing tracks within the exclusive use areas will be private, and will be developed by the respective Concessionaires.

Market:

The Gold market segment will be targeted. The average rate charged per bed night is likely to be in the region of Euro 400.

Needs satisfied by Product:

The Basic Needs for the 20 year Low Impact High Value Concessions are:

- a) Create an opportunity to attract gold and platinum class tourists to the MSR
- b) Income generation for the MSR and the region. Positive spin offs for communities.
- c) Minimize the risk and need for capital by MSR, by developing the area on a Concession basis.
- d) Maximize the possible income generated for MSR in the long term once the overall TFCA product has become established.
- e) Maximize the possible income generated for MSR, without negatively impacting on the wilderness qualities of the area.
- f) Maximize opportunities created for the local communities during development and operational phase. This includes shareholding, labour, as well as the supply of products or services.
- g) Ensure that the integrity of the area is retained through effective conservation management of the area as a high value tourism asset

Social impacts:

- a) The impacts on the communities should be mainly positive, due to the creation of job and other opportunities.
- b) These concessions will be based on Community/Private/Public partnership. Community benefits should be incorporated through the development of reasonable empowerment criteria in the bid documentation.

Resource Requirements:

- a) Planning Phase
 - During this Phase the Concessionaire will complete the Final Design as well as EIA Process. All resources required will be provided by the Concessionaire
 - The MSR Concessionaire Manager will coordinate activities and assist the Concessionaire with the development and operations of the Concession. The Concessionaire Manager will represent the MSR, and will ensure that the Concessionaire implement and

operate the Concession as intended in the Concession contract. The Concessionaire Manager will spend an estimated 2 days per month on the Concession.

b) Development Phase

- During this Phase, the Concessionaire will develop the Concession as approved in the EIA process. The Concessionaire will be responsible for all costs related to the development.
- The support function of the Concessionaire Manager will continue. The Concessionaire Manager will spend an estimated 2 days per month on the Concession.

c) Operational Phase

- During this Phase the Concessionaire will operate the Concession as approved in the Contract. The Concessionaire will be responsible for all operational costs.
- The support function of the Concessionaire Manager will continue. The Concessionaire Manager will spend an estimated 1 day per month on the Concession.

Financial Component:

A tabulation of returns associated with the development of the above products is provided below:

High Value 20 year concession – Primary Coastal Bays								
Income	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16+
Lodge: Maximum Beds	32	32	32	32	32	32	32	32
Rate per bed	€ 400.00	€ 400.00	€ 400.00	€ 400.00	€ 400.00	€ 400.00	€ 400.00	€ 400.00
Occupancy	30.00%	35.00%	40.00%	45.00%	50.00%	55.00%	60.00%	60.00%
Concession Income	1,401,600.00	1,635,200.00	1,868,800.00	2,102,400.00	2,336,000.00	2,569,600.00	€ 2,803,200.00	€ 2,803,200.00
Concession Fees	€ 140,160.00	€ 163,520.00	€ 186,880.00	€ 210,240.00	€ 233,600.00	€ 256,960.00	€ 280,320.00	€ 280,320.00

Number of concessions in MSR	4	4	4	4	4	4	4	4
Total Concession fees to MSR	€ 560,640.00	€ 654,080.00	€ 747,520.00	€ 840,960.00	€ 934,400.00	€ 1,027,840.00	€ 1,121,280.00	€ 1,121,280.00

Number of concessions in TFCA	6	6	6	6	6	6	6	6
Total Concession fees to TFCA	€ 840,960.00	€ 981,120.00	€ 1,121,280.00	€ 1,261,440.00	€ 1,401,600.00	€ 1,541,760.00	€ 1,681,920.00	€ 1,681,920.00

10.2.2. Product – 20 year Camandjuba Concession

30 bed up market lodge on the Camandjuba peninsula.

Description

This facility can be tendered as a stand-alone concession with exclusive use rights of the area between the Futi and Maputo rivers within the MSR.

The Concession will be aimed at the Gold and Platinum class market, and all meals and activities will be included in the package. The Concession activities will be lodge-based (viewing decks, swimming pools, wellness centres), water-based (boating on Rio Maputo) and game based (walks, drives).

The access roads to the respective lodges and game viewing tracks within the exclusive use areas will be private, and will be developed by the Concessionaire.

Market:

The Gold market segment will be targeted. The average rate charged per bed night is likely to be in the region of Euro 400.

Needs satisfied by Product:

The Basic Needs for the 20 year Low Impact High Value Concessions are:

- a) Create an opportunity to attract gold and platinum class tourists to the MSR
- b) Income generation for the MSR and the region. Positive spin offs for communities.
- c) Minimize the risk and need for capital by MSR, by developing the area on a Concession basis.
- d) Maximize the possible income generated for MSR in the long term once the overall TFCA product has become established.
- e) Maximize the possible income generated for MSR, without negatively impacting on the wilderness qualities of the area.
- f) Maximize opportunities created for the local communities during development and operational phase. This includes shareholding, labour, as well as the supply of products or services.
- g) Ensure that the integrity of the area is retained through effective conservation management of the area as a high value tourism asset

Social impacts:

- a) The impacts on the communities should be mainly positive, due to the creation of job and other opportunities.
- b) These concessions will be based on Community/Private/Public partnership. Community benefits should be incorporated through the development of reasonable empowerment criteria in the bid documentation.

Resource Requirements:

a) Planning Phase

- During this Phase the Concessionaire will complete the Final Design as well as EIA Process. All resources required will be provided by the Concessionaire
- The MSR Concessionaire Manager will coordinate activities and assist the Concessionaire with the development and operations of the Concession. The Concessionaire Manager will represent the MSR, and will ensure that the Concessionaire implement and operate the Concession as intended in the Concession contract. The Concessionaire Manager will spend an estimated 2 days per month on the Concession.

b) Development Phase

- During this Phase, the Concessionaire will develop the Concession as approved in the EIA process. The Concessionaire will be responsible for all costs related to the development.
- The support function of the Concessionaire Manager will continue. The Concessionaire Manager will spend an estimated 2 days per month on the Concession.

c) Operational Phase

- During this Phase the Concessionaire will operate the Concession as approved in the Contract. The Concessionaire will be responsible for all operational costs.
- The support function of the Concessionaire Manager will continue. The Concessionaire Manager will spend an estimated 1 day per month on the Concession.

Financial Component:

A tabulation of returns associated with the development of the above products is provided below:

High Value 20 year concession – Camandjuba Peninsula								
Income	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16+
Lodge: Maximum Beds	32	32	32	32	32	32	32	32
Rate per bed	€ 400.00	€ 400.00	€ 400.00	€ 400.00	€ 400.00	€ 400.00	€ 400.00	€ 400.00
Occupancy	30.00%	35.00%	40.00%	45.00%	50.00%	55.00%	60.00%	60.00%
Concession Income	€ 1,401,600.00	€ 1,635,200.00	€ 1,868,800.00	€ 2,102,400.00	€ 2,336,000.00	€ 2,569,600.00	€ 2,803,200.00	€ 2,803,200.00
Concession Fees	€ 140,160.00	€ 163,520.00	€ 186,880.00	€ 210,240.00	€ 233,600.00	€ 256,960.00	€ 280,320.00	€ 280,320.00

10.2.3. Product – 20 Year Futi Concessions

4 x 20 bed up market lodges at identified sites along the FUTI River within the MSR extension.

The Concessions will be aimed at the Gold and Platinum class market, and all meals and activities will be included in the package. The Concession activities will be lodge-based (viewing decks, swimming pools, wellness centres) and game based (walks, drives).

The access roads to the respective lodges and game viewing tracks within the exclusive use areas will be private, and will be developed by the respective Concessionaires.

The access roads to the respective lodges and game viewing tracks within the exclusive use areas will be private, and will be developed by the respective Concessionaires.

Market:

The Gold market segment will be targeted. The average rate charged per bed night is likely to be in the region of Euro 300.

Needs satisfied by Product:

The Basic Needs for the 20 year Low Impact High Value Concessions are:

- Create an opportunity to attract gold and platinum class tourists to the Futi floodplain region of the MSR
- Income generation for the MSR and the region. Positive spin offs for communities.
- Minimize the risk and need for capital by MSR, by developing the area on a Concession basis.
- Maximize the possible income generated for MSR in the long term once the overall TFCA product has become established.

- e) Maximize the possible income generated for MSR, without negatively impacting on the wilderness qualities of the area.
- f) Maximize opportunities created for the local communities during development and operational phase. This includes shareholding, labour, as well as the supply of products or services.
- g) Ensure that the integrity of the area is retained through effective conservation management of the area as a high value tourism asset

Social impacts:

- a) The impacts on the communities should be mainly positive, due to the creation of job and other opportunities.
- b) These concessions will be based on Community/Private/Public partnership. Community benefits should be incorporated through the development of reasonable empowerment criteria in the bid documentation.

Resource Requirements:

a) Planning Phase

- During this Phase the Concessionaire will complete the Final Design as well as EIA Process. All resources required will be provided by the Concessionaire
- The MSR Concessionaire Manager will coordinate activities and assist the Concessionaire with the development and operations of the Concession. The Concessionaire Manager will represent the MSR, and will ensure that the Concessionaire implement and operate the Concession as intended in the Concession contract. The Concessionaire Manager will spend an estimated 2 days per month on the Concession.

b) Development Phase

- During this Phase, the Concessionaire will develop the Concession as approved in the EIA process. The Concessionaire will be responsible for all costs related to the development.
- The support function of the Concessionaire Manager will continue. The Concessionaire Manager will spend an estimated 2 days per month on the Concession.

c) Operational Phase

- During this Phase the Concessionaire will operate the Concession as approved in the Contract. The Concessionaire will be responsible for all operational costs.

- The support function of the Concessionaire Manager will continue. The Concessionaire Manager will spend an estimated 1 day per month on the Concession.

Financial Component:

A tabulation of returns associated with the development of the above products is provided below:

High Value 20 year concessions								
Income	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16+
Lodge: Maximum Beds	20	20	20	20	20	20	20	20
Rate per bed	€ 300.00	€ 300.00	€ 300.00	€ 300.00	€ 300.00	€ 300.00	€ 300.00	€ 300.00
Occupancy	30.00%	35.00%	40.00%	45.00%	50.00%	55.00%	60.00%	60.00%
Concession Income	€ 657,000.00	€ 766,500.00	€ 876,000.00	€ 985,500.00	1,095,000.00	€ 1,204,500.00	€ 1,314,000.00	€ 1,314,000.00
Concession Fees	€ 65,700.00	€ 76,650.00	€ 87,600.00	€ 98,550.00	€ 109,500.00	€ 120,450.00	€ 131,400.00	€ 131,400.00

Number of concessions in MSR	4	4	4	4	4	4	4	4
Total Concession fees to MSR	€ 262,800.00	€ 306,600.00	€ 350,400.00	€ 394,200.00	€ 438,000.00	€ 481,800.00	€ 525,600.00	€ 525,600.00

Number of concessions in TFCA (Mozambican component)	6	6	6	6	6	6	6	6
Total Concession fees to TFCA (Mozambique)	€ 394,200.00	€ 459,900.00	€ 525,600.00	€ 591,300.00	€ 657,000.00	€ 722,700.00	€ 788,400.00	€ 788,400.00

10.2.4. Product – 20 Year CWR Concessions

4 x 20 bed up market lodges at identified sites along the Rio Maputo Floodplain.

The Concessions will be aimed at the Gold and Platinum class market, and all meals and activities will be included in the package. The Concession activities will be lodge-based (viewing decks, swimming pools, wellness centres), water based (Fishing, boat cruises) and game based (walks, drives).

The access roads to the respective lodges and game viewing tracks within the exclusive use areas will be private, and will be developed by the respective Concessionaires.

The access roads to the respective lodges and game viewing tracks within the exclusive use areas will be private, and will be developed by the respective Concessionaires.

Market:

The Gold market segment will be targeted. The average rate charged per bed night is likely to be in the region of Euro 300.

Needs satisfied by Product:

The Basic Needs for the 20 year Low Impact High Value Concessions are:

- a) Create an opportunity to attract gold and platinum class tourists to the Community Wildlife Reserve component of the TFCA.
- b) Income generation for the region. Positive spin offs for communities.
- c) Minimize the risk and need for capital by Communities, by developing the area on a Concession basis.
- d) Maximize the possible income generated for TFCA in the Long Term once the overall TFCA product has become established.
- e) Maximize the possible income generated for MSR, without negatively impacting on the wilderness qualities of the area.
- f) Maximize opportunities created for the local communities during development and operational phase. This includes labour, as well as the supply of products or services.
- g) Ensure that the integrity of the area is retained through effective conservation management of the area as a high value tourism asset

Social impacts:

- c) The impacts on the communities should be mainly positive, due to the creation of job and other opportunities.
- d) These concessions will be based on a Community/Private/Public partnership. There is direct community stake holding, and community benefits should be incorporated through the development of reasonable empowerment criteria in the bid documentation.

Resource Requirements:

a) Planning Phase

- During this Phase the Concessionaire will complete the Final Design as well as EIA Process. All resources required will be provided by the Concessionaire
- The MSR Concessionaire Manager will coordinate activities and assist the Concessionaire with the development and operations of the Concession. The Concessionaire Manager will represent the MSR, and will ensure that the Concessionaire implement and operate the Concession as intended in the Concession contract. The Concessionaire Manager will spend an estimated 2 days per month on the Concession.

b) Development Phase

- During this Phase, the Concessionaire will develop the Concession as approved in the EIA process. The Concessionaire will be responsible for all costs related to the development.
- The support function of the Concessionaire Manager will continue. The Concessionaire Manager will spend an estimated 2 days per month on the Concession.

c) Operational Phase

- During this Phase the Concessionaire will operate the Concession as approved in the Contract. The Concessionaire will be responsible for all operational costs.
- The support function of the Concessionaire Manager will continue. The Concessionaire Manager will spend an estimated 1 day per month on the Concession.

Financial Component:

A tabulation of returns associated with the development of the above products is provided below:

High Value 20 year concessions								
Income	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16+
Lodge: Maximum Beds	20	20	20	20	20	20	20	20
Rate per bed	€ 300.00	€ 300.00	€ 300.00	€ 300.00	€ 300.00	€ 300.00	€ 300.00	€ 300.00
Occupancy	30.00%	35.00%	40.00%	45.00%	50.00%	55.00%	60.00%	60.00%
Concession Income	€ 657,000.00	€ 766,500.00	€ 876,000.00	€ 985,500.00	€ 1,095,000.00	€ 1,204,500.00	€ 1,314,000.00	€ 1,314,000.00
Concession Fees	€ 65,700.00	€ 76,650.00	€ 87,600.00	€ 98,550.00	€ 109,500.00	€ 120,450.00	€ 131,400.00	€ 131,400.00

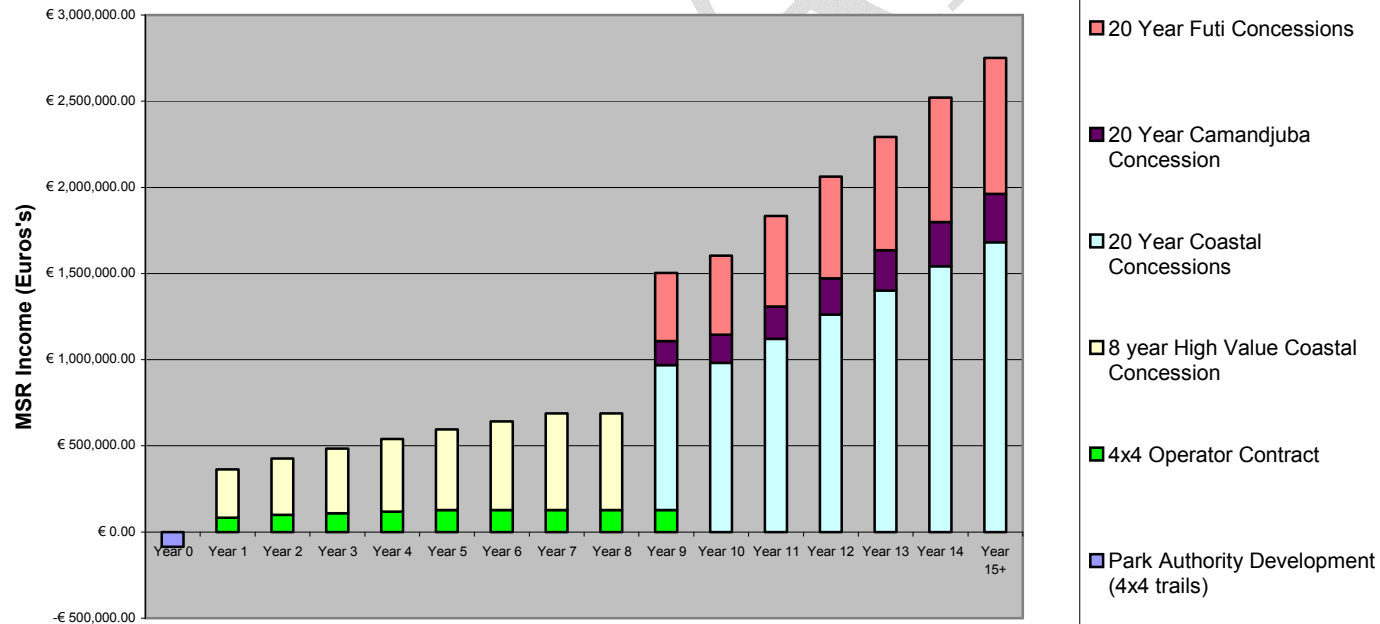
Number of concessions in MSR	0	0	0	0	0	0	0	0
Total Concession fees to MSR	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00

Number of concessions in TFCA	4	4	4	4	4	4	4	4
Total Concession fees to TFCA (Mozambique)	€ 262,800.00	€ 306,600.00	€ 350,400.00	€ 394,200.00	€ 438,000.00	€ 481,800.00	€ 525,600.00	€ 525,600.00

Master Summary for MSR

Product	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15+
Park Authority Development (4x4 trails)	-€ 86,040.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00
4x4 Operator Contract	€ 0.00	€ 82,446.00	€ 100,386.00	€ 109,512.00	€ 118,638.00	€ 127,764.00	€ 127,764.00	€ 127,764.00	€ 127,764.00	€ 127,764.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00
8 year High Value Coastal Concession	€ 0.00	€ 280,320.00	€ 327,040.00	€ 373,760.00	€ 420,480.00	€ 467,200.00	€ 513,920.00	€ 560,640.00	€ 560,640.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00
20 Year Coastal Concessions	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 840,960.00	€ 981,120.00	€ 1,121,280.00	€ 1,261,440.00	€ 1,401,600.00	€ 1,541,760.00	€ 1,681,920.00
20 Year Camandjuba Concession	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 140,160.00	€ 163,520.00	€ 186,880.00	€ 210,240.00	€ 233,600.00	€ 256,960.00	€ 280,320.00
20 Year Futi Concessions	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 394,200.00	€ 459,900.00	€ 525,600.00	€ 591,300.00	€ 657,000.00	€ 722,700.00	€ 788,400.00
Total Income to MSR	-€ 86,040.00	€ 362,766.00	€ 427,426.00	€ 483,272.00	€ 539,118.00	€ 594,964.00	€ 641,684.00	€ 688,404.00	€ 688,404.00	€ 1,108,884.00	€ 1,144,640.00	€ 1,308,160.00	€ 1,471,680.00	€ 1,635,200.00	€ 1,798,720.00	€ 1,962,240.00
Accumulated Income to MSR	-€ 86,040.00	€ 276,726.00	€ 704,152.00	€ 1,187,424.00	€ 1,726,542.00	€ 2,321,506.00	€ 2,963,190.00	€ 3,651,594.00	€ 4,339,998.00	€ 5,448,882.00	€ 6,593,522.00	€ 7,901,682.00	€ 9,373,362.00	€ 11,008,562.00	€ 12,807,282.00	€ 14,769,522.00

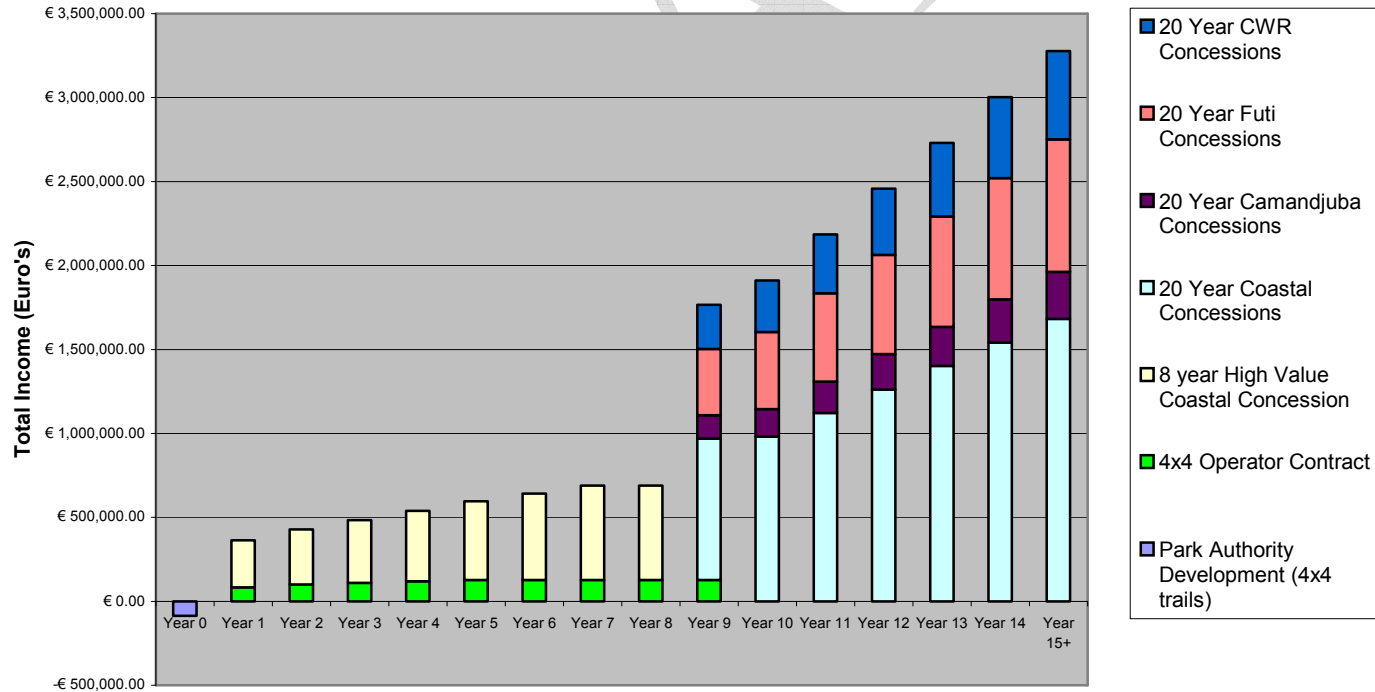
MSR Tourism Income



Master Summary for TFCA (Mozambican Component)

Product	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15+
Park Authority Development (4x4 trails)	-€ 86,040.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00
4x4 Operator Contract	€ 0.00	€ 82,446.00	€ 100,386.00	€ 109,512.00	€ 118,638.00	€ 127,764.00	€ 127,764.00	€ 127,764.00	€ 127,764.00	€ 127,764.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00
8 year High Value Coastal Concession	€ 0.00	€ 280,320.00	€ 327,040.00	€ 373,760.00	€ 420,480.00	€ 467,200.00	€ 513,920.00	€ 560,640.00	€ 560,640.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00
20 Year Coastal Concessions	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 840,960.00	€ 981,120.00	€ 1,121,280.00	€ 1,261,440.00	€ 1,401,600.00	€ 1,541,760.00	€ 1,681,920.00
20 Year Camandjuba Concessions	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 140,160.00	€ 163,520.00	€ 186,880.00	€ 210,240.00	€ 233,600.00	€ 256,960.00	€ 280,320.00
20 Year Futi Concessions	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 394,200.00	€ 459,900.00	€ 525,600.00	€ 591,300.00	€ 657,000.00	€ 722,700.00	€ 788,400.00
20 Year CWR Concessions	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 262,800.00	€ 306,600.00	€ 350,400.00	€ 394,200.00	€ 438,000.00	€ 481,800.00	€ 525,600.00
Total Income to TFCA	-€ 86,040.00	€ 362,766.00	€ 427,426.00	€ 483,272.00	€ 539,118.00	€ 594,964.00	€ 641,684.00	€ 688,404.00	€ 688,404.00	€ 1,765,884.00	€ 1,911,140.00	€ 2,184,160.00	€ 2,457,180.00	€ 2,730,200.00	€ 3,003,220.00	€ 3,276,240.00
Accumulated Income	-€ 86,040.00	€ 276,726.00	€ 704,152.00	€ 1,187,424.00	€ 1,726,542.00	€ 2,321,506.00	€ 2,963,190.00	€ 3,651,594.00	€ 4,339,998.00	€ 6,105,882.00	€ 8,017,022.00	€ 10,201,182.00	€ 12,658,362.00	€ 15,388,562.00	€ 18,391,782.00	€ 21,668,022.00

TFCA Mozambican Component - Tourism Income



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