



RESEARCH BRIEF

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Conservation Fees in the Kgalagadi Transfrontier Park between Botswana and South Africa in the Presence of Land Restitution

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Now that some of the resource rights inside the Kgalagadi Transfrontier Park have been vested in the surrounding communities, the park should contribute toward improving the lives of these communities, so that land restitution and conservation objectives can reinforce each other. In this spirit, the aim of this study was to estimate optimal conservation fees which should be charged at KTP to maximise revenue. Overall, our results suggest that there is sheer underselling of the recreational services offered by the South African park systems, which implies that there is room for improvement in the conservation fee policy. Revenue could be maximised by increasing conservation fees for domestic tourists at Kgalagadi Transfrontier Park as well as other parks with little effect on visitation.

Since 1994, remedial policy has been a key priority for the post-apartheid South African government. The most important remedial policy, particularly from the point of view of the national parks agency and indigenous communities, has been the policy that relates to land restitution, including land in national parks. These policies seek to promote conservation while reducing poverty in local communities.

South African National Parks (SANParks) sets the fees at all the national parks that they manage. Even though the primary mandate of SANParks is conservation, it also operates a tourism business. The organisation's tourism business is expected to generate revenue each year, as national parks are only partly funded by the National Treasury. Conservation fees account for approximately 23 percent of total revenue generated from tourism, retail, concession and other activities. The term 'conservation fee' was adopted in place of 'admission/entrance fee' because the former better describes the park agency's mission. Given how park pricing contributes to total revenue, it is vital that all parks are correctly priced.

Can fees be raised without discouraging people from visiting? If so, park pricing policy can generate more revenue that can be shared with the new, but poor, co-owners of international parklands. If such opportunities exist, then the

Key Points

- To determine the right level of conservation fees (entrance fees), we surveyed visitors to Kgalagadi Transfrontier Park in South Africa and three other national parks.
- Our analysis shows that fees could be increased without much effect on visits to the parks.
- We also considered whether a change in the fee at one park would affect visits to other parks – in other words, whether one park is a substitute for another. We found limited substitutability among the four parks.

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methods of making tourists pay more can vary from an increase in the mandatory conservation fee to a voluntary donation (which would be earmarked for the local community) in addition to the regular conservation fee.

To answer these questions, we conducted a survey of park visitors to understand their 'demand' for park visitation. There is 'demand' for visiting parks at various prices, just as there is demand for buying consumer goods at various prices. Our analysis, which focused on South African residents, shows that there is a wide variation between the four national parks in the change in the demand for visitation in response to a change in the conservation fees. We also studied whether a change in the price of one park would affect the demand for visitation at another park as a substitute. We found limited substitutability in visitation demand among the four parks.

Conclusions

Our results suggest that revenue could be maximised by increasing conservation fees for domestic tourists at Kgalagadi Transfrontier Park as well as the other parks with little effect on visitation. The ability to raise more revenue by the park agency opens up two possibilities: revenue sharing with local communities and more sustainable park management. The policy implication is that the park agencies should consider instituting mechanisms for capturing more revenues.

Moreover, our results show that revising conservation fees to optimal levels could play a positive role in redistribution of ecotourism revenue to local communities surrounding national parks. The sharing of fee revenue could address South Africa's heavily skewed distribution of income. Clearly distinguishing the part of visitors' payments going to local communities will help visitors connect with the people who are co-owners, and co-stewards, of the ecosystems in national parks. A gesture of this nature could act as an incentive for the local communities to participate in conservation even more.

ABOUT THIS BRIEF

This brief is based on "Conservation Fees in the Kgalagadi Transfrontier Park between Botswana and South Africa in the Presence of Land Restitution," by Johane Dikgang and Edwin Muchapondwa, July 2013, EfD Discussion Paper 13-09. (The DRB series of research briefs is associated with the EfD Discussion Paper Series.)

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