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GUIDELINES FOR THE PREPARATION OF PROTECTED AREAS BUSINESS PLAN

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GUIDELINES

FOR THE PREPARATION OF PROTECTED AREAS BUSINESS PLAN

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ACRONYMS AND ABBREVIATIONS

BT	Benefit transfer
CBA	Cost-Benefit Analysis
CBD	Convention on biological diversity
CI	Conservation International
FTE	Fulltime equivalent
FY	Fiscal year
GEF	Global Environment Facility
MA	Millennium Ecosystem Assessment
NGO	Non-governmental organizations
NP	National Park
ODA	Official development assistance
PAs	Protected area(s)
SEE	South east region
SSNP	Sečovelje Salina Nature Park
WTP	Willingness to pay
WTA	Willingness to accept

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1. SUMMARY

The structure of the document is divided into two parts; the first part of the document shows the general structure of the business plan, with practical examples of different case studies related to different parts of the business plan, while the second part focuses on possible ways of financing the conservation of nature.

Planning in PA usually includes three types of plans: Management plan, Business plan and Financial plan. Issues defined in the Management plan represent an input for the preparation of the Business plans and a necessary base for its preparation, which basically should not be prepared without such strategic inputs. The focus of this guideline is on Business plans. They essentially contain the following sections: Executive summary, Description of PA (PA background), Marketing strategy, Management, and Financial plan. Financial plan is a consistent part of the business plan (and is mostly its component).

With the sections and subsections that are proposed for the PA Business plan, we want to draw attention to the components of the business plan, although the structure may be adjusted. Business plans range in size and length, but a general principle is to keep the information as succinct as possible. For small PA's, business plans could be just few pages long. Since most PA's in the SEE region differ from (very) small to medium, the proposed guidelines are slightly adapted to their size.

Executive summary is the most important topic that appears first in the plan, but normally it is written last. This section covers the most important facts and highlights, such as: what the PA is and who is involved in managing the PA, financial highlights and the objectives & priorities of the PA.

The description of the PA (PA background) provides a brief but comprehensive overview of the PA, its resources, and its history, especially in terms of Location and facilities, Resource and infrastructure contained

within the PA (inventory of the PA), Mission statement (they should come as an input from the management plan) and the Enabling legislation (indicates the reasons for the creation of the PA).

The **marketing strategy** is prepared for the whole PA and must be compatible with the overall mission and objectives of the PA, specified in the management plan. The sections of the marketing strategy may especially differ in length and structure depending on the size of PA's (in terms of employees, budget, importance, products/services offered. . .), marketing knowledge of the team and resources available for preparing the business plan. The essential parts each PA's marketing strategy must include are: Description of PA Products/Services (activities), Market trends & Competitor analysis, Target segments and visitor analysis, Promotion and Pricing, and Alliances & Partnerships. This section should include also a SWOT analysis of the protected area. Feasibility or implementation studies for specific products/services (financial mechanisms) could be included as appendices to the business plan.

The **management section** focuses on the organizational structure, management team, personnel plan and decision-making structures. This is particularly important in clarifying responsibilities and providing the right incentives for success. For a PA, this section is critically important by assigning responsibilities among the PA staff for leading the drive to a greater financial self-sufficiency.

A (sustainable) **financial plan** is a business-oriented management tool that summarizes the PA's financial history (income, expenditures, financial needs and gaps), describes feasible financial mechanisms (products) and cost reduction strategies that will be used to address the needs and reduce the gaps. It also helps PA managers to better plan and ensure financial resources needed to perform the activities set in the management plan. The financial plan for PA is based on the activity based concept and includes a financial analysis, a projection of main costs and revenues for the next 3 years, the definition of cost reduction strategies and assessment of revenue mechanisms.



2. INTRODUCTION

2.1. Purpose of the output

Purpose of the output is to prepare guidelines for the preparation of protected areas (hereinafter referred to as PAs) Business Plan as an input for the Joint Strategy for Integrated Management of PAs.

2.2. Objectives

The project aim is to present the guidance for business planning of PAs and to present possible ways of financing PAs in SEE.

2.3. Planning of protected areas

Environmental management is a systems approach that anticipates and avoids environmental and conservation problems by:

- Setting goals and objectives;
- Identifying and organizing people, skills, knowledge, technology, finances, and other resources;
- Assessing risks and setting priorities;
- Identifying and assessing various options;
- Auditing and monitoring; and
- Applying environmental management tools as required.

In PA management, three types of plans are particularly useful, specifically the Management, Business and Financial plans, as described below.

These plans help PA managers to better understand the relationship between the PA's objectives, spending and allocation of resources as well as running their day to day operations. Terminology varies from country to country and there may be some overlap between the following terms: operational plans, corporate plans, master plans, conservation plans.

2.3.1. Management plans

The management plan is a product of the planning process, documenting the management approach, the decisions made, the basis for these, and the guidance for future management. It should provide the manager with a long-term vision for the PA, as well as guidance on how to direct the management of the PA towards this vision. It should assist in day-to-day decisions about complex problems, by clarifying management objectives and prioritizing them. This should resolve conflicts, address bad risks, remove ambiguity on how the area is to be managed and explain how the decisions were arrived at.

The management plan, which gives the basic guidelines regarding the vision and main strategic orientations, serves as an input in the business and financial plan. The management plan should include (beside other elements such as: Executive summary, Introduction, description of the PA) especially the following elements:

PA values

The highest priority value of a PA for the purpose of conservation is its *biodiversity*. For Conservation International (hereinafter CI), this refers to the *species* of global conservation significance for which the area must be managed and the *habitat* on which they rely. Other values may also include historical, cultural, social features. Direct economic values, such as the area's potential contribution to local or national economies from extractive or non-consumptive uses, and ecosystem services should also be considered here [15].

Selection of conservation features

Features describe the subset of items that are considered to be keys for success in the PA. Features should be chosen in terms of importance and can be prioritized by the immediacy of threat to their persistence. From a biodiversity perspective, we could consider features at different levels of ecological organization: species, sites, and landscapes/seascapes. This framework allows us to set consistent features from which we can create clear management objectives. For example, among all sites, we choose to conduct conservation activities in those sites that are important for biodiversity. Within a PA (or selected site), of all the species that are present, we may feature those that are threatened. The same approach can be taken for cultural or historical resources or benefits. The features allow managers to focus attention in order to achieve the PA vision. For CI, conservation features are important elements of biodiversity to be affected by conservation actions. At the site level, such as PAs, conservation features are globally threatened species [15].

Vision, management objectives, and principles

The vision for the PA describes the desired state that the area should achieve, the accomplishment of the ideal function of the area in its intended biodiversity conservation or cultural/historical role. The vision is a statement of what the area is to serve as in the long-term, or the realization of the long-term role of the PA.

The management objectives describe the intent of management actions or the expected results of interventions required to conserve/manage the area. These should clearly relate to the conservation features described above: the features are the focus of management, and the objectives are how we want to affect those features. The objectives contribute to the achievement of the vision, addressing specific actions or outcomes necessary for the vision to be attained. For biodiversity conservation, the objectives will be defined relative to an understanding of the state of biodiversity, the pressures that pose a threat to maintaining this biodiversity, the sources of these pressures, and those responses determined appropriate to alleviate pressures and conserve biodiversity features. Other objectives may concern enhancement or maintenance of the area's historical or cultural sites, development of visitation areas, sustainable use of resources in extractive areas, and development of economic benefits from PA use [15].

Management objectives must be:

- Specific (clear and precise, with well defined end results),
- Measurable (quantifiable amount of change to be achieved),
- Achievable (realistic and doable, given available resources),
- Relevant (related to the current and future status of the conservation features),

- Time bound (possible to be completed within specific timeframe), and
- Prioritized in order of importance for implementation purposes.

Principles are the manner in which management will occur. Key principles in PA management might include transparency, stakeholder engagement, dispute resolution mechanisms, or internal governance structures/processes. These principles underpin how the area will be managed in order to reach the objectives and achieve the vision.

Definition of management zones (zoning)

Zoning defines what can and cannot occur in different areas of the PA in terms of natural resources management, cultural resource management, human use and benefit, visitor use and experience, access, facilities and PA development, maintenance and operations. Through management zoning, the limits of acceptable use and development in the PA are established. Often, when there is not enough information about the area, zoning is an action that occurs during the implementation of the management plan.

2.3.2. Business plans

On the second level of PA management, PA managers most frequently use business plans. Business plans help PA managers systematically assess the various management inputs and processes that constitute their agency so as to proactively identify and correct weaknesses and to make best use of strengths so that its management objectives can be met with greater efficiency. They are also instruments to communicate with PA “owners”, financiers or other stakeholders. Issues defined in the Management plan represent an input for the preparation of the Business plans and a necessary base for its preparation, which basically should not be prepared without such strategic inputs.

A business plan examines the “customer base”, goods and services, marketing and implementation strategy for the PA. A business plan also takes in account the implementation strategies and priorities for the PA provided in the management plan. Different researchers stressed the need to make business plans consistent with the management plan for the area and basically they could not be written without the strategic input defined in the management plans. One should not forget that the commercial arrangements entered into should not be to the detriment of conservation values, even if some of them look “very attractive” and “profitable”, since the mission of PAs are essentially not of economic nature. Researchers also pointed out that a business plan is an essential tool to use in a changing world of increased accountability and need to argue strongly for resources in a competitive budget environment (both with governments and donors).

A well crafted business plan will include a detailed long-term financial plan (about 3 years), an analysis of current and potential revenue-generating opportunities and a plan for capitalizing on those opportunities. It will likely include an analysis of available revenue streams, possibly including an endowment fund, and how the revenue streams might be jointly applied to PA management. This analysis in particular may be the first step in developing a long-term financing mechanism.

In very simple terms, a business plan gives a clear picture of the PA's:

- Financial needs to conduct proposed activities under the management plan
- Potential revenue sources to meet those needs

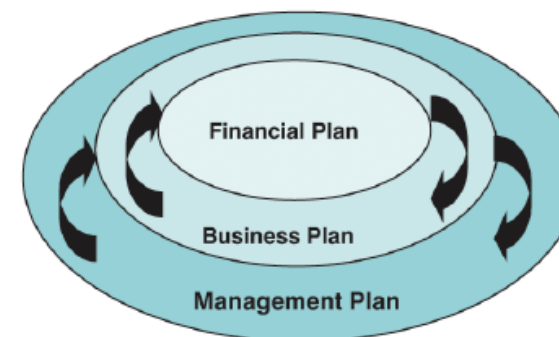
Hence, a business plan:

- Examines the likely revenue and cost streams
- Takes into account the customers’ needs and ability to pay
- And the range of goods and services provided by the PA

2.3.3. Financial plans

The financial plan is a part of the general business plan that determines the PA's funding requirements, including the amount and timing of that funding. Ensuring effective management and securing sufficient financial resources are vital if PA is to continue to provide benefits and fulfil their role in biodiversity conservation. The financial plan should articulate the budget needs for current and future management activities that are needed to achieve the objectives as stated in the management plan. Financial plans should be revisited frequently, especially in cases where management conditions rapidly change (e.g. major new threats are present).

Figure 1: The relationship between the Management, Business and Financial plans



Source: Financing Protected Areas Guidelines for Protected Area Managers, IUCN, 2000, p.23 [6]

3. CONTENTS OF THE BUSINESS PLAN

»There are a number of ways to prepare and structure a business plan. Schools around the world train people in the preparation of business plans and debate the merits of one approach over another. Experts have devoted their lives and careers to the study and design of such plans. « [10]. It would be presumptuous to assume a position of authority on these debates and it is beyond the remit of this publication to explore the variations in any detail. However, the key elements of a typical business plan are briefly set out in this Section and their relevance to PA management explored

Essentially, a business plan adapted for a small to medium scale PA essentially contains the following building blocks:

1. Executive summary
2. Description of PA (PA background)
3. Marketing strategy
4. Management
5. Financial plan

With the subsections that are presented below we want to draw attention to the components of the business plan, although the structure may be adjusted. Business plans range in size and length, but a general principle is to keep the information as succinct as possible. For small PAs, business plans could be just few pages long, e.g. 4-5 pages. Since most PAs in the SEE region differ from (very) small to medium, the proposed guidelines are slightly adapted to their size.

3.1. Executive Summary

This is the most important topic that appears first in the plan, but normally it is written last. The executive summary should be kept succinct and clear, and remain in an objective voice. Depending on the audience (e.g. donors, owners, state, other financiers, strategic partners..), PA managers may have certain sections of the plan that they want to highlight. This section should not be longer than two pages overall. It covers the most important facts and highlights, such as:

- **What the PA** is and who is involved in managing the PA, including who will manage the business plan and their strengths,
- **Financial highlights**, which describe history of financial shortfalls and barriers to financial sustainability,
- **The objective priorities of PA** - what financial gaps will be filled with the funding generated by implementing the plan and what are the key three or four tasks, factors and priorities, that will be accomplished by the PA in order to successfully achieve the business goals.

Combined example of executive Summary: Masoala National Park - Madagascar, [9], Pictures Rocks National Lakeshore – USA [18], Hawar Islands PA - Kingdom of Bahrain [11] and Big South Fork National River – USA [16]

Created in 1997, **Masoala National Park** (hereinafter NP) is the largest PA in Madagascar, a country that ranks as one of the world's top five "hotspots" for biodiversity. Masoala NP consists of seven different units, including three marine parks. The park is rich in rare and threatened species including a fantastic variety of palms, a recently discovered variety of ancient flowering plant, ten lemur species, and marine turtles.

In 2002, 55% of funds came from NGOs, 30% came from the Global Environmental Facility, 12% came from the Government of Madagascar, and the remaining 3% came from other foreign government donors. Fifty-eight percent of these funds were acquired by WCS and 42% by ANGAP.

Non-investment 2002 expenditures equalled \$263,000. Of this, 38% was devoted to the functional area of Resource Management & Protection, 22% to park Management & Administration (this includes funds spent on one partnership, without which, the percentage would be 15%), 17% on both Community Development & Outreach and Facility Operations & Maintenance, and 6% on Public Use and Enjoyment.

In addition to the \$263,000 spent on general park operations, Masoala spent \$180,000 on investments in 2002. Within this business plan, investments are generally defined as significant one-time expenditures of funds to build a structure, restore natural or cultural resources, acquire technical assistance to establish baseline park management practices, or other similar one-time activities.

Financial and Staffing Shortfall

Based on the analysis of the business plan Initiative, \$555,000 of annual funding is required to operate the park at standards set by park management. With 2002 operating expenditures of \$263,000, this leaves a funding gap of \$292,000. This shortfall represents 47% of the overall funding required by the park identified through the business plan process. Insufficient funding results in the failure to achieve many of the park's primary goals. Its functional areas with the greatest percentage shortfalls are Resource Protection and Maintenance. The operational shortfall in Resource Protection of 46% jeopardizes the park's ability to carry out its legislative duties to protect and preserve natural and cultural resources. Additional funding is needed to allow for a better understanding of the park's archaeological significance and to aid in managing the park's oil and gas program. Maintenance, which has a shortfall of 41%, encompasses the management and upkeep of the park's infrastructure. The majority of this shortfall relates to the trails program, where additional personnel are needed to maintain the 396 miles of trails.

From a personnel standpoint, a total of 90 fulltime equivalents (hereinafter FTEs) are required to operate Masoala at appropriate standards. In 2002, 72 FTEs worked in the park, leaving a shortage of 18 FTEs. Note that this means most of additional required funding is needed to implement activities rather than employ more staff.

Future Funding: At the time of writing, in September 2003, the only firm commitments for funding at Masoala during 2004-2008 are from the NGOs. The park is aiming for financial sustainability in large part through an innovative partnership with the Zürich Zoo. The zoo's new Masoala Exhibit, which opened in June 2003, will generate revenues to help cover park management costs. A trust fund is also being established to provide future funding.

The strategic objectives for the management of the **Hawar Islands PA** focus on:

- Conservation – to maintain the marine biodiversity of the PA, to maintain key processes and life support systems;
- Recreation – to provide for and manage recreational and cultural uses to the extent compatible with the conservation objectives for the PA;
- Science and education – to promote education, nature appreciation and scenic research on the biological, geophysical and cultural values of the PA;
- National system – to manage area as part of comprehensive, adequate and representative system of marine PA to contribute to the long-term ecological viability of marine and estuarine system.

Key priorities of the Big South Fork National River

- Increase Trails Staffing
- Increase Maintenance and Facility Operations Staffing and Funding (excludes trails)
- Increase Interpretation Division Staffing
- Enhance Natural Resources Program
- Improve Visitor Safety and Security and Upgrade
- Dispatch Services
- Support Cultural Resource Programs
- Develop Oil and Gas Program
- Increase Archaeological Support
- Enhance Fire Management Program
- Staff Entrepreneurial Government Position

3.2. Description / background of the PA

This section provides a brief but comprehensive overview of the PA, its resources, and its history. It includes the following main points:

- **Location and facilities** of the PA. Usually maps are included (one of the PA in the country context and a second map to illustrate the key areas within the PA, e.g. ecosystems/infrastructure). This section should include also a description of all facilities and their locations that are relevant for producing and/or providing products and/or services (a simple list of the natural and cultural resources in the PA, as well as a listing of the physical assets in the PA, which include important items such as the number of endangered species and the extension being protected);
- **Resource and infrastructure** contained within the PA (**inventory** of the PA);
- **Mission statement** should come as an input from the management plan and should be just summarized here (about 2-3 sentences);
- **Enabling legislation** indicates the reasons for the creation of the PA and ownership structure. It is particularly important to address issues of ownership structure in PA business plans as it will have a direct bearing on the management structures, on the reinvestment of revenues, and on the agility and flexibility of decision-making processes.

Example of background: Big South Fork National River and Recreation Area – USA [15]

The Park at a Glance – location and facilities

The **Big South Fork National River and Recreation Area** was established by Public Law 93-251 on March 7, 1974, as a means to protect the stunning landscape about to be flooded for a hydroelectric power plant. In a unique congressional legislative act, a partnership was established between the U.S. Army Corps of Engineers and the National Park Service. Beginning in 1974, the U.S. Army Corps of Engineers, with its experience in managing interstate waterways, was charged with land acquisition, planning, and the development of facilities at the park. Upon completion of these tasks in 1990, the lands and facilities were transferred to the National Park Service for the benefit of the public. This picturesque park is located in northeastern Tennessee and southeastern Kentucky in some of the most rugged terrain of the Cumberland Plateau. The free-flowing Big South Fork of the Cumberland River and its tributaries pass through 90 miles of scenic gorges and valleys containing a wide range of natural and historic features. Spanning six rural counties, Big South Fork encompasses approximately 125,000 acres. State and federal lands share the northern and western boundaries of the park, offering a variety of habitats for both plants and animals. Within the park, a multitude of creeks and streams run into the north flowing Big South Fork of the Cumberland River. Deep ravines have been carved into the surrounding limestone and sandstone, the erosion creating steep faces, caves, overhangs, as well as falls and river rapids throughout the park.

Natural and Cultural Resources

Big South Fork contains a wealth of natural and cultural treasures. The Big South Fork of the Cumberland River begins within the park where the New River joins the Clear Fork River and flows northward through the park for approximately 49 miles. Weathering processes have produced an impressive array of rock formations, including arches, mesas, chimneys, cracks, and rock shelters. Twelve Threatened and Endangered plant and animal species are present in the park and extensive measures have been taken to protect these species. Due to logging in the early-to-mid 20th century, most of the forest areas are 2nd or 3rd growth, and early succession. There are approximately 300 active or abandoned oil or gas wells and an estimated 120 abandoned deep coal mine openings within the park. The rugged terrain and relatively infertile soils of the Cumberland Plateau region resulted in its use as a transportation corridor and hunting area by prehistoric American Indian peoples that inhabited the more fertile Tennessee and Ohio River valleys. The numerous caves and shallow rock shelters within the park provided ready cover for temporary use. Approximately 350,000 archaeological Artefacts have been found in the park, including many objects of American Indian and Early European settler heritage.

Resources and infrastructure (Inventory of PA)**General Information**

125,310 gross acres
696,114 annual visits in 2004

Cultural & Natural Resources

67 species of fish
147 species of birds
26 species of mussels
475 miles of streams and rivers
1,335 archaeological sites inventoried
177,289 archaeological artefacts
253,600 catalogued archival documents
12 threatened and endangered species
14 historic structures

Park Infrastructure

1 rustic lodge
6 day use areas
1 horse stable
11 river access areas
1 amphitheater
4 improved campgrounds
1 primitive campground
2 visitor centers

180 miles of equestrian trails
150 miles of hiking trails
20 miles of paved roads
168 miles of unpaved roads
2,000 signs

Mission statement (Pictures Rocks National Lakeshore)

To conserve the ecosystem integrity of the national lakeshore, a mosaic of geologic, biologic, scenic, and historic features offering opportunities for recreation education, inspiration, and enjoyment forever.

Enabling Legislation

On March 7, 1974, the **Big South Fork National River and Recreation Area** was established "for the purposes of conserving and interpreting an area containing unique cultural, historic, geologic, fish and wildlife, archaeological, scenic, and recreational values, preserving as a natural, free-flowing stream the Big South Fork of the Cumberland River. . . for the benefit and enjoyment of present and future generations, the preservation of the natural integrity of the scenic gorges and valleys, and the development of the area's potential for healthful outdoor recreation. . . and for the benefit of the economy of the region." (88 Stat. 43, March 7, 1974)

3.3. Marketing strategy

The marketing strategy for the PA as a whole must be compatible with the overall mission and objectives of the PA. The following sections may especially differ in length and structure depending on the size of PAs (in terms of employees, budget, importance, products/services offered. . .), marketing knowledge of the team and resources available for preparing the business plan. This section should include also a SWOT analysis of the protected area, as an additional element of the marketing strategy. Feasibility or implementation studies for specific products/services (financial mechanisms) could be included as appendices to the business plan.

Mentioned below are the essential parts each PA's business plan must include, even the smallest ones:

- Description of PA Products/Services (activities),
- Market Trends & Competitor analysis,
- Target segments and visitor analysis,
- Promotion and Pricing,
- Alliances & Partnerships.

3.3.1. Description of PA Products/Services (activities)

This sub-section contains list of all products and/or services a PA can offer and their description. An example of goods a PA can offer are: ecotourism, sport fishing, medicinal plants, water and wood, fruits and other foods, genetic material, natural scenic beauty, while the services PAs may offer: biodiversity conservation, habitat for endangered plants, habitat for endangered species, grazing lands, water/energy services, flood control, climate change mitigation/carbon, sequestration, protection from storms.

Example of recreational activities: Big South Fork National River and Recreation Area Business Plan – USA [16]

Recreational opportunities abound for visitors to Big South Fork. In the spring months, epic whitewater rafting, canoeing, and kayaking can be enjoyed on the river. Canoeing and canoe camping on non-whitewater sections are available all year and are popular with visitors. Swimming is available at many access points along the river and at the Bandy Creek Pool, one of the few public National Park Service operated swimming pools in the country. Equestrian usage has increased dramatically over the last several years, with over 180 miles of horse trails within the park. Hiking is a favorite activity with visitors, and with close to 150 miles of hiking trails, one can truly enjoy the park's beauty through this pastime. Other activities include mountain biking, rock climbing, hunting, fishing, and wildlife viewing. Developed campgrounds and primitive lodging is available, with backcountry camping allowed with the use of a permit. Scenic overlooks are located in both the Tennessee and Kentucky portions of the park and offer breathtaking views of the gorge and surrounding plateau areas.

3.3.2. Market Trends & Competitor analysis

A description of trends that can change the market or the business (key influencing factors, key change trends based in changes of customer wishes, fashion, style, demographics, etc.). It is important to know in which direction »the market« is moving. Smaller PAs do not need to make larger description of them or extended market analyzes, but could mention the trends just in bullet points, based on their personal observations.

This point should include also the list of »competitors«, direct and indirect, which offer similar products/services or experience offered to those of PA's.

Example of market trend and competitor description: Uganda wildlife centre Business plan [13]

Trend description

As educational levels rise, demand for appreciative and learning opportunities associated with parks and PA will increase. In the vast majority of the world, educational levels of the population are rising quickly. There is an increasing participation rate in post secondary education. In the developed world, almost 50% of all new jobs involve post secondary education. NP use is highly correlated with higher education levels. Higher education leads to higher service quality demands as well as higher educational service demands. Uganda Wild Life Education Center (UWEC) is challenged to provide services and programs that build on the education trend. However, since higher education levels lead to higher income levels, these people are able to pay for the services that they demand.

Other trends exists, we described just an example of it.

Competitors' description

UWEC's competition is any leisurely activity that shares the pocket of families. UWEC's biggest competitors are the resorts: Kiwatule recreation Center, Didi's World, Imperial Resort Beach, Speke Resort Munyonyo, Botanical Gardens, and Ndere Cultural Center. In addition, competitors for tourist revenue include Ngamba Island and Ziwa Rhino Sanctuary. Despite fierce competitions, UWEC is the only institution offering both wildlife and recreation facilities at a manageable cost. Although Kiwatule Recreation Center is intending to introduce animals into its infrastructure, UWEC believes that it has a first mover advantage over them as UWEC already has a well-organized facility with a fully-fledged team.

3.3.3. Target segment and visitor analysis

With this point we would like to draw the attention of the people in charge of preparing the business plan to their visitors (customers), which generate most of revenues the SEE PAs generate from their (market) activities. The most important is to know »THE CUSTOMERS«. Who they are and what are their characteristics/common attributes (including explanations of each segment definition, e.g. age, gender, life style, income, geography, nationality. . .), which represent the basis for classifying them in more homogeneous groups (customer segmentation) and to further analyze their behavior (frequency of visits, seasonality, money spent. . .) to finally define the importance of each target market group.

Example of target segment and visitor analysis: Uganda wildlife centre Business plan [13]

Initially the market is divided into 7 segments based on the following variables: age, school status, and nationality. The categories are also the basis for pricing. The categories are: Uganda adults, Uganda children, Resident adults, Resident children, Foreign adults, Foreign children, and Booked schools.

In specific, Uganda adults have been the core source contributing nearly half of total revenue. However, UWEC is seeing more young adults coming less with their children. Booked schools and Ugandan children give a significantly smaller price in revenue compared to numbers; however, THEY SIGNIFICANTLY INFLUENCE ADULT VISITATION & ARE ALSO THE CORE MISSION TARGET!

UWEC shall target adult visitation while still appealing to its children by making the adults' stay unforgettable and making them take a stakeholder role in the center.

Ugandan Adults Vs Children

- Ugandan adults yield the most revenue; however, a good percentage of them visit as family groups under the influence of their children.
- There is also a very significant number of adult visitors who come without children.
- Because of their visitor number contribution (Booked schools and Ugandan children), it is clear that children are the most ready to visit.

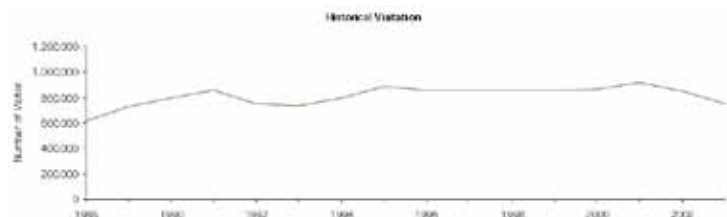
This point could also include a **historical presentation of the total visitors of the PA** per year, potentially in a chart, with a short comment on the trend and potential reasons for it.

Example of visitor analysis: Big South Fork National River and Recreation Area Business Plan – USA [16]

Since **Big South Fork** began tracking visitation statistics in 1988, annual park visitation has averaged roughly 800,000 visits per year. Beginning in 2002, tracking statistics show that park visitation has declined annually, including a decline of nearly 24% in 2004 compared to the peak visitation year of 2001. The decline is driven by several factors, e.g.:

Road construction - in 2002, Burnt Mill Bridge was closed to motorists. Previous to the closure, approximately 90,000 park visitors each year were recorded by the Burnt Mill Road traffic counter. The majority of these visitors are now entering the park via roads without traffic counters (problem of metrics).

Regional economic conditions - visitation to all national parks in the southeast region fell by 4.6% in 2004.



3.3.4. Promotion and pricing

Here the attention should be drawn on how the information about the PA and its products/ services/experiences will reach potential customers (potential visitors, especially the target group) and which promotional tools will be used (advertising, public relations, events, direct mail, seminars, fairs, etc.).

In the second phase it is also important to try to influence their behavior to assure the enduring visitation of the PAs, if most visitors come in peaks, which may have some very negative effects to the PA. The pricing strategy is an important element for redirecting some price sensitive groups to non-peak times.

An explanation of the strategic bases for market segmentation and choice of target markets: Uganda wildlife centre Business plan [13]

Target Market: Foreigners

· A slight increase in foreign categories (together 5.4%) yields very high revenue returns (21. 3%). UWEC shall target them by forming alliances with tour operators, businesses that attracted foreigners (e.g. hotels), and community-driven organizations;

- Foreigners are a very key potential revenue source as a very small visitor contribution results in a very big revenue contribution;
- Foreign resident categories should be targeted as they have a similar though slightly smaller price.

Segment	% of Visitors	% of Revenue
Ugandans	51,6	55,8
Residents	2,5	12,5
Foreigners	2,9	8,7
School Children	43,5	23,0

Example of promotion: Kolpa Landscape Park [5]

In 2009, KLP will continue with high-profile campaigns to raise awareness of the population of the park and the general public and promotion campaigns in the local environment and wider in Slovenia and abroad. The public will be acquainted with the park's contents, the importance of nature conservation, heritage conservation, natural resources and cultural heritage conservation skills in the form of cottage industry skills and the like.

Promotion activities of the park:

- Billboards, leaflets, brochures, books
- Film and photographic materials
- Information center in the park
- Advertisements in the media
- Public relations which will emphasize their position as the eco park
- Events in the park
- Participation and presentation at trade fairs

Example of a detailed product/service/experience pricing and its relationship to strategy, potentially for specific target market group: Uganda wildlife centre Business plan [13]

Since UWEC is capacity constrained, it should price admission higher on days with more "traffic". Consumers will then self-select into what they value most (price vs day of the week).

With this in mind, UWEC should offer the following "packages" for the visitors – only during week:

- Admission + touch animals
- Admission + feed animals
- Admission + group tour (specific times)
- Admission + individual tour
- Admission + tour + feed animals

During weekends and more popular days the visitors cannot get special value packages (mentioned above), but only admission to the park.

3.3.5. Alliances & Partnerships

The idea of identifying **strategic alliances** may be particularly relevant for PAs, as alliances can help to fill gaps in knowledge or capacity. For instance, a PA with significant tourism potential, but without much knowledge of running visitor facilities, may wish to develop partnerships with private sector companies. On the other hand, a PA wishing to create revenues from global biodiversity services through a debt-for-nature swap will need to build alliances with government and private sector agencies, and with NGOs [5]. Further partnerships with local government, community and non-profit organizations to support the activities of the PAs are also very important.

Example of partnerships and critical relationships: Big South Fork National River and Recreation Area Business Plan – USA [16]

Partnerships are a vital aspect to successful operations at the park. With over 30 formal partnerships, Big South Fork relies heavily on mutual relationships to accomplish key tasks that support the park's mission. Examples of the park's numerous partners include:

- Friends of the Big South Fork work to support the park with fund-raising and community involvement projects each year. Examples of these events include the Storytelling Festival, River Clean-up Day, and the Spring Planting Festival;
- McCreary County Heritage Foundation is a non-profit organization dedicated to the protection and enhancement of the cultural history of McCreary County, Kentucky. The organization operates the Big South Fork Scenic Railway and works with the park in many areas, including the operation of the Blue Heron facility;
- Southern and Eastern Kentucky Tourism Development Association supports tourism efforts for southern and eastern Kentucky and assists with many issues by addressing them as regional concerns as opposed to more individual or localized affairs.

3.4. Management

The management section focuses on the organizational structure, management team, personnel plan and decision-making structures. This is particularly important in clarifying responsibilities and providing the right incentives for success. For a PA, this section is critically important by assigning responsibilities among the PA staff for leading the drive to greater financial self-sufficiency [6].

This section contains aspects related to the management approach (skills needed, who and how the business plan will be managed and the available staff). If such staff is not available, indicate the steps that will be taken to ensure that such positions are filled. Potentially include: a list of key qualifications needed, the people who will be managing the PA business plan with positions and defined responsibilities [8].

Example of management: Uganda wildlife centre Business plan [13]

UWEC is building a very high quality team of professionals; seeks to be the best in the industry at its business. UWEC builds its team based on the principle that each team member must be capable of contributing to the greatest extent of his or her abilities to envision how he or she will be a contributor to UWEC's growth.

UWEC has orchestrated a comprehensive, streamlined operation to effectively service and support the demand of tourism. Its well-balanced executive management represents top quality and well-seasoned talent in all areas that are critical to rapid growth and sustainable success.

UWEC was designed to operate as an autonomous body, with the supreme governing body being a 15 member Board of Trustees, guided by provisions in the Trust Deed. There are 9 voting members, nominated and appointed from the public and 5 nonvoting members, co-opted from the following institutions:

- Ministry of Tourism, Trade & Industry (MTTI);
- Ministry of Finance (MOF);
- National Environment Management Authority (NEMA);
- The Chairperson, Entebbe Municipal Council (EMC);
- The Executive Director, UWEC (ED, UWEC).

The initial Board of Trustees was appointed by the Minister of then Tourism, Wildlife and Antiquities. Thereafter, after serving a three year term, extendable for a period not exceeding two consecutive terms, the Board nominates and appoints new members to the Board. On the management level, UWEC is managed through the Executive Director, who is the Chief Executive Officer, and a management team: Education and Information; Business and Marketing; Human Resource; Veterinary/Animal; Horticulture; Finance; Public Relations; and Horticulture. UWEC currently employs 50 people.

UWEC enjoys rich expertise in its current management team and is aggressively building a professional, experienced business development team. UWEC has already identified highly qualified individual for many key positions, additional searches will follow in order to complete the team.

As UWEC is unique in its setup in Uganda and quite complex in its daily operation, it is challenging for management and staff to perform their duties. Skilled and trained personnel in captive wildlife management are not readily available in Uganda, precisely because there is only one zoo in the country. Newly recruited staff needs intensive training. This is either done in-house "on-the-job" or staff members are sent to zoos in Europe, USA, and Australia for further training in animal husbandry, wildlife medicine environmental education. UWEC needs a lot of financial support to be able to do this.

3.5. Financial Plan

The financial plan section (or financial plan »per se«) is taking two directions in business planning: first, **the classical one, which is usually adopted in »market oriented«** businesses and companies, which are quite complex and standardized. Usually they include the following sections: Important Assumptions, Key Financial Indicators, Projected Profit and Loss Statement, Cash Flow and Balance Sheet for the first five years (the first year listed by month), Break-even Analysis, selected Business Ratios (activity, liquidity, debt, profitability, and employee productivity) and Risk Assessment with the description of critical risks that the firm may face.

The new direction of financial plans, especially for PA's, is also known as **sustainable finance plan**. Since many (or most) of the PA managers and management team members may not have a strong grasp of business concepts or private-sector models for organizational efficiency, cost-saving measures, or funding strategies, the financial plans of the PA are taking another, more pragmatic direction which is based on **activity-based costing concept**. A sustainable financial plan is a business-oriented management tool that summarizes the PA's financial history (income, expenditures, financial needs and gaps), describes feasible financial mechanisms (products) and cost reduction strategies that will be used to address the needs and reduce gaps.

The financial plan section should be further divided in the following sub-sections:

- Financial analysis;
- Financial planning (for the next three years);
- Defining cost reduction strategies;
- Assessment of revenue mechanisms.

3.5.1. Financial analysis

An introduction in the financial analyses could represent a summarized presentation of the total costs (and its structure), as well as the fund source analyses for the last year and potentially in the historical context (for the last years). Such introduction helps us better understand the current position of the PA from the historical perspective, but does not include planning.

Example of costs structure: Big South Fork National River and Recreation Area Business Plan – USA [16]

Personnel and Benefits represent the largest categories of expenditures at the park, together accounting for 72% of all park expenditures over the nine years from FY1996 to FY2004. In FY2004, these two expenditure categories alone constituted 80% of overall expenditures.

Expenditures in most non-personnel related budget categories have fallen from FY1996 levels. These reductions reflect cutbacks necessitated by diminishing levels of discretionary funds available to the park, such as in training.

The notable fluctuations in expenditures over the past nine years are in the areas of *Fixed Assets* and *Other Services*.

Fixed Assets includes funds spent on land, new structures, and improvements to existing structures. In FY2001, the park spent \$703,000 of land acquisition funds to acquire 890 acres of park land.

Other Services are typically *expenses such as contracts, training, and tuition*. In FY1998, the park contracted out \$411,000 for the resurfacing of Blue Heron Road and overlaying of the park entrance road. In FY2003, the park paid contractors \$450,000 for the construction of the Tennessee Fire Cache, \$195,000 for the reproduction and replacement of all panels on display at Blue Heron Mining Community as well as wayside exhibits at the mining sites at Worley and Yamacraw, and \$250,000 for work on a park boundary survey.

Example of Fund source analyses (America classification): Big South Fork National River and Recreation Area Business Plan – USA [16]

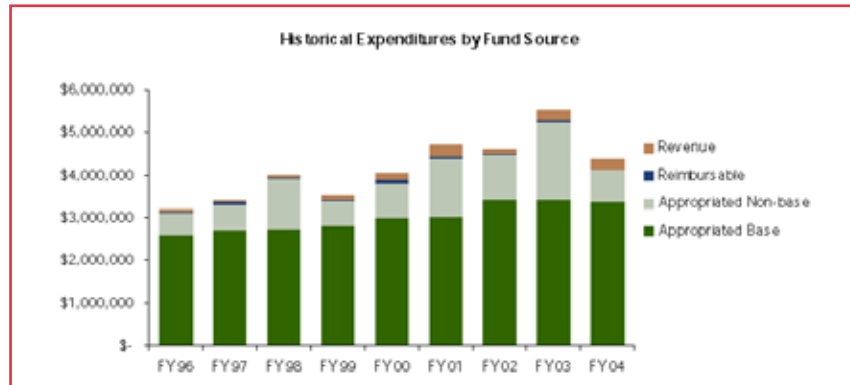
Activities are funded from four sources: **appropriated base, appropriated non-base, revenue, and reimbursable**. Combined annual funding from these sources has grown at an average annual rate of 3.2% over the last nine years, increasing from \$3.2 million in FY1996 to \$4.3 million in FY2004.

Congressionally appropriated base funds, the most significant fund source each year, averaged 74% of park spending from FY1996 to FY2004. These funds are primarily used to pay for permanent staff and day-to-day park operations.

The park also competes for and receives congressional funding beyond the base appropriation. These funds are for one-time projects. Project fund allocations fluctuate between years, reflecting the competitive nature of the application process for this funding. Among the projects funded in FY2003, the park received \$243,000 for emergency removal of downed trees from a southern pine beetle epidemic, \$237,000 for the rehabilitation of trails, and \$272,000 for a survey of the park boundary.

In addition to appropriated and project funds, the park collects revenue from a variety of sources: user fees, concessionaire fees, donations, and incidental business permit fees. In FY2004, the park used \$20,000 of this revenue for rehabilitation of the Rock Creek Loop Trail and \$23,900 to complete the upgrade of electrical service at 98 campsites at the Bandy Creek Campground.

Big South Fork collects reimbursable from several sources including Bandy Creek Stables and Big South Fork Scenic Railway. Together, all reimbursable sources accounted for \$26,000 in FY2004.



3.5.2. Financial planning

The next logical step in the financial analysis includes defining needs and gaps in terms of **income, costs, needs, expenses by specific functional/program area for the near future (we propose for the next three years)**. In order to describe the operations of the PA for the preparation of the business plan, PA activities have to be divided into functional areas, which describe the areas of business for which the PA is responsible (an example of the division into 5 functional areas could be: Resource Protection, Visitor Experience & Enjoyment, Facility Operations, Maintenance and Management & Administration). These are then further broken down into **programs** that more precisely describe PA operations. Programs are general in order to cover a broad suite of activities that should be occurring in the park.

Example of description of functional area of resources protection: Big South Fork National River and Recreation Area Business Plan – USA [16]

Resource Protection at Big South Fork encompasses activities related to the management, preservation, and protection of a variety of natural communities and processes, historic structures, cultural landscapes, museum artefacts, and archaeological sites. In addition to scientists and technicians, law enforcement personnel work within Resource Protection to provide site patrols, resource damage detection, and criminal investigation and prosecution.

Following is the detailed description of the proposed categories:

The **income** of the PA should be presented first for the next year and then projected for the next three years split into sources: Non-market based options (GO budget allocations, private capital donations, debt-for-nature swaps, trust funds), and Market based-options (tourism based fees/taxes, environmental services, 'polluter pays principle', natural resource extraction fees, postage stamps, activities outside PA's) or level of provenience (**PA level, national level and international level**).

Similar procedure has to be applied for the **costs, which in general** should be split into:

- operation & maintenance costs**, and
- investments costs**.

Investments are the one-time expenditures, and may be either a physical asset or an intangible asset such as an inventory & monitoring study or a one-time research project. They may be either one-time cost that parks incur in order to fix current problems or provide for future park development. Operations & maintenance are separated from investments in order to have a full picture of the costs per program.

Finally, it should include the PA's estimate of total investment needs and defining the investment priorities.

Example of investment Priorities: Masoala National Park Business Plan [9]

Investments are one-time strategic expenditures. Each item below would significantly further Masoala National Park's mission. Many more projects will require funding from a variety of sources each year. The list shows only the park's most urgent priorities:

Design and construction of a visitor center (\$171,000)

The park plans to construct a visitor center in Maroantsetra and in Antalaha. Interpretative materials for both buildings will need to be designed and fabricated.

Implementation of a park wide safety plan (\$15,000)

A medical evacuation plan was written for Masoala in 2001, but has not yet been implemented due to limited resources for the activity. Some additional aspects need to be included to cover day-to-day safety issues. Some investment and regular replacement of medical equipment is needed and the plan requires substantial training and testing.

A large scale Biodiversity survey (\$25,000)

For many groups of organisms there has been little research done at Masoala and even for the better-known groups such as birds and mammals, some parts of the park have never been visited. A large scale biological survey of Masoala would give extremely valuable information to the park managers.

The next component of the business planning process is the completion of a detail sheet for each program. These forms describe the day-to-day activities occurring in the park and the totality of financial needs associated with them. The sheets of all functional and program areas are then summarized in one sheet where the calculated needs (resources required) and the resulted gaps are evident. Using the detail program sheets and the allocation sheets (adjusted to PA needs depending on the organization and complexity of the PA), we should explain how the PA's management plan links conservation goals, objectives and costs, and is organized by functional areas and specific conservation and management programs. This portion of the financial plan is perhaps the most important one.

Example of financial statement: Sečovlje Salina Nature Park [8]

The table below presents, on the case of Sečovlje Salina Nature Park (hereinafter SSNP), the separation of all activities into the main functional areas (operations) and program areas, which are used to allocate the expected expenditures and investments in the PA.

Sečovlje Salina Nature Park (SSNP) SUMMARY FINANCIAL STATEMENT										
SSNP Figures in Euro (Thousands)	AVAILABLE					REQUIRED				GAP
	Start	1st	2nd	3rd	TOTAL	FTE	Costs	FTE	Costs	
PROGRAMS AND SUB-PROGRAMS										
WATER REGIME MANAGEMENT										
Water regime management	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Wild Species and Habitat Protection	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cultural heritage sites Management	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Participating and enforcement	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Subtotal	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
PA Visitation and Public Awareness										
PA Visitation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Real Education and Social Awareness	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Physical Outreach	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Public Outreach	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Subtotal	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Development Use of SPA and Events										
Traditional Craftsmanship	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Tourism & Recreation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Agriculture and Aquaculture	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Quarry	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Subtotal	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Facility Operations and Maintenance										
Secondary Access roads	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Salt Museum	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Harbour Artisan	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Marine Gazing Platform	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Administrative Buildings & Utilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Subtotal	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Science & Education										
Water Regime zoning	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Wild Species & Habitat Zoning	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Visitors' Trails, Interpretation, Info structure	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Salt Mining Zoning	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Subtotal	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Methods Management & Administration										
General Management & Admin	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Strategy, Financial & Business Planning	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Finance Management Systems	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Partnerships	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
PA Staff, Stakeholders Training	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Legal Compliance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Subtotal	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Grand Total	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Grand Total Costs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Investments		0.00	0.00			0.00		0.00		0.00
Grand Total (w/ Investments)										0.00
Notes:										

The abovementioned procedure clearly shows which activities and areas will have the biggest gaps in resources and financing, and if prepared accurately are a strong argument for negotiation with the owners and other stakeholders in relation to the level of implementation of the PA conservation programs. It also indicates what the programs' financial needs are, how the funding gaps are distributed across programs, which represent a useful tool that supports PA managers in their strategic decision making.

The Forecasted Income Statement on the aggregate level shows the expected future situation broken down into sources of income and expenses, as well as the overall picture how the PA is managed. The sources of income should follow the specification and structure prepared for the historical context, in this point, oriented to the future and aggregated, while the most difficult to predict is the revenue. In this part, PA managers could benefit by preparing separate plans for

each financial mechanism (product/service offered to the market) coming to potential revenues and expenses. The revenue will be a function of market research, adjusted for growth rate in sales for each year, which could be stable or could vary between years.

We propose to prepare a projection of budget, including different sources of income and categories of expenses (the number and depth of categories for the income and expenses could vary, usually depending on the size and functions of the PA), just for the next 3 years, since the management plan already includes a projection for a longer period of time; such as 5-10 years, for which the management plan is prepared, but due to very fast changes in the market trends and the environment they have very limited prediction power.

For the estimation of annual expenses, the PA can use the most general elements such as material costs and services, salaries and investment, which could be further split down to elements such as: Cost of Goods Sold (COGS), rent, labour, utilities, office supplies, advertising, administrative and miscellaneous... These costs have applied to the estimated income to produce an income statement as the one in the table below. If the result show a continuous decline in budget from year 1 to 3, different activities have to be performed; either in the direction of cost reductions or to gain additional sources of income (especially revenues; feasible financial mechanisms). Both activities are discussed in the further sections.

Table 1: Forecasted income statement (budget) for a hypothetical PA

Fundings / income sources	year 1	year 2	year 3	% change/ year
Government (state budget)	100.000	110.000	121.000	10
Projects	20.000	22.000	24.200	10
Donations/ Sponsorships	10.000	11.000	12.100	10
Revenues by financial mech.	40.000	46.000	52.900	15
Entry fees & passes	35.000	40.250	46.287,50	15
Postal stamps	2.000	2.300	2.645	15
Sales of souvenirs	3.000	3.450	3.967,50	15
Other	4.000	4.600	5.290	15
Subtotal Income	174.000	193.600	215.490	11
Expences (needs)				
Material costs and outside services	35.000	39.550	44.692	13
Salaries with taxes	120.000	135.600	153.228	13
Investments	15.000	16.950	19.154	13
Subtotal Expences	170.000	192.100	217.073	13
Total income after expences	4.000	1.500	-1.583	

3.5.3. Defining cost reduction strategies

A result of previous financial analyses and plans are usually identified resources gaps; financial shortages that could either increase or decrease for the projected period. The identification of potential cost reduction strategies with estimated saving should be presented in this section of the business plans.

Cost reduction opportunities are usually hidden in the following main categories:

- Personnel;
- Salaries;
- Equipment, Programs, Strategic alliances;
- Volunteers, improved financial systems (Funds management) or Co-management of PAs.

Example of cost reduction strategies: Big South Fork National River and Recreation Area Business Plan – USA [16]

Strategies for Reducing Costs

In order to meet its needs with limited funds, Big South Fork actively pursues opportunities to reduce costs and improve operational efficiency. The following list includes several areas where the park has identified the potential for additional cost reductions.

Consolidate Fee Collection Activities (e.g.)

The visitor center at Bandy Creek is currently staffed by highly experienced interpretive rangers. Less than one half of a mile away, visitor use assistants work at the Bandy Creek kiosk collecting campground and other special use fees and answering visitor questions.

Consolidation of these two visitor contact locations into a single location at the existing Bandy Creek visitor center offers the opportunity to reduce the demand on staff time without sacrificing visitor satisfaction. Closure of the Bandy Creek kiosk involves little upfront investment and has the potential for significant benefits. Partial staffing the visitor center with visitor use assistants currently working in the kiosk will allow interpreters more opportunities to enter the field. Under this proposal, all fee activities at Bandy Creek will be centered in the existing Bandy Creek visitor center, thus enhancing customer convenience by providing “one stop shopping,” increasing overall visitation of the facility, and creating the possibility for extended hours of operation. After an initial investment to retrofit the visitor center to accommodate kiosk activities, combining the two entities will result in annual cost savings by decreasing the overall demand for staff and reducing utility and maintenance costs associated with operating two separate facilities.

Estimated benefit: \$19,500 per year

3.5.4. Assessment revenue mechanisms

This section should indicate how the resources resulting from the implementation of the different financial mechanisms will be allocated and progressively contributed to fill financial gaps. It should include both those financial strategies that the PA is currently employing and new mechanisms that will be funding current conservation programs (operations and investments), as well as those that are considered for future incorporation into the PA's operational and management plans. The possibilities of financing PA are presented in details in the next 'Paying for Conservation' section.

- PA level: tourism fees, natural resource extraction fees, charging for free use of water, sale of souvenirs. . .
- Regional/National level: GOV budget, taxes, investment funds, donations. . .
- International level: projects, debt-for-nature swaps multilateral organizations, donations/NGOs.

Example of assessment of revenue mechanisms: Big South Fork National River and Recreation Area Business Plan – USA [16]

Big South Fork seeks **new and innovative ways to increase revenue** to the park in order to supplement insufficient base funding. The park raised roughly \$200,000 in revenue in FY2004. Opportunities are available to the park to increase this amount. Several of these options are discussed below. Update Concessionaire Contracts.

The five concessions operations at Big South Fork provide a number of services to enhance visitor experience at the park. They are also an important source of revenue. For several years, a number of the concessionaires have operated under one-year, fixed-fee contracts. The park is currently in the process of updating these agreements to be percentage-of-gross arrangements and locking in five- to six-year commitments. Completion of this process will both increase park revenue and improve collaboration between the park and its long-term concessionaires as they both work to increase visitation and visitor satisfaction. Estimated benefit: \$7,500 per year Implement Recreation Based User Fees.

The implementation of equipment based recreational fee, in accordance with the Federal Lands Recreation Enhancement Act (FLREA), would increase revenue for the park. Currently, no fee is assessed on the many different user groups of the park. While an entrance fee would be difficult to implement due to the large number of entry points, the implementation of a user fee would be more realistic. Comparability studies have been performed within the larger southeastern geographic area and have determined equitable fee amounts. Prior to implementation, a public relations program would need to be developed and implemented to explain and gain support for the new fees.

4. PAYING FOR CONSERVATION

PA's all over the world need **financial sustainability**:

It is the ability of a country to meet complete costs that are associated with managing of a PA; On one hand, we have to consider the supply which refers to additional funding, while on the other hand, the demand that refers to management of financial needs [4] has to be taken into consideration.

Sustainable financial planning consists of financial analysis, cost reduction strategies, assessment of revenue mechanisms, reform of the legal and institutional framework, and implementation of the financial plan. In order to reach financial sustainability, the above actions must take place [4].

4.1. Sources of financing

Sources of Funding and Financial Mechanisms can be divided into three major groups, based on Local, National and International Scales [6].

Based on the source of the finances, there are three principal sources:

- Governmental (domestic government budgets and foreign assistance),
- Voluntary sources (private voluntary donations),
- Markets & businesses particularly through tourism but also through green markets, environmental funds and debt-for-nature swaps [2].

The sources can be divided into 5 groups of funds [6]:

- Domestic government budgets,
- International assistance,
- Multilateral funds,
- Bilateral donors,
- Private and
- Community funds.

See also Annex; Table 6

4.2. Generating funds

To encourage conservation, generating funding is essential. Not only to provide stronger incentives for biodiversity conservation and sustainable use in general, but also to provide finance for PA. There are four most used types:

Fiscal instruments;

Benefit sharing and revenue sharing;

Sharing the costs of managing PAs and their facilities; and

Investment, credit and enterprise funds [2].

See also Annex; Table 8

The following example shows how a traditional budget often follows a simple format [7]

Table 2: Example of traditional budget

Income	Expenditure
Government grant	Salaries
Donations	Administration
Subscriptions & membership	Building costs
Fundraising	Project expenditure
Sales	
TOTAL	TOTAL

See also Annex; Table 8

4.3. Financial mechanisms

4.3.1. Local level financial mechanisms

Charging for goods and services represents the basic source of income for PA. It can help create or strengthen financial incentives for producers and consumers to support biodiversity conservation and sustainable use, as well as raising new funds for PAs (through tourism charges, resource extraction fees, payments for ecosystem services, etc.). Charging can be used directly (e.g. users fees), more complex (e.g. cause-related marketing), with the help of volunteers (e.g. individual donations), etc [10].

Financial mechanisms at the local level:

User fees

The term covers a broad spectrum of possibilities such as: entry fees; admission fees for special attractions; fees for parking, camping and picnicking facilities; fees charged to concessionaires who profit from operating lodging, food and beverage, guiding, boats for diving or fishing (these include fees that may be charged for licensing the operation, and/or per-person fees they collect); and fees for yachting or cruise-ship visit permits. For example: The West Coast Trail hosts 10,000 users each year, each paying \$95 in user fees (entrance fees, equipment usage fees, special sights fees, etc.) [10].

Cause-related marketing (CRM)

CRM is sale of items (primarily intangibles) whose main value lies in the purchaser's knowledge of helping conservation. The key to success lies in selecting a combination of funding sources, which provides return on investment and continuing diversity of funding sources [10].

Adoption programs

Adoption programs have been used world-wide to generate revenue for specific sites, species or projects, e.g. The Nature Conservancy partners in Guatemala, Panama, Costa Rica and other countries have raised money for park protection and park endowment funds by selling deeds to an acre or hectare of a PA. For about \$35 to \$120 US, the donor receives a certificate acknowledging his/her adoption of the acre and its wildlife [10].

It is not necessary for adoption program to be oriented in fund raising. In Slovenia, an adoption program has taken place, where a person or a group adopts a river bench. It is all free of charge, but with the self-given obligation to take care of that spot of land. An NGO »Zavod Moja sošeska« (My Neighborhood Institution) started this action, supported with a web page, at which the adopters can publish their photos and the progress they are making, regarding the preservation of the river bench they adopted. <http://www.varujmookolje.si/>, March 2010

Corporate donations

Many corporations are becoming interested in assisting conservation activities. This is, to some extent, driven by a desire to develop a greener image, but is also just as often driven by a true sense of environmental responsibility. The most sympathetic companies are likely to be those that need to bolster their image, e.g. resource companies or those with a direct stake in the success of the conservation area or program (cruise lines, hotels, the food and beverage industry, travel industries, photography) [10].

A mobile operator in Slovenia decided to implement an electronic bill payment method. For every user, that transfers from paper bill to electronic bill, with 1€ given for the protection of the environment, including protection of natural assets.

Individual donations

Generally, individuals are probably the easiest to raise money in the sense that there are no proposals, deadlines or guidelines. Individuals are also the most flexible subjects, and are most likely to give donations that can be used according to the PA managers' own priorities. The challenge is to identify individuals who are likely to be willing to give and then asking them to make a contribution [10].

Planned giving

Charitable donations made through a person's will or estate, or by other mechanisms such as insurance and annuities, is one of the fastest growing and most lucrative aspects of charitable giving in developed countries today. There are many options available to individual donors, which include:

- Designating a gift to a PA or conservation organization in a will; naming a conservation organization as the beneficiary of a life insurance policy;
- Donating properties or securities with or without provisions for the donor's life estate (the right to continue living in, or using the property throughout his/her lifetime) or lifetime income from the securities; establishment of charitable trusts; and purchase of annuities [10].

Site memberships and friends schemes

In contrast to the pay-per-visit concept of user fees, membership programs provide a vehicle for voluntary support by a constituency that may or may not actually visit the PA. It can take shape in the form of Friends of the Park program, or collaboration with the existing NGOs, provides an excellent opportunity to channel individual contributions directly to PA management. Staff can collect donations on site, or capture visitor information (names and addresses) for later fund-raising contacts [10].

Table 3: Potential charging methods for goods and services

TERRESTRIAL PROTECTED AREAS	
Goods and Services	Potential Finance Mechanisms
Non-extractive / Ecotourism-related goods	Tourism user fees
Visible wildlife (large mammals, birds etc.)	Entrance fees
Aesthetic scenery	Entrance fees
Outdoor attractions (rock climbing, white water rapids, etc.)	Recreational user fees
Cultural attractions (architecture, religious sites, etc.)	Entrance fees
Extractive goods	
Fruit / nuts	Resource extraction fees; Biodiversity enterprise funds
Other basic food items	Resource extraction fees; Biodiversity enterprise funds
Medicinal plants	Resource extraction fees; bioprospecting
Honey	Resource extraction fees; Biodiversity enterprise funds
Materials for handicrafts	Biodiversity enterprise funds; resource extraction fees
Fuel wood	Resource extraction fees
Timber	Resource extraction fees
Wood for housing and other constructions	Resource extraction fees
Genetic materials for pharmaceutical and biotechnology uses	Bioprospecting fees
Bush meat	Resource extraction fees
Petrochemicals (oil and gas)	Resource extraction fees; fiscal instruments
Game species trophy hunting	Tourism user fee (licensing) / Trophy fee
Commercially valuable minerals	Resource extraction fees; fiscal instruments
Water-related services	
Drinking water	Water-based fee mechanism
Irrigation water	Water-based fee mechanism
Hydro-power	Water-based fee mechanism; resource extraction fees; biodiversity enterprise funds
Flood control	Water-based fee mechanism; insurance
Other water uses (e.g. beverages, cooling processes, etc.)	Water-based fee mechanism; resource extraction fees
Agricultural services	
Grazing lands and water to support ranching	Water-based fee mechanism: insurance
Soil and nutrient protection for local agriculture	Insurance
Crop pollination	Insurance
Global services	
Biodiversity conservation (e.g., conservation of rare, endemic and migratory species)	Fundraising; GEF; Biodiversity Enterprise Funds
Carbon sequestration / storage (e.g., soil stored in soils, trees and understory)	Carbon market

Climate change mitigation	Carbon market; re-insurance
Other services	
Spiritual and cultural services (e.g., sacred sites, rituals, architectural heritage, etc.)	Tourism user fees (entrance fees); bioprospecting
Maintenance of local climate patterns (e.g., local precipitation patterns)	Fiscal instruments; re-insurance
Scientific research	Bioprospecting; Entrance fees, licensing
Thermal power	Licensing; land-use-fee
Media	Licensing; Entrance / User fees
MARINE PROTECTED AREAS	
Goods and Services	Potential Finance Mechanisms
Non-extractive / Ecotourism-related goods	
Visible wildlife (whales, dolphins, birds, etc.)	Entrance fees
Aesthetic scenery	Entrance fees
Outdoor activities (scuba diving, snorkeling, surfing, boating)	Recreational user fees
Cultural attractions (architecture, religious sites, etc.)	Entrance fees
Accessible beaches	Entrance fees
Sport fishing (non-consumptive)	Licensing; entrance fees; recreational user fees
Mooring facilities	User fees
Extractive goods	
Substance fisheries	Resource extraction fees; biodiversity enterprise funds
Commercial fisheries enterprise funds,	Resource extraction fees; Licensing; Biodiversity
Marine ornamentals fisheries enterprise funds,	Resource extraction fees; Licensing; Biodiversity
Genetic material for pharmaceutical and biotechnology uses	Bioprospecting fees
Petrochemicals (oil and gas)	Resource extraction fees, fiscal instruments
Commercially valuable minerals	Resource extraction fees; fiscal instruments
Materials for handicrafts	Resource extraction fees; biodiversity enterprise funds
Local services	
Wave power	Licensing
Coastal / storm protection	Insurance / fiscal instruments
Spewing sites	GEF
Nursery for fish and other species	Biodiversity enterprise funds; GEF; Licensing
Global services	
Biodiversity conservation (rare, endemic & migratory species)	GEF; Bilateral donors; Foundations
Other services	
Spiritual and cultural services	Entrance fees
Maintenance of local climate patterns	Fiscal instruments; re-insurance
Scientific research	Bioprospecting; Entrance fees; Licensing
Media	Entrance fees; licensing / permitting

Source: Conservation Finance Guide by Conservation Finance Alliance (<http://www.conservationfinance.org/>)

4.3.2. Local and national level financial mechanisms

Some mechanisms, although they eventually refer to the local level, are dependent of actions taken at the national level, such as: promoting payments for ecosystem services; markets for green products; new forms of charity; business engagement in biodiversity conservation (PES), private/public partnership, etc. For further information at the local or national level FM, see accordant chapter [10].

4.3.3. National level financial mechanisms

Innovative financial mechanisms, available only at the national level (more in high and medium developed countries):

Taxes, levies, surcharges and tax incentives

The power of governments to tax can be used in a variety of ways to raise funds for conservation:

- Tourism tax - on the price of hotel rooms;
- Taxes to the sale of recreational equipment, forestry concessions, licenses for fishing, hunting, or filming and electricity and water bills, etc. [6].

Tax deduction schemes

Many countries allow tax deductions for contributions to natural or cultural sites or funds. Such systems have been particularly successful in countries where income tax systems are effective at collecting from employees and where the ethics of giving is involved [6].

Grants from private foundations

Philanthropic foundations also provide significant amounts of financing for conservation activities in countries all over the world. Whilst the wealthiest of these are in the USA, they exist also in other parts of the developed world and now increasingly in some developing countries, too [6].

In Slovenia, the Aljaz Foundation is active in the Slovenian Alps region. The foundation provides knowledge, information and financial resources to help the region's nature and its people. It is oriented at full protection of the region's natural and cultural heritage. This includes the protection and revitalization of all that is indigenous in the region. Resources are collected by means of membership fees and user or non-user donations. http://greenslo.bravehost.com/index_files/Page1309.htm, March 2010

National environmental funds

Such funds are an effective mechanism for long-term financing of conservation activities, which often require many years of sustained funding to achieve their objectives [6].

Debt swaps

Debt swaps are a means of both alleviating the debt burden of developing countries and of investing in natural or cultural protected sites. Debt swaps are carried out when a country has a debt that it cannot finance and the creditor starts to trade the debt at a lower price. The purchaser (usually an NGO or trust fund manager) buys the debt from the creditor and then approaches the government requesting redemption either at face value or at some negotiated higher value [6].

National and provincial lotteries

Lotteries are a means of gambling whereby individuals purchase tickets etc., which are then drawn for a prize (usually a portion of the earnings from the sale of tickets) [6].

Public-good service payments

Payments and transfers for public goods and services provided by protected sites and areas are increasingly common. This mechanism is useful because it is flexible and exploits the fact that PAs provide an array of public goods and services [6].

Workplace donation schemes

Workplace donation schemes provide an efficient and effective way for individual employees to donate to charitable causes through their employer. The schemes work by enabling employees to designate a deduction from their pre-tax salary, which is channeled through the employer to a clearing house charity that disburses the funds to member charities [6].

4.3.4. International level financial mechanisms**Multilateral banks, etc.**

Biodiversity conservation is increasingly benefiting from assistance from multilateral development banks, such as the World Bank, the Asian Development Bank and the African Development Bank [10].

Global Environment Facility (GEF)

The GEF was established to forge international cooperation and finance actions to address four critical threats to the global environment:

- Biodiversity loss (where it acts as the funding arm of the Convention on biological diversity - CBD),
- Climate change,
- Degradation of international waters, and
- Ozone depletion [10].

Bilateral development co-operation agencies, etc.

Like multilateral development banks, bilateral agencies such as CIDA (Canada), DANIDA (Denmark), JICA (Japan), NORAD (Norway), SIDA (Sweden), SDC (Swiss), USAID (United States) and the development assistance program of the European Union often have poverty alleviation missions with biodiversity as a component of their work programs. Many of these organizations are obligated, through their government's ratification of the CBD, to invest in biodiversity conservation (except the United States, which, at the time of publication of this document, had not ratified the CBD) [10].

Foundations with an international remit

Foundations are created by wealthy individuals, groups or corporations who wish a portion of their wealth to be given to causes which they support [10].

International non-governmental organizations with an international remit

A number of non-governmental organizations (NGOs), such as WWF, Conservation International, and The Nature Conservancy, have significant funds to leverage for conservation activities and

work at the international level. These organizations usually have their own goals, objectives and activities as well as members and partners with whom they collaborate [10].

Alternative financial mechanisms [10].

This section summarizes a number of innovative approaches to the international funding of PA that are under development, or could be developed:

- **Carbon offsets** - Carbon offset projects could be developed from the Kyoto Protocol of the UN Framework Convention on Climate Change. They focus on the reduction of the concentration of greenhouse gases in the atmosphere. Forests lock up carbon in their biomass, and could be conserved for climate change reasons.
- **Innovative ways to use the Internet** - The Internet has potential for developing some innovative mechanisms for international fundraising efforts. One such example is The Hunger Site (www.thehungersite.com) which has the goal of helping to alleviate hunger around the world. The site enables people to learn about hunger and, by registering with the site, the users cause a site sponsor or advertiser to contribute food to the United Nations Food Program.
- **Global environmental and cultural funds** - Global environmental and cultural funds are mechanisms for distributing funding to worthy causes. Such funds raise revenues from any of the above mentioned mechanisms and are then responsible for channeling those funds to environmental or cultural sites in a way which is equitable, reflects global priorities, and is administratively efficient.

Table 4 : Government Sources. Traditional International Financial Mechanisms for Biodiversity Conservation (through Official development assistance – ODA)

FINANCIAL MECHANISM (FM)	COMMENTS
High income countries budgetary allocation through ODA <ol style="list-style-type: none"> 1. Bilateral ODA (country to country) 2. Regional ODA (regional organization to country or to a receiving regional organization) 3. Multilateral ODA through GEF grants 4. Multilateral ODA through UN agencies grants 5. Multilateral ODA through other MEA 6. Multilateral, ODA grants and low cost loans through the IBRD Group and regional development banks 7. Bilateral/multilateral ODA, through official debt for nature swaps 	<p>Current Importance: High</p> <p>Recent trend: Some slowly growing, others flat or slightly diminishing</p> <p>Future prospect: Continue the trends or may be re-energized through increased awareness and innovative approaches as per below</p> <p>Focused on/more appropriate for: PA / BZ / PL</p>

4.3.5. Advantages and disadvantages

Table 5: Advantages and disadvantages of funding through funds

ADVANTAGES	DISADVANTAGES
<p>Government Funding</p> <p>Relying on government funding may be more sustainable in the long run than relying on international donors, because donor priorities and funding levels may suddenly change, and donors usually do not fund any projects longer than 5 years.</p> <p>Increased government funding demonstrates that biodiversity conservation is an important national priority, rather than simply the concern of a few private organizations or international donor agencies.</p>	<p>Government funding may be vulnerable to sudden shifts in government spending priorities and to across-the-board budget cuts in times of economic crisis.</p> <p>Political patronage and political agendas may guide decisions that should be based primarily on conservation criteria.</p>
<p>Grants and Donations (Debt-for-nature swaps)</p> <p>For international donor agencies and conservation organizations, debt-for-nature swaps offer a way to leverage their funds and finance a much greater number of conservation activities in the debtor country than if the donors had simply made a hard currency grant.</p> <p>For developing country governments, debtor-nature swaps offer a way of reducing their international debt by using local currency to fund worthy projects inside the country, instead of sending scarce hard currency out of the country to repay commercial or bilateral creditors.</p>	<p>Such swaps may be quite complex to execute and may require the involvement of technical experts from multiple government agencies.</p> <p>The financial leverage achieved by a debtor-nature swap may be eroded by subsequent local currency devaluation or runaway inflation. However, this problem can be mitigated if the debtor government agrees in advance to link the amount of its local currency payments (for conservation projects) to the U.S. dollar or some other external standard.</p>

ADVANTAGES	DISADVANTAGES
<p>Conservation trust funds</p> <p>They can provide sustained, long-term funding for PAs</p> <p>They are a way of channeling a large international grant into many small local grants, and extending the lifetime of the grant over many decades.</p> <p>They can be used to strengthen “civil society”. This occurs as a result of appointing NGO and private sector representatives to the trust fund’s board and giving them the same powers as government officials, and as a result of making grants directly to NGOs and other institutions of civil society.</p>	<p>Conservation trust funds may sometimes have high administrative costs, especially if the fund’s capital is relatively small or if the fund provides substantial technical assistance to grantees in the design and implementation of projects.</p> <p>They may generate low or unpredictable investment returns, especially in the short term, if they do not have a well-conceived investment strategy.</p>
<p>User Fees, Taxes and Other Charges That Are Earmarked for PAs</p> <p>They can generate large amounts of money from previously untapped sources.</p> <p>The “user pays” principle and the “polluter pays” principle are widely recognized as fair ways of apportioning costs for protecting the environment.</p>	<p>It may be politically difficult to charge fees for use of what was previously treated as a free public resource.</p>

Source: Raising Revenues for Protected Areas: A Menu of Options, World Wildlife Fund, 2001 [12]

5. POTENTIAL USAGE OF FINANCIAL MECHANISMS AT THE LOCAL LEVEL

To facilitate comparison of individual financial mechanisms, the table below shows the potential funding mechanisms used at the local level. Financial mechanisms are arranged according to the most important criteria, such as:

- Term of return or length of return (long, medium or short term),
- Difficulty of rising or how much effort it takes e.g.work/money/time/knowledge/expertise of raising (low, high or semi),
- Practicability or easiness of usage - tells how fast can the financial mechanisms be implemented (practical – fast implementation, medium – implementation takes a number of actions taken),
- Reliability – how reliable and constant sources are (medium – the income is depend on outside factors, high – the income does not depend on outside factors),
- Universality or usefulness with different types of PAs (applicable – it can be used on numerous cases, gaining – the usage is spreading due to market changes),
- Accustomed by users or how well it is known by potential users; most of the financial mechanisms are gaining, since the PA financing is becoming independent from government budgets.

Table 6: Local financial mechanisms usage overview

Criteria	Term of return	Difficulty of raising	Practicability	Reliability	Universality	Accustomed by users
Fin. mechanisms						
User fees	short	low - collected on spot	very practical	customer dependence	very applicable	very
Cause-related marketing (CRM)	medium/long	low/semi - invest demanded	practical	semi	gaining	gaining
Adoption programs	medium	semi	practical	high	semi	not to spread
Corporate donations	short/medium	high - individual interests	semi	high	semi	slowly gaining
Individual donations	short	semi	semi	uncertain	very applicable	slowly gaining
Planned giving	medium	difficult	practical	semi	semi	gaining
Site memberships and friends schemes	short/medium	low	practical	semi	semi	slowly gaining

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8. ANNEX

Table 7: Attracting and administering external funds: status, potential and needs

	Status	Main potential	Actions required
Domestic government budgets and foreign assistance	<ul style="list-style-type: none"> • The core component of PA funding • Overall amount of funds stagnant or declining • Major reorientation of aid funding to support poverty reduction • Not sufficient at current levels 	<ul style="list-style-type: none"> • Existing flows to be maintained or increased • Direct budget support for PA agencies • New opportunities via development and poverty-reduction funding windows 	<ul style="list-style-type: none"> • Honour commitments to fund PAs • Reorient PA funding in line with development and poverty reduction • Increase awareness among decision makers of PA-development links
Private voluntary donations	<ul style="list-style-type: none"> • Important if rarely major source of PA funding • Can be critical for specific PAs, species or conservation goals • Growing interest in PAs from corporate sector 	<ul style="list-style-type: none"> • Continuing support, especially at local level • Potential for increasing corporate sponsorship 	<ul style="list-style-type: none"> • Sustain and increase public interest in PAs • Increasing interaction with private sector • Develop new/better approaches to 'market' PAs to private donors
Debt-for-nature swaps and environmental funds	<ul style="list-style-type: none"> • Major funding source during 1980s and 1990s • Somewhat less widely used today 	<ul style="list-style-type: none"> • Can provide substantial and secure funding for individual PAs and PA systems • New opportunities for PA funding through development and poverty-reduction funding windows 	<ul style="list-style-type: none"> • Reorient PA funding in line with development and poverty reduction • Convince donors to set up endowments and devolve decision making to local managers • Convince PA agencies to maintain capital by investing funds

Source: Sustainable Financing of Protected Areas; IUCN, 2006, p. 38 [2]

Table 8: A Summary of Traditional and Innovative Financial Mechanisms for Biodiversity Conservation

Local Level Financial Mechanisms	
More traditional - Protected areas entrance and fees - Tourism related incomes - Local markets for sustainable rural products - Local NGO and charities - Local businesses good will investments	More innovative - Earmarking public revenues - Local green markets - Local markets for all type of ecosystem services (PES)
National Level Financial Mechanisms	
More traditional - Government budgetary allocations - National tourism - National NGO fundraising and fund granting - National businesses good will investments	More innovative - Earmarking public revenues - Environmental tax reform - Reforming rural production subsidies - National level PES - Green lotteries - New good will fundraising instruments (internet based, rounds, up, etc) - Businesses/public/NGO partnerships - Businesses voluntary standards - National green markets - National markets for all type of ecosystem services (PES)
International Level Financial Mechanisms	
More traditional - Bilateral aid - Multilateral aid - Debt-for Nature-Swaps - Development banks and agencies - GEF - International NGOs fundraising and fund granting - International foundations - International tourism - International businesses good will investments	More innovative - Long term ODA commitments - Auction or sale of part of carbon emission permits and other cap-and-trade schemes - Environment related taxes - Other international taxes - Reforms in the international monetary system - Green lotteries - New good will fundraising instruments (internet based, rounds, up, etc) - Businesses/public/NGO partnerships - Businesses voluntary standards - International green markets - International markets for all type of ecosystem services (PES)

Source: International financial mechanisms for biodiversity conservation; WWF-MPO, 2007, p. 12 [5]

Table 9: Market-based fees for PA goods and services: status, potential and needs

	Status	Main potential	Actions required
Tourism charges	<ul style="list-style-type: none"> A core component of PA funding in many places Demand for nature-based tourism is growing 	<ul style="list-style-type: none"> Opportunities to improve cost recovery for tourist facilities, and introduce charges that better reflect visitors' real willingness to pay Potential to diversify tourist markets and services offered Use to manage/direct demand within and between PA sites 	<ul style="list-style-type: none"> Improve calculation of tourist charges Investment to develop tourism facilities Additional expertise may be required to market and operate high-quality tourism facilities
Resource use fees	<ul style="list-style-type: none"> A core component of PA funding in many places Diversification of PA products and extractive activities carried out in PAs 	<ul style="list-style-type: none"> Prices need to be set in line with true economic values Potential to diversify markets and charges for PA products Increased support for secondary or value-added industries 	<ul style="list-style-type: none"> Improve calculation of user fees, royalties and other charges Strengthen institutional capacity and clarify roles of agencies in setting and collecting PA fees Integrate ecological sustainability into extractive regimes
Bio-prospecting charges	<ul style="list-style-type: none"> PA authorities in some countries charge for the right to collect bio-chemical or genetic materials from PAs 	<ul style="list-style-type: none"> Potential to generate additional revenue for PAs, but sometimes exaggerated leading to unrealistic expectations 	<ul style="list-style-type: none"> Strengthen PA capacity to negotiate bio-prospecting agreements Develop regulations to ensure more equitable benefit sharing
	Status	Main potential	Actions required
Payments for ecosystem services (PES)	<ul style="list-style-type: none"> Relatively new financing mechanism Rapid growth especially for conservation on private land 	<ul style="list-style-type: none"> Opportunity to generate increased revenue from non-extractive PA management regimes Can be effective means of compensating PAs and private landholders for providing ecosystem services 	<ul style="list-style-type: none"> Develop supportive policy and/or legislative frameworks Improve methods and data on biophysical linkages, efficiency and social impacts of PES Clarify trade-offs between different ecosystem services

Source: Sustainable Financing of Protected Areas; IUCN, 2006, p. 72 [2]



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