

# Italian Cooperation Project

## Third Report Business Planning Consultant

### Deliverable 6: Prepare Manual “How to Prepare a BP”

**José Galindo 160507**

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#### Acronyms

BP: Business Plan  
 EEAA: Egyptian Environmental Affairs Agency  
 GEF: Global Environmental Facility  
 PA: Protected Areas  
 MEA: Management Effectiveness Assessment  
 MP: Management Plan  
 NCS: National Conservation Sector  
 NCS BP Team: National Conservation Sector Business Plan Team  
 NGO: Non Governmental Organization  
 NSPA: National System of Protected Areas  
 PA BP Team: Protected Area Business Plan Team  
 RM: Ras Mohamed National Park  
 EU: European Union

## 1 Objective

To prepare a document intended to guide Egypt's Protected Areas into the necessary process and steps to prepare a Business Plan.

## 2 Introduction to the Manual

This document is the logical continuation of the previous deliverable of the Business Planning Consultant: “Propose an alternative Business Plan model”. The purpose of the document is to provide additional guidance and detail on how to implement this tool to improve effective management for individual protected areas in Egypt. This document as well as the different activities related to this consultancy are just a preliminary approach to business planning, and should be further improved and

updated according with the first experiences and results to be achieved in the near future. On the other hand, it is important to acknowledge that not all PA's face the same reality in terms of information and availability of resources, reason behind considering this document as a general guideline that must be adjusted case by case, depending on the circumstances and special characteristics of each PA.

The document stresses the process and necessary steps to achieve a business plan, providing strategic guidance on how to organize the work, and confront the normal challenges that are usually faced when preparing this tool; however it does not provide detailed information regarding each of the different tasks, technical complexities regarding financial, market, managerial skills and specific knowledge needed to prepare a Business Plan. It is important to mention that such an effort would perfectly exceed the time allocated to this activity, and beyond time constraints, the other side of the capacity building process must lead into increasing the amount of research and self preparation from local counterparts. With this idea in mind, the document presents a number of information sources, as well as a specific chapter to access online information regarding conservation finance. This effort is complemented with a CD that compiles hundreds of papers, documents, and guides for further research and study.

Within this interactive approach the document expects to provide as much detail as possible, considering the amount of time available, and the current understanding of Egypt's protected areas and institutional framework. Therefore it is strongly recommended to NCS to envision three parallel lines of work to follow this processes up in the near future: i) Encourage a continuous learning culture for conservation finance and related issues; ii) Finalize Ras Mohamed and Wadi El Rayan Business Plans, according to the guidance, framework, and advice provided by this consultancy; iii) Further develop the internal capacity of NCS attracting and retaining professional profiles in subjects related to marketing, financial planning and general managerial skills.

### **3 The process to prepare a Business Plan for Protected Areas**

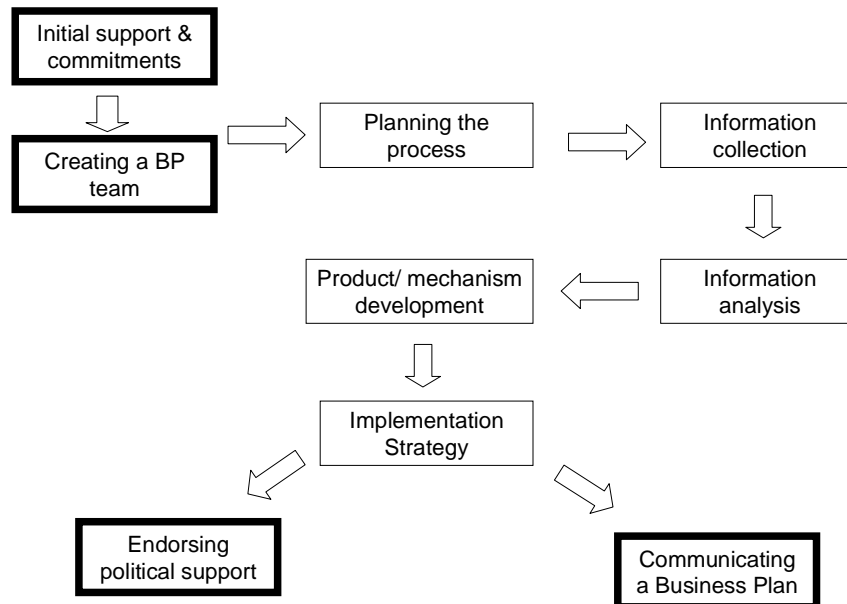
Before starting with the explanation of the comprehensive course of action that is proposed to prepare a BP, it is important to stress the need to envision business planning as a process rather than an isolated product or document. This precision is particularly important if we want to produce high value planning documents, and most importantly, if we want to ensure their use, follow up, and implementation.

The key issue about business plans and their implementation is whether the starting point is the existence of an overall institutional and cultural framework for planning, and its use as guiding tools for decision making and resource allocation. In the absence of such culture and framework, or with limited capacity to materialize it, **it is necessary to anticipate the necessity to formalize certain arrangements and generate an enabling environment for both the preparation of the tool as well as its implementation.** This is also an important reason behind the need to generate an approach based on the nature, particular characteristics and existing capacities of Egypt's Protected Areas System. On the other hand, it is also important to recognize that the different limitations faced by Egypt in regard to PA's financial sustainability are shared by a number of PA's systems around the world; therefore it is certainly necessary to recognize Egypt's effort to improve its capacities and move forward into the financial sustainability of its PA system.

Diagram 1 presents the nine steps proposed for the Business Planning process. These are a combination of both, technical and information related activities (plain boxes), as

well as the political endorsement and the enabling environment expected for the process (bold boxes). This document will present the first seven steps, while the last two should come out as the first activities from the implementation strategy.

**Diagram 1 9 Steps for the Business Planning Process**



### 3.1 Initial support and commitments

This step is the necessary condition to start the BP process. It's intended to ensure first the understanding of the need and use of BP as a PA's management tool. Without a clear end in mind, the whole process would lack the motivation and sense of purpose to further commit and mobilize different resources and actors.

The second desirable result is to ensure that an informed decision is been taken, recognizing its consequences in terms of resources, time, and additional activity that will be generated as a consequence of the BP. As a result of this decision, human and economic resources should be committed, stating a clear focal point responsible for the success of the BP preparation, as well as the technical and logistical support to undertake the necessary activities. In this sense, relating future PA's Business Plans to potential or secured projects and sources of funding such as GEF, ensures a long term sustainability for the process.

The third result is the understanding of how this tool will be accepted by PA staff, and integrated into the current PA activities and other relevant management tools available. Not all PA's might be ready for such a process, and with no support and appreciation for the tool, very little progress can be achieved at PA level.

The final result of this step is the creation of a Promoter's Group or similar arrangement composed by high level representatives of the parties involved with the capacity to acquire commitments, mobilize the necessary resources and endorse their formal support for the BP preparation, and its implementation. This group should commit to meet at least two more times during the BP preparation, and on a biannual basis for its implementation.

The participants for this step are fundamentally decision makers at both NCS and PA level. At a preliminary stage, the idea should be first drafted among the PA Manager, NCS BP Team, and NCS Director. It is important to acknowledge Egypt's intention to further develop and formalize a Business Plan Team at NCS level, this Team plays a fundamental role at this stage by providing information and participating actively in the decision making process. Since the BP consumes resources and needs to ensure a long term commitment for its successful implementation, it is desirable to include current and potential sources of funding, such as the International Cooperation, and the National Environmental Fund. Information provided by this consultancy as well as other existing sources in Egypt, or international cooperation projects should be considered to feed and elevate the level of discussions and to promote informed decisions.

The results of this first step should be formalized through a written agreement or similar tool that ensure accountability and follow up of the commitments acquired by the parties.

### **3.2 Creating a Business Plan Team**

Since Business Plans are a new tool for PA management in Egypt, the first experiences should be focused on building the necessary capacities and ensuring the local participation in the different stages of the process. For this reason I strongly suggest that BP's should not be considered as external consultancies, developed in isolation by professionals outside the NCS or PA's. With this I do not mean that external support and technical expertise are not needed, but the process must be appropriated since the beginning by NCS and PA staff. Looking at the future NCS must start thinking on policies to attract, retain, and maintain professional profiles in business, market analysis and environmental economics. Meanwhile the assistance and expertise of external consultants is a valuable asset to design the frameworks, prepare guidelines, develop key capacities, and overview the first stages of the process.

Taking into consideration the creation of a Promoter's Group presented in the previous step, the proposed BP team should consider the following three profiles:

#### **PA level**

This level is the basic unit for BP preparation, and represents the core of the efforts and activities for the process. This level should be considered as the last responsible for the success and implementation of the tool. At least the following three profiles should integrate the BP Team at this level, and the PA annual plan should evaluate their accomplishments:

**PA Manager:** Ensures PA participation and the generation of the necessary information to feed the process. It takes care of integrating BP's with other management tools available, as well as its balance with current PA activities. The manager has the role of a political link between the Promoters Group, NCS, and participating donors and projects.

**PA BP focal point:** BP co-manager that must dedicate at least 75% of its time to BP preparation for a period of three months. Is the last responsible person for BP preparation and success, gathering the necessary information, coordinating PA participation in the process, integrating the different BP components, and maintaining close communication with NCS and external consultants. It is desirable that the focal point has a business or economic background, or at least that feels comfortable dealing

with these issues. Staff related to visitor management or tourism can be also a natural profile for the focal point.

PA accountant: Responsible for the collection and preparation of financial information, reports (revenues, expenditure, and inventory), and financial projections. For this, close coordination is expected between this profile and its counterpart at NCS BP Team. The staff member should participate in all stages of the process and must dedicate at least 25% of his/her time.

### **Resource center**

This level ensures the provision of technical and financial resources needed to support the PA level. It maintains fluid communication with the focal point, and supervises the overall achievement of the BP preparation. This level should act as both a think tank for business planning in Egypt, as well as a link with NCS and international cooperation planning and resource allocation processes. Three different actors should participate at this level, under the coordination of the NCS BP Team:

NCS BP Team: Special unit at NCS responsible for the national development and implementation of Business Plans for Egypt's PA system under the Marketing and Business Planning Unit. This unit will generate a national capacity and the enabling environment for business planning preparation and implementation. It will also seek close coordination and integration with NCS and EEAA planning and resource allocation processes, as well as with opportunities from the international cooperation and other relevant stakeholders. So far it's composed by three people: Unit coordinator, Management Effectiveness Specialist, Accountant. It is expected that in the near future this team will be complemented with an environmental economist, and a business administrator.

International Cooperation: This actor plays a fundamental role for the provision of financial resources, and technical expertise to feed the process. It's especially important that donors consider integrating BP into current management tools and other capacity building initiatives. Projects and organizations should commit to hire external advice and consultants as needed.

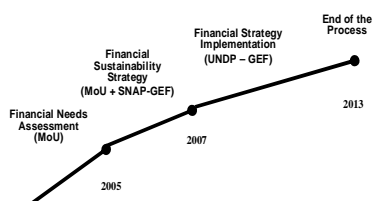
National External Consultant: Is the BP co-manager together with the PA focal point. The consultant participates in the day by day of BP preparation, working in continuous coordination with the PA level, and supporting the integration and analysis of the different components of the BP. As needed, s/he will generate the necessary information available in Cairo, and lead the design of information instruments such as surveys, interviews, focal groups, etc. This professional must have a background in marketing, management or environmental economics. It is extremely important that the person is selected under the basis of understanding and feeling comfortable with natural areas issues, at the end of the day, the person cannot sell or communicate something that do not value and enjoy. The person must be willing to spend at least half of his/her time at the Protected Area.

International External Consultant: In order to further strengthen local capacities during the early stages of the national process, and to ensure the quality of the first PA BP to become models, it is important to consider the advisory and guidance of an international consultant. This profile will advice, provide feedback and review the overall BP process at PA and NCS level.

## Promoters Group

This group was presented as the first step of the BP process, and has a role of general overview and supervision of the BP preparation. Its composition must ensure political and financial support to undertake the process. This group should commit to meet at least two more times during the BP preparation, and under a biannual basis for its implementation. The following slide presents in a snapshot the experience and results of the Promoters Group in Ecuador, several similar groups are proving to be successful arrangements to prepare and implement Business Plans.

### The Promoters Group in Ecuador



Formed by 10 organizations in fourth year of operation

Meet on a monthly basis to coordinate political, financial and technical support to the process

Share responsibilities and products through a unified planning matrix for PA and System level BP

Co-funding and technical support for a GEF Project that will provide additional resources to finance the BP implementation until year 2013



## 3.3 Planning the process

This step represents the formal start of the BP preparation, integrating the PA level, NCS BP Team, and the national external consultant. The plan should be developed in a participative manner through a 2 day workshop, the first draft should be circulated among the different levels and participants of the process for feedback.

This step has the purpose to envision strategic and operative challenges for the process, landing them into a work schedule with clear responsibilities for each task, and a budget. This step should detail the necessary information, roles, responsibilities, logistics and the logical flow of activities envisioned for the BP preparation.

Business plans for protected areas are in most cases “new” documents that have no precedent. But that does not mean that most of the information isn’t already available to the area and described or documented in a variety of places for different purposes. The first step is to assess what information is already available and can be edited, adjusted or revised to fit the business plan context<sup>1</sup>. The adequate identification of the necessary information to move the process forward is the heart of this step. According to the four BP components, the following information should be considered at this stage, stating clear responsibilities for its collection and deadlines:

<sup>1</sup> Business Plans for Parks and Protected Areas, 2006. Centre for Park Management

**General description of the PA**

- Mission statement and objectives
- Enabling legislation
- Major programs, priorities and actions
- Natural, cultural, and historic features
- Facilities
- Threatened & Endangered Species
- PA map
- Contact information

**Financial analysis**

- Budgets and expenditure from past 5 years
- Complete detail of funding sources for 5 years (governmental and non governmental)
- Ratio of recurrent vs. capital investments
- All revenues generated (including entrance fees, concessions, etc)
- Inventory of goods, equipment and vehicles
- Management Plan
- Management Effectiveness Assessment
- PA planning cycle and budgeting procedure

**Financial Strategy**

- Current mechanisms in place for revenues (list and its operation)
- PA economic valuations
- Description of stakeholders and their perceptions
- Description of economic activities and major treats to the PA
- Local - regional – national market and economic data available for major stakeholder's activities (tourism, oil, fisheries, quarrying), stating market size and trends, customer profiles, annual sales, etc.
- Reports and information regarding concessionaires

**Business Plan implementation**

- PA's current human capacities and professional profiles
- Partnerships and projects developed for the PA

**Information collection**

The information described in the previous step is the basis for the BP preparation. The sources of this information are different, and each has a specific approach to be acquired. The following cases should be considered when collecting information for BP:

- Some information might be available at the PA, and does not require any additional processing.
- Some other might be available but needs to be further processed or consolidated into different formats, like financial reports or inventories.
- Some information should be prepared by NCS staff through NCS BP Team coordination, like a complete list of concessions.
- Some information might need a formal request or letter, and will take time to be accessed.
- Information about stakeholders and economic activities might be available through internet and other official secondary sources; if not, there is a need to plan exploratory interviews and approaches that require a certain level of coordination, like finding the appropriate informants, setting the appointments, and preparing questioners.
- Some information might not be complete or accurate enough to be useful to BP preparation.

These examples as well as many other cases that might arise constitute the challenges for the BP Team for this step. Therefore a systematic approach to each challenge and the anticipation of the possible difficulties will make an important difference. In this sense, it is recommended that after the second or third week of individual information collection, the team involved meets to identify the current state of each piece of information, and the barriers and alternatives to access them. Two or three additional weeks should be enough to finish this step.

### **Information analysis**

Once the necessary information (or at least an important percentage) has been gathered and is available to every member of the BP Team, the next step consist in processing and analyzing it in terms of answering the four basic questions and components proposed for business plans: 1) Why is this PA important and what are we doing for its conservation?; 2) What is the PA's current financial situation and future needs?; 3) What opportunities are there for improving PA's current financial situation?; 4) By who and how will the business plan be implemented?. At this stage the BP Team efforts should be directly focused into starting the writing of the final document, according to the outline proposed and suggested content. As will be presented, some BP components will need additional processing and analysis, but others should be finalized during this step.

### **General description of the PA**

This first component should be the starting point of the document since it sets the tone and character of the BP; it must be concrete stressing the most important messages about why should someone should invest or promote the financial sustainability of the PA. The content must be easy to read and accessible for different audiences that might not be familiar with protected areas or science terminology.

Although the whole BP Team should participate in identifying the key messages and specific content, only one team member should be responsible for writing the first draft. This first draft should be reviewed and further improved through comments and suggestions until it reaches the team's expectations. The final test about its impact and quality should be performed by inviting external people to read it carefully and suggest adjustments and improvements.

It is important to consider that a high percentage of the potential readers of the business plan might only read this first component, therefore special care and dedication should be devoted to its quality and clarity. The following table presents the chapters and contents for this component. With the exception of the first two chapters (Manager's Foreword and Executive Summary) this component should be finished during this step.

**Table 1 Outline and suggested content for PA general description**

	<b>Outline</b>	<b>Suggested Content</b>	<b>Sources of information/ responsibles</b>	<b># Pages</b>
i	Manager's Foreword	Introduction to document's purpose and objectives	To be prepared by PA Manager	<b>1</b>
ii	Executive Summary	Highlights PA relevance, financial needs and opportunities.	Last task of BP Team to be prepared at the end.	<b>2</b>



1	Protected Area Overview	General description of PA and its features. PA facilities; PA map; Contact and travel info.	Management Plan Natural, cultural, and historic features; Conservation category. Personnel PA map and zoning. Contact and travel info. Photos	3
1.1	PA uniqueness/relevance	One page description highlighting its uniqueness, the most important values for nature conservation and human development.	Threatened and endangered species, fragile ecosystems; Benefits to local people and economy. PA Economic valuations Number of beneficiaries/ visitors, employment, benefits to national economy	1
1.2	PA Programs and actions	Mission statement; Enabling Legislation; MP programs, priorities and projects.	Mission statement. PA strategies, programs and major actions. Functional area charts Operational and investment priorities. Management Plan, Management Effectiveness Assessment	2

### Financial analysis

This component is vital for the BP, since it communicates and justifies the need for additional funding and support for the PA. Since it introduces the readers to understand the gap between the current financial situation, and what it takes to run a PA properly, three special characteristics should be considered for this component. First, the information presented must be accurate and reflect a serious process to increase credibility and trust in the PA. Second, it must be a communication tool leaving the substance of the findings and analysis in the chapter, and presenting additional information, detailed tables and matrices as an annex. Third, it must relate expenditures and financial needs with conservation activities and programs, showing the additional value of increasing investments in the PA. This third characteristic is especially important, since conservation might be an abstract issue for many BP's readers; we need to introduce the concepts and values to them and to relate it with resources and financial needs.

**Table 2 Outline and suggested content for financial analysis**

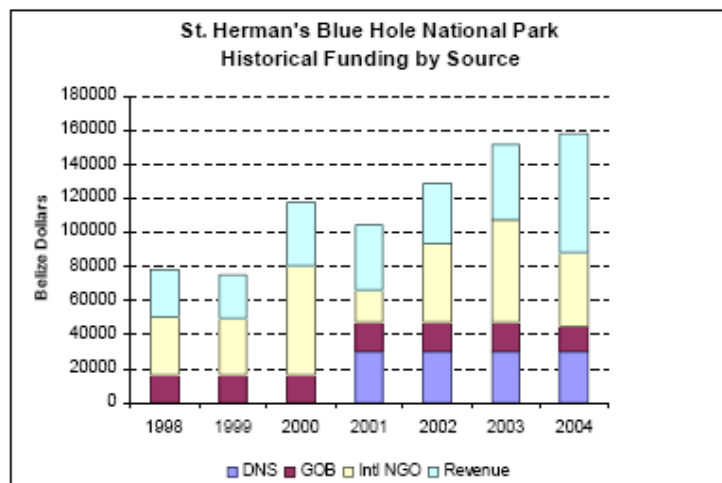
Outline		Suggested Content	Sources of information/ responsables	# Pages
2	Financial analysis	Highlights the most important findings of the component. Present the financial gap.	To be prepared by BP team at the end of the chapter	1
2.1	Expenditure	Historic funding & budgets Inventory of equipment, infrastructure and vehicles.	Base budget (2002-2006) Park inventory (buildings, vehicles, equipment, etc). Funding sources history (2002-2006). Expenditure history (2002-	2

			2006).	
2.2	Revenues	All current sources of revenue, and how are they used.	Total revenues from all current funding sources (entrance fees, international cooperation, concessions, penalties, etc). Visitation trend (# of visitors nationals and foreigners)	2
2.3	Financial Needs Assessment	Three scenarios (actual, basic, ideal) for each management program.	PA workshop Management plan Management effectiveness assessment	4

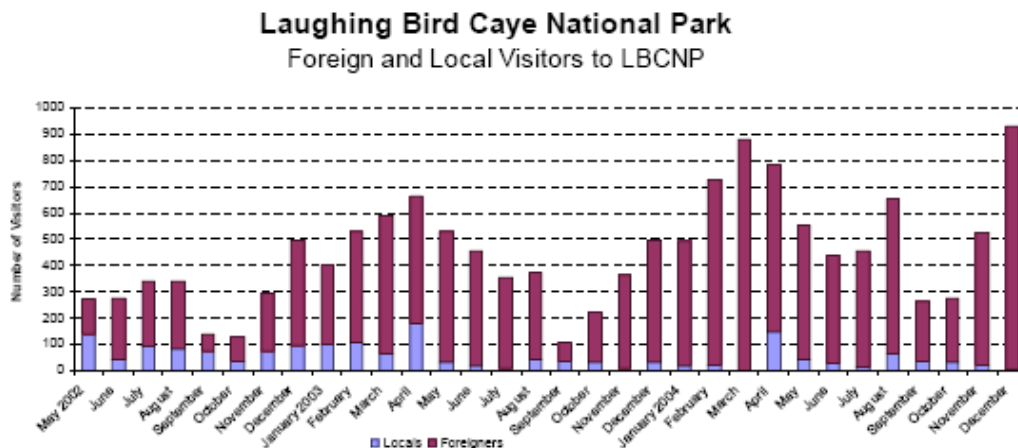
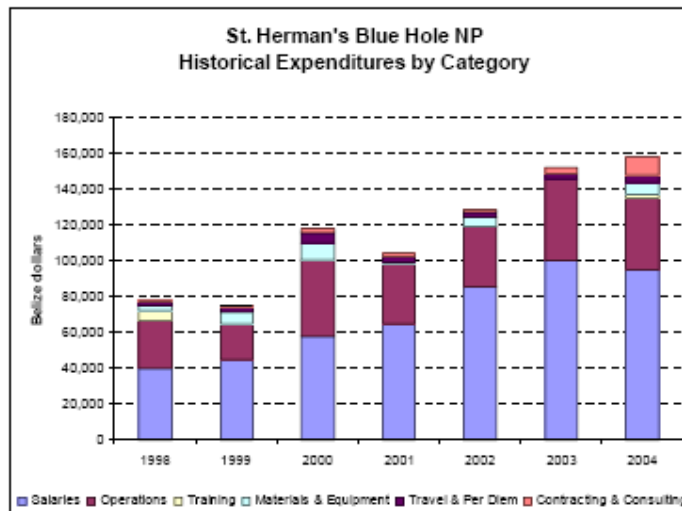
To start preparing this component according to the suggested outline and contents presented in the following table, it is important to divide it into three differentiated challenges.

- The first is related to the presentation of historic financial statements and information, using formats compatible with EEAA accounting procedures and preparing charts and graphics emphasizing the most important findings of the financial analysis. The following charts and graphics provide examples of how to present this information to enhance visibility and impact<sup>2</sup>.
- The second is the financial needs assessment, exercise that must be developed in a participative manner involving at least PA's heads of units and key staff.
- The third is the analysis and summary of the most important information generated during this component in respect to:
  - Historical trends and financial gaps
  - PA's capacity to leverage additional funding to the government investments
  - Sustainability of the current sources of funding
  - Funding according to management programs and expenditure categories
  - Recurrent costs vs. investment costs

**Graphic 1 Examples on how to present financial historic data**



<sup>2</sup> Business Plans for Parks and Protected Areas, 2006. Centre for Park Management



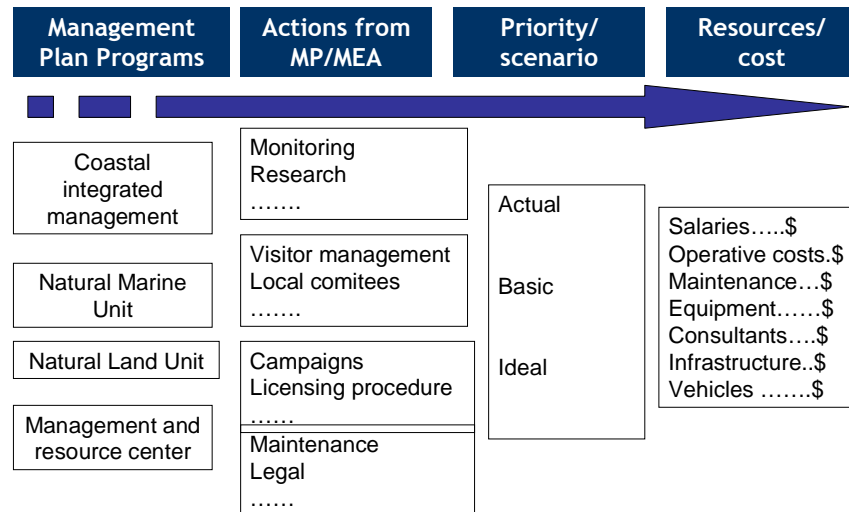
Probably the most complex and time consuming activity for this component is the **Financial Needs Assessment**. This exercise has the following objectives:

- Estimate the financial needs to implement the programs and activities proposed in the Management Plan (MP) and Management Effectiveness Assessment (MEA).
- Present three scenarios for financial needs, based on actual, basic and ideal management.
- Determine the financial gaps between future needs and current funding available.
- Provide financial information for each management program, based on key activities proposed by the Management Effectiveness Assessment (MEA) and Management Plan (MP).

The following diagram describes the sequence of activities and steps that must be considered when developing this assessment. The first two steps are the direct result of summarizing programs and actions of a MP and/or MEA in a practical matrix, separating clearly which actions are currently undertaken, and which are expected to

be achieved in the future. This matrix needs to be prepared before the workshop and should be led and revised by the PA manager.

**Graphic 2 Four steps for the Financial needs Assessment, example for Ras Mohamed National Park**



With this base the BP Team is ready to organize a participative workshop to define priorities for each action, in order to differentiate actual, basic and ideal actions for each management program. In some cases, MEA and MP already suggest priorities based on threats and values that simplify the exercise. In the absence of this information, common criteria must be agreed during the workshop of how to define the line between what will be considered as basic and ideal actions. Some suggestions in this regard could be:

- Based on an analysis between most important PA values and threats.
- Based on setting priorities to the activities proposed in MEA (Basic – Ideal).
- Based on a perceptual estimate of the level of current management accomplishment with the resources available at the moment (Define current % for each program, and % of improvement expected in ideal scenario).
- Based on a gradual implementation of activities (Estimate the period of time needed to reach an ideal scenario)

In the absence of MEA and MP serious consideration should be made whether to continue the BP, since this tool is no substitute for a MP. The following example shows different scenarios for one management program at Ras Mohamed National Park. In the absence of a Management Plan, this effort was only possible thanks to the vast experience and commitment of PA heads of units. The financial needs assessment developed for Ras Mohamed would certainly be a useful base for the future MP, but in any case, it should be reviewed and integrated into the future MP.

**Table 3      Worksheet used for defining actions and scenarios**

<b>Ras Mohamed National Park</b> <b>Financial Needs Assessment</b> <b>Program Integrated Coastal Management Unit</b> <b>Interview: Hany</b>	
<b>Program Integrated Coastal Management</b> <b>Actual Actions</b> Relationship with stakeholders Advisory to Hotels and construction EIA monitoring and follow up Multiple human use activities monitoring Construction monitoring/ advisory Solid waste management/ sewage treatment Beach improvement Desalination units discharge monitoring/ needs a team to assess and supervise Habilitation of floating/ beach structures Law enforcement	
<b>Actions Basic Scenario</b> Integrated pollution control plan Pollution control / solid waste management Stakeholders collaboration strategy 50 - 100 meters shoreline control Carrying capacity and human use plan (study conducted 2001, needs review and update) Enhance public awareness and environmental education for constructors, hotels, and desalination plants Sewage treatment three levels special emphasis in desalination units Agriculture control and monitoring Participation in city/ regional planning	
<b>Actions Ideal Scenario</b> Zoning review/ update Establish a community consultative committee with local stakeholders to look at means of reducing human impact, Long term education program (courses for skippers, divers) Research program of human uses and their impacts to biodiversity conservation Operation codes and licenses for hotels and tourist activities Conduct an strategic environmental assessment Conduct a contingency plan for environmental emergencies Continue control of developments outside the development area	

The workshop last step consists of identifying the necessary resources to achieve each scenario and management program according to expenditure categories. This exercise must be as detailed as possible, and should be reviewed several times by heads of units both within its team, and during the workshop. The following table shows as an example of this step, the results achieved for the Land Program for the basic scenario at Ras Mohamed National Park.

**Table 4 Worksheet used for defining resources for each scenario**

Ras Mohamed National Park		
Financial Needs Assessment		
Land Unit		
Interview: Said		
Actions Basic scenario	Resources needed	
Integrated pollution control plan (garbage collection system improvement)	Human Resources	1 manager + 6 researchers + 4 assistances + 1 interpretational officer + 1 audiovisual specialist for show room + well trained doctor on EFR+ 10 Bedouins for garbage collection
Stakeholders collaboration strategy (especially tour operators,...)		
Carrying capacity and human use plan (study conducted 2001, needs review and update)	Equipment	4 GPS total; 1 distance measurement tool + 8 binoculars + 2 telescopes + + 3 camera traps + 2 quadrates+ 1000 marking tools + 2 uniforms per year + pair of boots + 2 mobile phones 3 first aid kit + 10 package per year gloves & masks +11 Swiss knife + camping set 6 person (sleeping bags, tent + mats, bags, lights= 2000 per person) + 1 generator (1000 watts; 2500) +1 more show room of 20 person capacity - 2 touch screen computers - 2 shops for selling Bedouins products and herbs
Enhance public awareness and environmental education for locals, tour operators, )		
Enhancing training of staff; Establishing continuous courses for training for all people dealing with natural resources		
Developing monitoring methodology and techniques specially for visiting sites	Professional Services (studies, plans)	preparing 2 different training programs 1 for schools + 1 for universities and high educational (4 months); developing of RM website to the level presenting all data about dive and visiting sites (5 months); 1 training per year per person (1 week 11 people; 1000 per person)
Interpretation signs (dynamic + alive)	Infrastructure	Camping facilities + shower facilities + fresh water + prints + developing new natural trails Improvement of shelters + 6 more shelters + 20 garbage bins + 50 ashtrays + 4 camp toilets + 3 bird watching hide
Developing new monitoring program for key species (acacia + mega marine flora)		
Rehabilitation and improvement of visitor facilities (camping)	Vehicles/ boats	2 cars (total) + 2 motorcycles + garbage pick up + Ambulance supplied with all equipments for response dive and swimming accidents +
Operating visitor center		
Emergency first response		

To finalize the exercise, an additional effort is required by the PA accountant in close coordination with NCS BP Team in order to provide the cost associated to each of the resources identified in the workshop. Once this information is gathered and adjusted, a last review of heads of unit might be necessary before producing graphics, charts and the final text for this chapter. The following table provides an example of a format to present the information generated in this step, showing the actual situation, two scenarios and the financial gap<sup>3</sup>.

<sup>3</sup> Business Plans for Parks and Protected Areas, 2006. Centre for Park Management

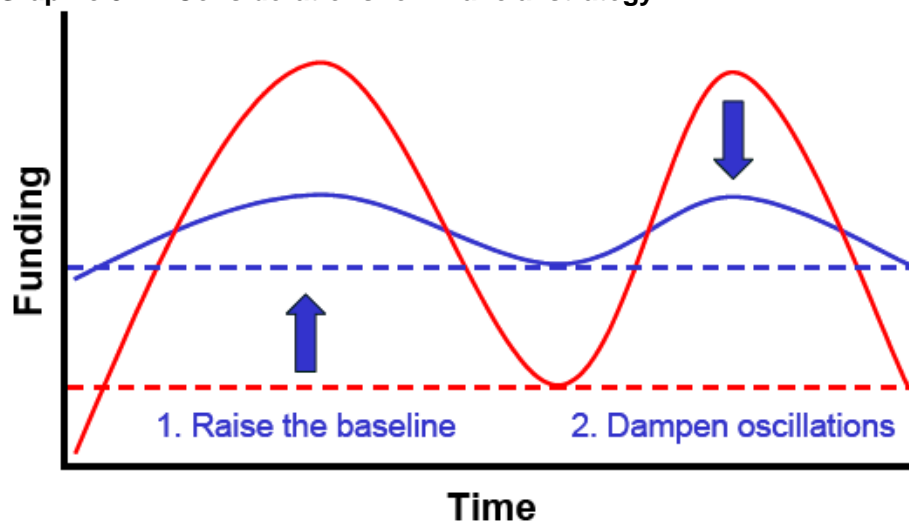
Table 5 Example of how to present financial needs and gap

Laughing Bird Caye National Park	AVAILABLE						REQUIRED				GAP		
	Gov't	Int'l NGO	Local NGO	Revenue	TOTAL		Mission Critical		Optimal State		Mission Critical		Optim
					FTE	Funds	FTE	Funds	FTE	Funds	FTE	Funds	FTE
<b>FUNCTIONAL AREAS &amp; PROGRAMS</b>													
<b>RESOURCE MANAGEMENT &amp; PROTECTION</b>													
Patrolling and Enforcement	-	7,315	-	12,582	1.10	19,827	1.50	25,310	2.33	30,244	0.40	5,434	1.24
Scientific Monitoring and Research	-	35,445	-	5,911	1.48	41,356	1.91	61,737	2.68	87,460	0.82	20,380	1.59
Wildlife Management and Habitat Restoration	-	-	-	-	0.00	-	-	-	-	-	-	-	-
Zoning and Boundaries	-	358	-	681	0.06	1,037	0.15	5,740	0.26	9,649	0.09	4,703	0.20
Wildland Fire Management	-	-	-	-	0.00	-	-	-	-	-	-	-	-
Cultural Resource Management	-	-	-	-	0.00	-	-	-	-	-	-	-	-
<b>Subtotal</b>	-	43,115	-	19,154	2.63	62,270	3.56	92,787	5.28	127,353	1.32	30,518	3.04
<b>TOURISM &amp; RECREATION</b>													
Visitor Safety and Protection	-	1,721	-	5,050	0.41	6,771	0.33	5,888	0.40	7,488	(0.07)	(883)	(0.01)
Recreation Fee Collection	-	2,432	-	4,453	0.41	6,885	0.34	4,388	0.41	5,184	(0.07)	(2,499)	0.00
Visitor Education and Interpretation	-	4,334	-	5,208	0.50	9,540	0.42	11,063	0.58	16,308	(0.08)	1,523	0.08
Concession and Recreation Special Uses	-	-	-	-	-	-	-	5,460	1.40	22,838	-	5,480	1.40
<b>Subtotal</b>	-	8,488	-	14,709	1.31	23,196	1.09	26,797	2.79	51,817	(0.22)	3,601	1.48
<b>COMMERCIAL &amp; COMMODITY USES</b>													
Fishing (Marine Resources)	-	-	-	-	-	-	-	-	-	-	-	-	-
Timber and Forest Products	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-Renewable Resources	-	-	-	-	-	-	-	-	-	-	-	-	-
Special Commercial Uses	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Subtotal</b>	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>MANAGEMENT &amp; ADMINISTRATION</b>													
General Management and Administration	-	16,587	-	682	0.28	17,270	0.68	14,385	0.68	16,385	0.40	(2,884)	0.40
Financial Management and Administration	-	16,035	-	193	0.13	16,228	0.40	14,485	0.40	16,035	0.27	(1,743)	0.27
Planning	-	12,678	-	872	0.23	13,550	0.21	15,115	0.21	17,315	(0.02)	1,565	(0.02)
Partnership Relations	-	13,251	-	898	0.24	14,150	0.64	34,712	1.08	66,816	0.40	20,563	0.84
Information Technology	-	4,945	-	157	0.08	5,102	0.28	9,967	0.60	30,181	0.20	4,895	0.53
<b>Subtotal</b>	-	63,498	-	2,802	0.96	68,299	2.21	88,694	2.97	146,712	1.25	22,395	2.02
<b>COMMUNITY DEVELOPMENT &amp; OUTREACH</b>													
Formal Environmental Education	-	7,603	-	388	0.29	7,991	1.71	104,216	1.87	108,198	1.42	98,225	1.58
Public Outreach and Information	-	21,134	-	438	0.18	21,570	0.43	13,741	0.57	24,485	0.25	(7,828)	0.39
Alternative Livelihoods	-	9,818	-	214	0.02	10,032	0.01	4,568	0.01	7,468	(0.01)	(5,488)	(0.01)
<b>Subtotal</b>	-	38,555	-	1,038	0.49	39,593	2.15	122,522	2.45	138,117	1.68	82,930	1.98
<b>FACILITY OPERATIONS &amp; MAINTENANCE</b>													
Buildings, Grounds, and Utilities	-	11,408	-	2,504	0.50	13,906	0.49	13,123	0.49	15,623	(0.01)	(787)	(0.01)
Roads	-	-	-	-	0.00	-	-	-	-	-	-	-	-
Trails	-	972	-	2,221	0.19	3,193	0.20	3,783	0.30	6,049	0.01	590	0.11
Docking Facilities (Marine)	-	631	-	1,097	0.10	1,728	0.15	3,219	0.18	4,168	0.05	1,492	0.08
Transportation and Fleet	-	9,340	-	855	0.08	10,195	0.09	8,580	0.10	9,237	0.01	(1,616)	0.03
Campgrounds and Picnic Facilities	-	666	-	1,228	0.11	1,894	0.03	2,079	0.05	2,808	(0.08)	185	(0.05)
<b>Subtotal</b>	-	23,014	-	7,904	0.98	30,919	0.96	30,783	1.13	37,884	(0.02)	(1,389)	0.15
<b>Grand Total</b>	-	178,667	-	45,908	8.38	222,276	9.97	381,584	14.62	501,883	3.99	139,908	8.84

## Financial Strategy

This component presents the different alternatives to reach the financial gap prepared in the previous component. It must reflect how the PA will improve its relative composition of funding sources looking at its diversification in a way that ensures long term and stable sources. Graphic 3 presents the two important challenges involved, the first is to elevate the current amount of funding for the PA, second is to make sure that these resources are stable over time.

**Graphic 3 Considerations for financial strategy**



This exercise presents activities and mechanisms that depend on PA competency, and identify which others are beyond its limits. Since the financial needs assessment presents a detailed description of resources, the financial strategy should take advantage of this information to design and envision mechanisms to receive in kind collaborations and financial disbursements that meet the PA needs assessment.

**Table 6 Outline and suggested content for financial strategy**

Outline		Suggested Content	Information needs	# Pages
3	Financial Strategy	Business opportunities overview	To be developed by BP team	1
3.1	Portfolio of alternatives and priorities.	All financial alternatives identified in the process, a barrier analysis and its prioritization.	Description of all current sources of funding Mechanisms in place to operate funding sources, and ideas on how to improve them. Potential new sources assessed or proposed by PA staff or others. Economic valuations prepared for the PA (Coral reef valuation); number of beneficiaries, employment, benefits to national economy	2

Before starting to think about financial alternatives and mechanisms, this component must first identify and describe the actual PA's stakeholders, including those who benefit from PA resources and services, those who offer potential opportunities for



collaboration and mutual benefit partnerships, and those related to governmental offices and ministries. The basis for this analysis is the information gathered during the previous processes as well as the experience and knowledge of PA staff. A first draft should be prepared by the BP Team to encourage discussion and feedback from PA Staff. The following example developed for Ras Mohamed National Park, presents on the left column governmental stakeholders, and on the right non governmental actors that present opportunities for in kind and financial support.

### Ras Mohamed Stakeholders

EEAA	EU Program
Sth. Sinai Governorate	Local/National NGO's
Tourist Development Authority	International NGO's
Ministry of Interior	Local Communities
Gnral. Organization for Roads and Bridges	Universities
City Council	Petroleum companies
Fisheries authorities	Hotels, boat owners
Coast guard	Tourism operators
	Tourist Guides
	Fishermen association

Another format to present and develop this analysis ranks the different stakeholders in terms of their relative importance and influence for PA financial sustainability. This allows a different approach to prioritizing which should be contacted or approached first. The following example was developed as for the protected areas system in Bulgaria.

**Table 7 Bulgaria Protected Areas System Stakeholder Matrix**

	High influence	Low influence
High importance	Ministries (MOEW, MAF/NFB) Parliamentary commissions; Specialized funding organizations RIEWs; RFBs Park Administrations;	Municipalities; NAMRB and other municipal associations; State Tourism Agency; Consultative councils; Environmental NGOs; Associations, unions, etc.; Academia and research organizations; Physical persons
Low importance	District Governors; Donors; Media	Regional directorates fund "Agriculture"; National Association of the Ecologists in the Municipalities; Projects and Programs

The next step for this component is the preparation of a menu of potential alternatives and financial mechanisms that can be implemented for the PA. It presents the potential sources for additional income to the PA, considering first improvements and adjustments to current self generating activities. In this regard, a series of interviews and meetings with people responsible for these activities should be undertaken, with the objective to acquire an idea of the potential increase in revenues and the relative effort required to accomplish them. Key information that should come out of these consultations is whether these improvements are dependent exclusively on the PA, or if they depend on systemic barriers that are closer to NCS competence.

The financial menu must be strengthened with perceptions and suggestions from PA staff and specially from interviewing key stakeholders, whose ideas and innovative approaches should not be underestimated. A final source of ideas for this menu is extensive research and web based information; some important online sources for this are: [www.conservationfinance.org](http://www.conservationfinance.org), [www.biodiversityeconomics.org](http://www.biodiversityeconomics.org), [www.worldwildlife.org/conservationfinance](http://www.worldwildlife.org/conservationfinance), [www.undp.org/biodiversity/biodiversitycd](http://www.undp.org/biodiversity/biodiversitycd), [www.wcs.org/cfp](http://www.wcs.org/cfp). Additionally, a CD with PA business plans, environmental economics papers, and related information is included as an integral part of this document.

**Table 8 Draft financial alternatives menu for Ras Mohamed National Park**

RM financial menu		
<u>Improve ticket collection:</u>	<u>Create new concessions:</u>	<u>Special programs:</u>
Local and Tiran sector	Cafeteria	Corporate social
Increase visitor fees	Gift shop)	responsibility program
Increase antennas	Corporate sponsorship	Partnerships with
concession	programs	universities for monitoring
	Tourist donation program	and research
<u>Create new fees:</u>	Diving center	Diving centers monitoring
Auction for visitation sites	Ecolodge	support
in high season	Underwater tunnel	Eco challenges
Create camping fee	Beduin camp	Adopt a coral reef
Tourist guides and	Aquarium	Tourist donations program
fishermen		Coral and shore line
EIA monitoring and	<u>Products:</u>	garbage collection
supervision	RM T- shirts, hats, etc	Online donations
Bird watching fees	Research information,	
Rent of laboratories and	maps, specialized	
facilities	publications	
Sport fishing (catch &	Diver's patch	
release)		

This menu of financial alternatives and mechanisms reflects the current potential alternatives for improving PA conservation. However, it has to be recognized that a number of barrier and limitations might arise after discussing and reviewing the different implications related to implementing some of the activities of this menu. These barriers should be systematized and discussed among the different levels of involvement and participants in business planning. Special attention should be made to legal, political and capacity related barriers and constraints, since some alternatives might be extremely attractive from a financial perspective, but might face an important number of limitations to be achieved. As an example for this, the next two tables presents the summary result of this exercise for protected areas in Ecuador (Table 9),

and a draft prepared during a visit to Ras Mohamed National Park (Table 10). It is interesting to see that in general terms PA across the globe face similar barriers, and fortunately some countries are finding innovative approaches and solutions that can be adopted for business planning purposes in Egypt.

**Table 9 Barrier analysis for Ecuador's protected areas system**

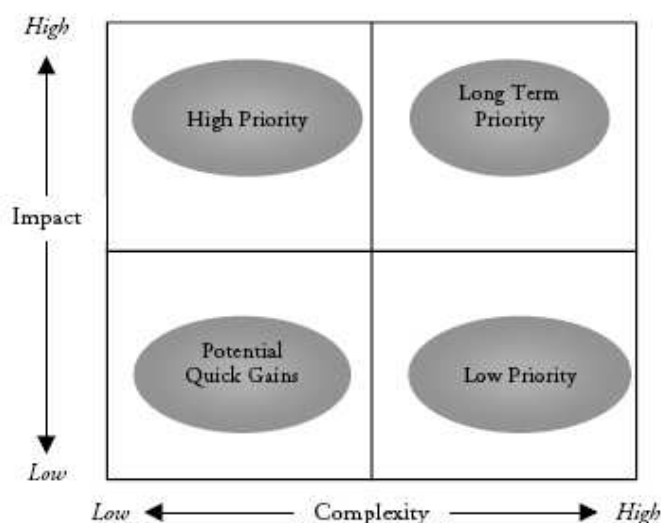
a.	<u>Policy-legal</u> : Related to the gaps and ambiguities presented in the existing legal framework, as well as in the design and implementation of legal instruments favoring NSPA financial sustainability and management efficiency;
b.	<u>Capacities</u> : Related to the lack of power and capacities of MOE public officials, private parties and communities to effectively develop and manage the resources needed for the successful functioning of the NSPA. This also touches on the need to strengthen existing capacities, share skills (know-how) and increase access to technology.
c.	<u>Administrative</u> : Related to the inefficient or nonexistent processes and systems intended for NSPA management and which do not enable an adequate management, allocation, control and/or optimization of resources.
d.	<u>Financial</u> : Related to the budgetary restrictions and the unavailability of funds for NSPA management. This particularly limits the possibilities of improving the infrastructure and services necessary for developing tourism (the main income generator for the NSPA).
e.	<u>Coordination</u> : Related to the weak cross-sectorial coordination for increasing financing opportunities that, if existent, could optimize the allocation of resources and the assumption of responsibilities.

**Table 10 Draft barrier analysis for Ras Mohamed National Park**

Ras Mohamed National Park	
Barriers	Opportunities
Reinvestment and revenue retention	Number of stakeholders directly benefiting from PA services and goods.
Concessions and fees not technically determined	International recognition of RM's biodiversity
RMNP subsidies tourism activities	Future UNESCO Natural Heritage
Low sense of service for the visitor fee	EU project and others (GEF)
Low collaboration from other gov. bodies	Existing NGO's and committed stakeholders
No management plan	World's top ten diving destination
Perception of low presence of PA personnel	Integrated management with other PA's
No clear responsible for BP preparation and implementation	RM recognition among stakeholders, and leadership to mobilize them.
No mechanism in place to receive donations directly	Excellent human capital and infrastructure
Governmental bureaucracy; There is no NGO available for RM at the moment;	Creation of NGO for RM

Both tools, the financial menu and the barrier analysis have the purpose to generate a creative tension and a base for prioritizing the most promising and applicable financial alternatives and mechanisms to meet PA financial needs. This prioritization exercise should be developed in a participative manner, involving lawyers from NCS and the PA. Four considerations should guide the feasibility of each alternative for its prioritization: i) legal; ii) political; iii) capacity; iv) expected return. The final selection can combine a number of alternatives that can provide results in the short and mid term, and others that can be especially important for the long term. At the end of this step, a reasonable number of alternatives will arise to advance the BP process forward. Another useful tool, to determine the final number of alternatives, combines the relative impact in terms of revenues with the complexity associated to its implementation (Graphic 4)<sup>4</sup>.

**Graphic 4 Strategy prioritization matrix**



	Feasibility (1 -3)				
	Legal	Political	Capacities	Financial Return	Priority
Improve ticket collection (Tiran Islands)					
Increase visitor fees					
Create camping fee					
Concession of current infrastructure (cafeteria, gift shop)					
Corporate sponsorship programs					
Tourist donation program					
License/ fee tourist guides and fishermen					
Fee for EIA monitoring and supervision					
Partnerships with universities					
Rent of laboratories and facilities					
Ecolodge					
Target penalties					
Increase antennas concession					
Auction for visitation sites in high season					
Marine live catalogs, specialized publications					

### 3.6 Product development

<sup>4</sup> Business Plans for Parks and Protected Areas, 2006. Centre for Park Management

Once a number of financial alternatives and mechanisms are selected, the next step of the process is devoted to further develop them, in terms of a detailed description of its characteristics, operation, market and financial projections. There is a fundamental approach of this step by comparison with the previous; while previous steps were focused internally involving mainly NCS and PA Staff, this step has to be focused externally, looking after information, insights and perceptions of the stakeholders and actors that will either benefit or be affected by the implementation of these alternatives. The design of mechanisms and products must reflect the use of market intelligence, and the understanding of the complexities, details and opportunities to operate them.

**Table 11 Outline and suggested content for product development**

Outline		Suggested Content	Information needs	# Pages
3.2	Product analysis	Concept & Market description, market share, price, services distribution, promotion channels, operative structure financial projections	Market intelligence and research Selected products and alternatives Tourist surveys, profiles. Interviews with major stakeholders Operation needs and costs Financial projections	8
3.5	Marketing Plan	Strategic approach towards PA and product marketing.	Target groups, prices, product, and promotion.	3

Not all alternatives and mechanisms operate in the same way; each has its own characteristics, procedures and operational complexities. Therefore they should be assessed as separated bodies. The key success factor for this step is the quality of information and special attention to detail, since this step envisions the whole operation and describes the necessary considerations to implement these activities.

The first part of the component should design and describe the concept of the mechanism or financial alternative. The basic questions that need to be answered in this step through market research tools (surveys, interviews, focus groups) and/or through examples and best practices already applied for similar purposes are:

- Who is our target group for this alternative or mechanism?
- What is the size of this market (in terms of number of people or gross sales)?
- What characteristics (demographic, economical, ethnic, etc) describe this group?
- What are their consumer behavior and market habits?
- How much they pay for similar services, or are willing to pay for the services we provide?
- What motivations and values do they consider for making the decision?
- Who else is competing for the same target group?
- How can we reach them (TV, newspapers, brochures, personal interviews)

## MARKET ASSESSMENT

Target group  
Size of the market  
Market characteristics  
Consumer behavior  
Willingness to pay  
Decision triggers  
Competition  
Promotion



## PRODUCT DESIGN

Concept  
Market share  
Price  
Services  
Distribution  
Promotion channels  
Structure  
Financial projections

The answers to these basic questions must lead to conclusions on how the alternative or mechanism should be conceptualized and what characteristics must be considered, such as services, price, competitors, and the expected market share. With this information in mind, the marketing plan should state a summary of how the protected area could position itself with respect to the goods and services it provides. Marketing professional advisory or the integration of a related profile to the BP Team might be required at this stage. The market analysis should provide a foundation for the marketing plan, having analyzed the competitors and customers of the protected area.

The fact that PA's usually offer a geographical limit for the kind of products and services to be provided simplifies the search for this information. As an example, if the alternative to be assessed is an increase in the concession fee for mobile phones antennas, the size of the market for this alternative is reduced to two or three companies that offer the service in Egypt whose number of users, characteristics, and annual budget are easily available online. For the same example, asking a private landowner or another PA how much are they receiving for allowing a similar antenna provides an idea of the willingness to pay, to complement this, extensive online information is available regarding environmental economic valuation for that infrastructure. An interview with the public relations manager or the marketing department can provide a number of details and key information to adjust the design of the alternative and provide guidance for the necessary approach. Finally since the mechanism is normally managed through NCS, the sources of information and further support to apply the tool might be accessible through the NCS BP Team.

### **Implementation strategy**

The last step of the process involves the operational details and description of major responsibilities and the necessary arrangements that need to be accomplished to realize the business plan. Special attention to detail will be required since this chapter envisions the whole operation and describes the necessary steps needed to implement the business plan.

**Table 12 Outline and suggested content for implementation strategy**

Outline		Suggested Content	Information needs	# Pages
4	Business plan implementation	Implementation team; operational arrangements, critical success factors and timeframe.	To be developed by BP team	1



scheme<sup>5</sup>, or establishing an environmental fund<sup>6</sup>. The importance of both examples is the fact that no matter the complexity and difficulty associated with each financial mechanism, they can be translated into a sequence of simple activities that facilitates its implementation. Please note that these examples are presented as guides on how to translate the business plan implementation into a comprehensive sequence of milestones and activities.

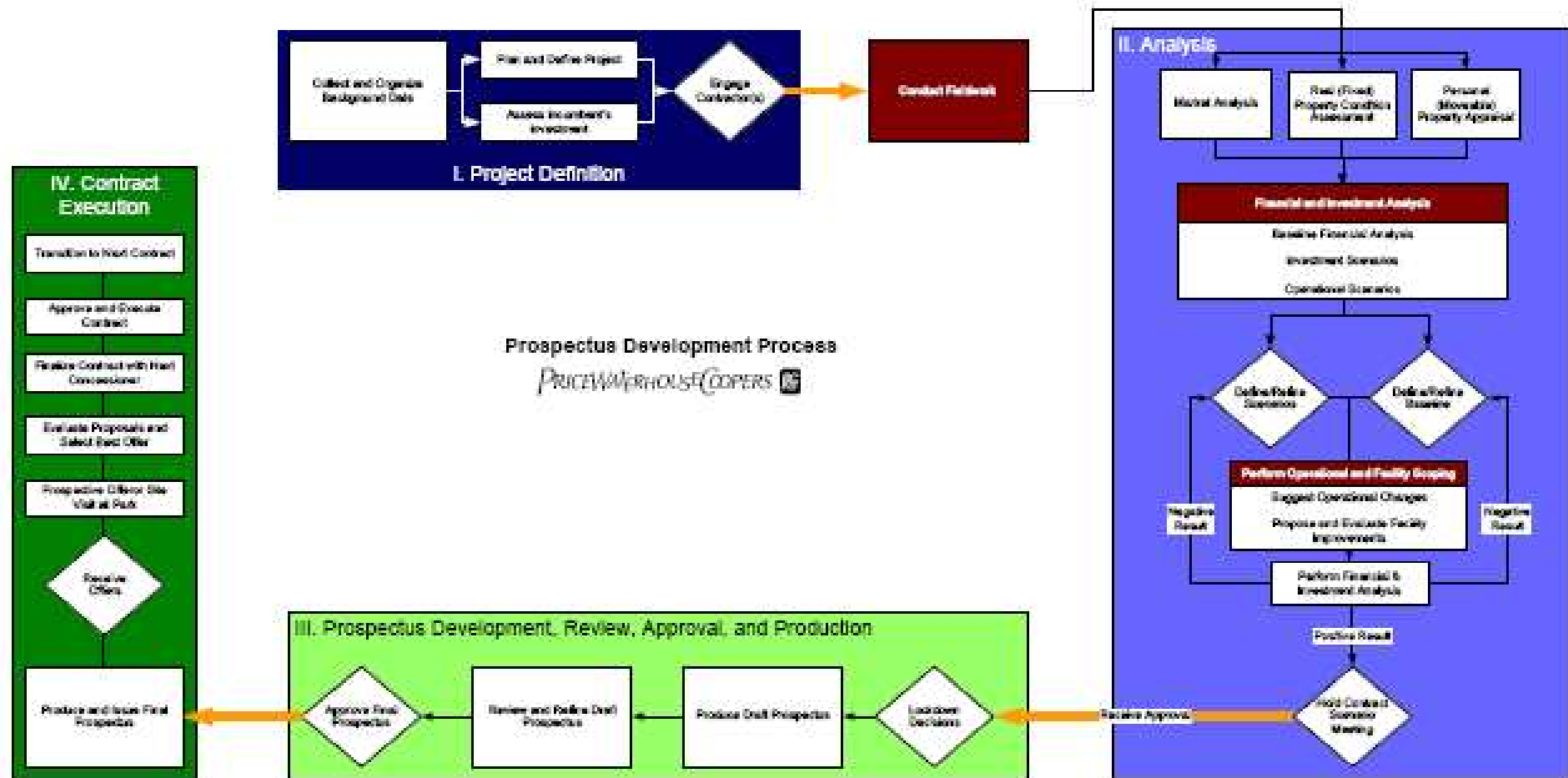
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<sup>5</sup> Geoff Baekey and Susan Mann, PriceWaterhouseCoopers, 2006.

<sup>6</sup> Barry Spergel, 2002. Raising Revenues for Protected Areas A Menu of Options. World Wildlife Fund



Graphic 6 Prospectus development process



Such a challenge can be overwhelming, but it does not matter the complexity associated with realizing a financial alternative or mechanism, it can always be simplified through a sequence of steps and simple activities to be followed by a team.

**Table 13 Steps to establish an environmental fund**

<p><b>STEP 1</b> Introduce and explain the concept of a conservation trust fund to key government officials, nongovernmental organization (NGO) representatives, and other interested parties:</p>
<ul style="list-style-type: none"> <li>• Describe examples of conservation trust funds in other countries.</li> <li>• Discuss possible uses of a conservation trust fund for supporting national environmental strategies and other goals.</li> <li>• Assess whether there is sufficient interest and support to proceed further.</li> </ul>
<p><b>STEP 2</b> Discuss and decide what the principal objectives of the fund should be, such as the following:</p>
<ul style="list-style-type: none"> <li>• To support a particular park or protected area</li> <li>• To support a country's entire system of national parks or protected areas</li> <li>• To provide funding for multicountry projects such as transboundary parks and protected areas</li> <li>• To conserve biodiversity outside of parks and protected areas</li> <li>• To strengthen the technical and organizational capacity of government agencies or local NGOs working to conserve biodiversity</li> <li>• To conserve biodiversity while also addressing broader issues of sustainable development and poverty alleviation.</li> </ul>
<p><b>STEP 3</b> Establish an interim organizing committee composed of stakeholders, such as the following:</p>
<ul style="list-style-type: none"> <li>• Ministries or departments of environment, forestry, tourism, finance and planning; the office of the country's president or prime minister; and provincial or local governments</li> <li>• Local, national, and international NGOs involved in environmental conservation</li> <li>• Interested donors</li> <li>• Representatives of local communities or groups in the areas concerned.</li> </ul>
<p>Choose the individuals or organizations who will take lead responsibility for convening meetings and coordinating activities. The leadership position often calls for one or more individuals who can commit one-quarter or more of their time over a period of several years to moving the process forward.</p>
<p><b>STEP 4</b> Hold meetings to determine the following:</p>
<ul style="list-style-type: none"> <li>• What types of activities and projects the fund will support</li> <li>• Which nongovernmental organizations or government agencies should be represented on the fund's governing board</li> <li>• Whether a scientific experts committee should be established in order to advise the fund's board and to screen proposals for their conservation merit</li> <li>• Whether regional-level or local-level advisory councils should be established to screen proposals from particular regions of the country</li> <li>• What the relationship of the fund to existing government agencies, such as a ministry of environment or national parks department, will be</li> <li>• How the fund will be related to national environmental action plans and other national strategies and goals</li> <li>• How the fund will be related to existing donor-funded or government-funded conservation projects and programs</li> <li>• What potential in-country revenue sources could be tapped to support the fund, such as user charges, entrance and license fees, special earmarked taxes, fines,</li> </ul>

onetime or annual appropriations from the national budget, and donations by corporations, individuals, or the public at large

- Whether the fund should be set up in the form of an endowment that is intended to last in perpetuity, as a sinking fund that will be completely used up after a certain number of years, or as a revolving fund that will be continually replenished with new revenues.

**STEP 5** Meet with donor agencies:

- Explain the proposal for establishing this particular conservation fund.
- Discuss the experiences of other conservation funds.
- Invite donor agencies to participate in designing the fund.
- Identify any constraints or conditions that potential donors might have and discuss how best to address them.
- Discuss the different ways that donors can financially support the conservation fund, such as

- Debt-for-nature swaps using commercial debt
- Debt conversions involving government-to-government debt
- Grants by donors directly to the fund
- Cofinancing particular activities or projects of the fund
- Giving technical assistance and in-kind donations.

- Ask donors for a preliminary commitment to financial support of the fund.

**STEP 6** Discuss with legal experts whether to legally establish the fund in the developing country or in an “offshore” location, and compare the pros and cons of setting up the fund in the following legal forms:

- Common-law trust or statutory trust
- Not-for-profit corporation
- Foundation
- Part of an existing government agency
- New NGO
- Part of an existing NGO
- Independent institution created by a special legislative act or executive decree
- Autonomous fund within an existing international institution such as the United Nations Development Programme or the World Bank
- Private foundation legally established in another country (such as Switzerland or the Netherlands) that offers favorable tax treatment of investment earnings and that has a reliable legal system to protect against possible misuse of the trust fund’s assets.

Once the legal form of the trust fund has been determined, begin drafting legal documents.

**STEP 7** Discuss with financial experts whether to keep the fund’s assets in local currency or foreign currency, and whether to keep hard currency assets inside the country, outside the country, or both, based on such factors as the following:

- Inflation and currency risk
- Comparative risks and returns of different types of possible investments (interestbearing bank accounts, government bonds, stocks, mutual funds), both in-country and outside the country
- Legal restrictions and tax implications of investing the assets outside the country
- Political implications of investing the assets outside the country
- Likelihood of the country’s foreign creditors seizing the fund’s assets if the assets are located outside the country
- Likelihood of the country’s government appropriating the fund’s assets for other purposes if the assets are kept in the country.

**STEP 8** Review, discuss, and modify the results of the previous steps by holding a series of meetings involving as many as possible of the following groups, either separately or together:

- Officials and staff of relevant government agencies and departments
- Local and international conservation organizations
- Representatives of donor agencies that are seriously considering giving significant financial support to the trust fund
- Relevant provincial and local government officials and local environmental organizations
- Relevant sectors of civil society, such as communities living near protected areas, educational and research institutions involved in studying and conserving biodiversity, the tourism industry, a chamber of commerce or other interested business associations.

**STEP 9** Finalize and register all necessary legal documents including the following:

- A charter, deed of trust, or articles of incorporation
- Bylaws and other internal rules and guidelines for the fund
- Any parliamentary legislation or administrative rulings required to establish the fund or to grant the fund tax-exempt status.

**STEP 10** After the fund is legally established, choose the first members of the fund's governing board and convene a meeting of the board to discuss and decide upon the following:

- Election of the chair and other officers
- Establishment of any committees of the board
- Hiring of an executive director and other staff
- Procurement of office space and equipment
- Selection of an investment manager
- Establishment of a first-year (as well as longer-term) work plan with specific goals and timetables
- Setting up of auditing and accounting systems and hiring of an outside auditing firm
- Discussion of the best ways to publicly disseminate information about the fund.

**STEP 11** Design and implement a fund-raising strategy:

- Take whatever steps are necessary to obtain funds from donors who have made commitments or expressed strong interest in supporting the fund.
- Initiate discussions with the in-country offices of other donor agencies.
- Conduct fund-raising trips outside the country to visit the head offices of donor agencies.
- Raise money from private foundations, corporations, and individuals, both in the country and abroad.
- Seek in-kind donations of goods and services, including technical assistance.

**STEP 12** Set up a grants program by establishing the following:

- Criteria for what kinds of organizations will be eligible to apply for grants from the fund
- Criteria for activities and projects eligible for funding
- Processes and procedures to be used for review and selection of grant proposals
- Reporting requirements and criteria for monitoring and evaluation
- The role and responsibilities of the fund's board and staff during the course of project implementation by grantees.

**STEP 13** Publicly issue a call for grant proposals and commence operations of the fund.

With this last step the preparation of the BP will be finished. The different BP components would need to be integrated into a coherent document that highlights the most important messages developed through the process serving two purposes, to be a useful planning tool that guides the implementation of financial mechanisms among PA and NCS staff, as well as to communicate to stakeholders the current financial situation and the opportunities for improvement.

Once the document is finished it should be launched and presented to various audiences for two purposes, to generate political endorsement for its implementation, and to invite new partners to commit resources and technical assistance for to follow up the activities and goals presented in the plan.

## **Annex 1      Relevant Conservation Finance Links<sup>7</sup>**

The following list offers an extensive source of information related to conservation finance, environmental economics and PA financial mechanisms. It is presented with the purpose to encourage further research and study for BP teams and interested parties.

[www.biodiversityeconomics.org](http://www.biodiversityeconomics.org) - An extensive background site with more than 1300 links to publications (380) and other web sites (670 pages) dealing with business, finance, incentives, trade, assessment and valuation. This website has also been recently redesigned! It now includes a spider that allows you to search relevant documents from a selection of other sites as well as a Basics section for people new to biodiversity economics and includes introductory texts and summary papers.

<http://www.iisd.ca/linkages> - Linkages is provided by the International Institute for Sustainable Development and is designed to be an electronic clearing-house for information on past and upcoming international meetings related to environment and development policy. For example, they have proceedings and the Plan of Implementation from the recent World Summit on Sustainable Development.

[www.gefweb.org](http://www.gefweb.org) - The Global Environment Facility website with information on the GEF's medium-sized projects and small grants programs as well as a "How do I?" page that explains GEF procedures. The website <http://sgp.undp.org/> has information just on the Small Grants Programme.

<http://www.biodiv.org/financial/sources.asp> - These pages on the Convention on Biological Diversity website point to sources for funding, institutions involved in sustainable financing for conservation and other useful references on financial resources for conservation.

<http://www.earthcouncil.com/earthcouncil/> - The Earth Council Learning Center for Sustainable Development is dedicated to hosting courses on topics of global importance such as climate change, world trade, and sustainable development. The courses are aimed at professionals from all spheres working on these issues. and courses are open to all organizations working on sustainable development issues.

[www.frameweb.org](http://www.frameweb.org) - FRAME is a gateway that links you to sources of information, tools and expertise on environment and natural resource issues in Africa. It is an internet-based resource that provides access to relevant technical information, networks and analytical mechanisms to facilitate engagement by African partners in using those resources in

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<sup>7</sup> [www.conservationfinance.org](http://www.conservationfinance.org)

strategic planning and decision-making. Its key components include the FRAME website, which is not only a library of technical reports and country data, but also a gateway to other databases and mechanisms that help you sort through the mountains of data and analyze it in ways that suit your needs. It also helps connect you with others with experiences to share.

[www.ecofondos.net](http://www.ecofondos.net) - Ecofondos.net is a webportal full of information on the financing of nature conservation and sustainable development. It is Ecofondos' hope that people in Latin America who are developing programs and projects related to environmental conservation and sustainable development (government officials, NGO staff, university professors, etc.), as well as others who are just interested in these issues, will visit this site to get information on sources of funding and on writing grant proposals and will also join their listserv.

[www.a-p-e-x.org](http://www.a-p-e-x.org) - Asia Pacific Environmental Exchange (APEX) is devoted to promoting ecosystem health and ecological economics and to halting the globalization of unsustainable economic policies. Focusing on the vital areas of toxics, forests, fisheries and global trade policy, they achieve their goals through organization, education and advocacy. APEX works through two main projects: The Basel Action Network (BAN) and the Center for Applied Ecological Economics (CAEE). BAN is an international network of activists seeking to put an end to economically motivated toxic waste export and dumping -- particularly hazardous waste exports from rich industrialized countries to poorer, less-industrialized countries. CAEE builds on the work of APEX by identifying the ecological economic aspects of established APEX projects, by building the relationship between the growing academic circle and studies of ecological economists with environmental decision makers, and by educating stakeholders on ecological economics.

[www.iied.org/eep/pubs/MarketsforEnvironmentalServicesseries.html](http://www.iied.org/eep/pubs/MarketsforEnvironmentalServicesseries.html) - The International Institute for Environment and Development has available a series of reports on Markets for Environmental Services, which focus on the financial, environmental and poverty impacts of recent initiatives to develop markets and other financial compensation mechanisms for environmental benefits (services) in rural areas of the developing world.

[http://www.gefweb.org/ResultsandImpact/Monitoring\\_Evaluation/Working\\_Paper\\_11.pdf](http://www.gefweb.org/ResultsandImpact/Monitoring_Evaluation/Working_Paper_11.pdf) - Recent review of Financial Arrangements in GEF-supported Biodiversity Projects. All Annexes and Appendices to this report are available at:  
[http://www.gefweb.org/ResultsandImpact/Monitoring\\_Evaluation/Evaluationstudies/evaluationstudies.html](http://www.gefweb.org/ResultsandImpact/Monitoring_Evaluation/Evaluationstudies/evaluationstudies.html).

<http://www.cites.org/eng/prog/economics.shtml> - A page on the CITES website that contains the agenda and documents from the recent Workshop on Economic Incentives and Trade Policy, as it affects endangered species. This workshop took place in Geneva, in December 2003.

<http://www.biodiv.org/meetings/cop-07/press/> - The COP-7 Press Page contains summaries of the daily events which took place during the Seventh Conference of the Parties (COP-7) to the Convention on Biological Diversity (CBD), Malaysia, February 2004.

<http://www.icbgpanama.org> - The International Cooperative Biodiversity Groups' website for Panama describes a bioprospecting project in Panama.

<http://www.yale.edu/environment/publications/bulletin/099.html> - Bulletin 99, entitled "The Ecotourism Equation: Measuring the Impacts," published by the Yale School of Forestry and Environmental Studies, has downloadable articles on measuring the impacts of ecotourism, defining its success, and successful design and implementation of ecotourism projects.

<http://www.fonafifo.com> - website of Costa Rica's Fondo Nacional de Financiamiento Forestal (National Forest Financing Fund) which administers their well known Payment for Environmental Services program. It also provides new innovative conservation financing schemes such as the Certificates for Environmental Services. The site is in Spanish with some English sections.

<http://www.alear.org> - the website for the Latin American and Caribbean Association of Environmental and Resource Economists (ALEAR - Asociación Latinoamericana y del Caribe de Economistas Ambientales y de Recursos Naturales). ALEAR is an NGO that assembles institutions and professionals interested in environmental and natural resource economics - its research, application and dissemination - in order to contribute to the sustainable development of Latin American countries.

<http://www.scidev.net/biodiversity> - the website of the Science and Development Network, which has created a new biodiversity dossier. The dossier explores how concerns over biodiversity can be reconciled with the needs of developing countries. See the current debate posted: "[Conservation and Development: are they compatible?](#)"

<http://www.undp.org/cu/eventos/eventos6.html> - Proceedings from an LAC workshop on long-term financing for National Systems of Protected Areas, sponsored by UNDP-GEF, Cuba, July 2004.

<http://www.redlac.org> (website is available in both Spanish and English) - RedLAC is a network of national environmental trust funds operating in Latin America and the Caribbean, whose mission is to set up an effective system of learning, strengthening, training, and cooperation, in order to contribute to the conservation and sustainable use of nature in the LAC region.

<http://www.ecosystemmarketplace.com> - The Ecosystem Marketplace provides a coordinated and informative platform for users and providers of ecosystem services to meet and communicate, in order to capture the value associated with ecosystem services. The site publishes the latest information and news regarding ecosystem services.

<http://www.katoombagroup.org> - The Katoomba Group is an international working group composed of leading experts from forest and energy industries, research institutions, the financial world, and environmental NGOs, all dedicated to facilitating strategic partnerships that can launch green forest products in the market place.

<http://www.environmental-finance.com/index.htm> - *Environmental Finance* is a monthly magazine that covers the impact of environmental issues on the lending, insurance, investment and trading decisions affecting industry. Each month, industry specialists and journalists write articles on a broad range of environmental issues including weather risk management, renewable energy certificates, emissions markets and "green" investments.

<http://www.foresttrends.org/whoweare/publications.htm> - The organization Forest Trends publishes a number of number of papers on their website on the valuation of goods and services from forest ecosystems.

<http://www.id21.org/index.html> - id21 is a free development research reporting service which showcases that latest U.K. research on development issues, and provides policy lessons on major development issues. Check out their [Natural Resources](#) and [Aid](#) pages.

<http://www.flowsonline.net/> - This is the online site for the FLOWS Bulletin, which provides a monthly review of selected topics related to the effectiveness of payment arrangements for watershed services and lessons being learned. The bulletin highlights gaps between theory and practice, the science and policy interface, and relevant information from diverse areas of knowledge.

<http://www.biodiv.org/doc/meeting.aspx?mtg=PAWG-01> - Official documents and information from the first meeting of the Convention on Biological Diversity Ad Hoc Open-Ended Working Group on Protected Areas, which took place from June 13 - 17, 2005 in Montecatini, Italy. One Convention on Biological Diversity will hold the first meeting of the Ad Hoc Open-Ended Working Group on Protected Areas, June 13-17 in Montecatini, Italy. Issues discussed were sustainable financing of national protected area systems.

<http://www.biodiv.org/doc/meeting.aspx?mtg=PADONORS-01> - The agenda and information about the recent Convention on Biological Diversity "Meeting of donor agencies and other relevant organizations to discuss options for mobilizing new and additional funding to developing countries for the implementation of the programme of work on protected areas," June 20-21 in Montecatini, Italy.

The [Africa Biodiversity Collaborative Group](#) (ABCG) is made up of U.S.-based international conservation organizations with field-based activities in Africa. ABCG and the CFA recently held a joint meeting on [Sustainable Financing and Business Planning for Protected Areas](#). See the presentations [here](#)!

<http://www.nric.net/index.htm> - USAID's Natural Resources Information Clearinghouse has developed some new online resource libraries about USAID's natural resources work. These libraries include information about USAID's natural resources management projects, documents produced by these projects, and links to related Web resources. Projects included are those dealing with natural resources management, tourism and GIS.

[http://wce.wikidev.net/Main\\_Page](http://wce.wikidev.net/Main_Page) - Using the open-source encyclopedia Wikipedia as a model, Richard Forrest, in collaboration with IUCN, is developing an online encyclopedia on world conservation. "The goal of the WCE is to document knowledge useful for global sustainable development, and to provide an integrated set of resources useful to practitioners and students of conservation, sustainable development, and related issues."

<http://www.wwf-efn.org/funding.cfm> - World Wildlife Fund's Russell E. Train's Education for Nature Program maintains a funding source database with information on more than 150 grants, scholarships and fellowships for conservationists throughout the world.

[http://www.unep.org/dec/support/mdg\\_meeting.html](http://www.unep.org/dec/support/mdg_meeting.html) - Mainstreaming Environment beyond MDG 7: a high-level brainstorming workshop held in July 2005 in Kenya, sponsored by UNEP/Division of Environmental Conventions. The Workshop aimed at identifying possible future common activities between UNEP, Secretariats of multilateral environmental agreements and development agencies in order to achieve the Millennium Development Goals (MDGs). Meeting documents, presentations and background documents are available on the site.

[http://www.unep.org/dec/support/mdg\\_meeting\\_lon.htm](http://www.unep.org/dec/support/mdg_meeting_lon.htm) - Creating Pro-Poor Markets for Ecosystem Services: a high-level brainstorming workshop held in October 2005 in England, sponsored by UNEP/Division of Environmental Conventions in conjunction with the London School of Economics. This workshop considered the opportunities and possible perverse effects resulting from the creation of markets for ecosystem services especially in the form of exclusion of the poor. One of the objectives of the workshop was to explore ways for the MEAs to support and contribute to pro-poor markets for ecosystem services, if such markets are deemed desirable. Meeting documents, presentations, speeches, and background documents are available.

<http://www.enn.com/wild.html?id=275> - a short article on how \$650,000 was raised for Madidi National Park, Bolivia, through the auction of the right to name a new monkey species.

[http://www.wcs.org/sw-around\\_the\\_globe/latinamerica/centralandes/nwbolivia/madidimonkey](http://www.wcs.org/sw-around_the_globe/latinamerica/centralandes/nwbolivia/madidimonkey) also has additional information on the auction and National Park.

<http://www.gbf.ch/> - This website explains what the Global Biodiversity Forum is and has information on past sessions.

<http://www.greenfacts.org> - Greenfacts is an organization whose mission it is to make complex scientific reports on health and the environment accessible to non-specialists. Their [website](#) provides faithful summaries of such reports. Currently they have a summary of the [Millennium Assessment Biodiversity Synthesis Report](#).



<http://www.fao.org/forestry/cpf-sourcebook> - The online CPF Sourcebook on Funding for Sustainable Forest Management has been developed to help users efficiently locate global funding sources for sustainable forest management projects.

The sourcebook, developed and maintained by UN Food and Agriculture Organization (FAO) in collaboration with the Collaborative Partnership on Forests Network (CPF) and the National Forest Programme Facility, compiles information on funding sources, policies and delivery mechanisms, with particular focus on projects in developing countries. Its contents come from various sources: donor agencies and countries, CPF members, international forest-related organizations and instruments, development banks, private sources, regional processes, foundations and international non-governmental organizations. A major component of the sourcebook is the database of funding sources which contains information on over 600 funds and is a valuable starting point in the search for funding opportunities. You can download a pdf version, or search it online.

<http://new.sourceoecd.org/factbook> - The OECD Factbook 2006 - Economic, Environmental and Social Statistics provides a global overview of world economic, social and environmental trends. It is a standard statistical source and reference volume for social sciences/comparative politics.

[http://ec.europa.eu/environment/nature/biodiversity/current\\_biodiversity\\_policy/biodiversity\\_com\\_2006/index\\_en.htm](http://ec.europa.eu/environment/nature/biodiversity/current_biodiversity_policy/biodiversity_com_2006/index_en.htm) - A new EC Biodiversity Communication which gives prominence to the instrumental values of biodiversity (it is subtitled Sustaining ecosystem services for human wellbeing).

<http://topshare.wur.nl/naturevaluation> - The overall aim of the Nature Valuation and Financing Network (NV&F) is to stimulate the development and exchange of practical tools for proper valuation of the goods and services provided by ecosystems, so that decisions concerning economic development are made with the full understanding of all the costs and benefits involved. The site offers important features such as a publication database which gives the users the opportunity to both download and upload information, a case study database allowing users to scroll through ongoing case studies, discussion platforms where users can communicate through an online platform and national platforms, specifically tailored to a certain country.