Guidebook
for the Development **of Simplified Business Plans** for **Protected Areas**

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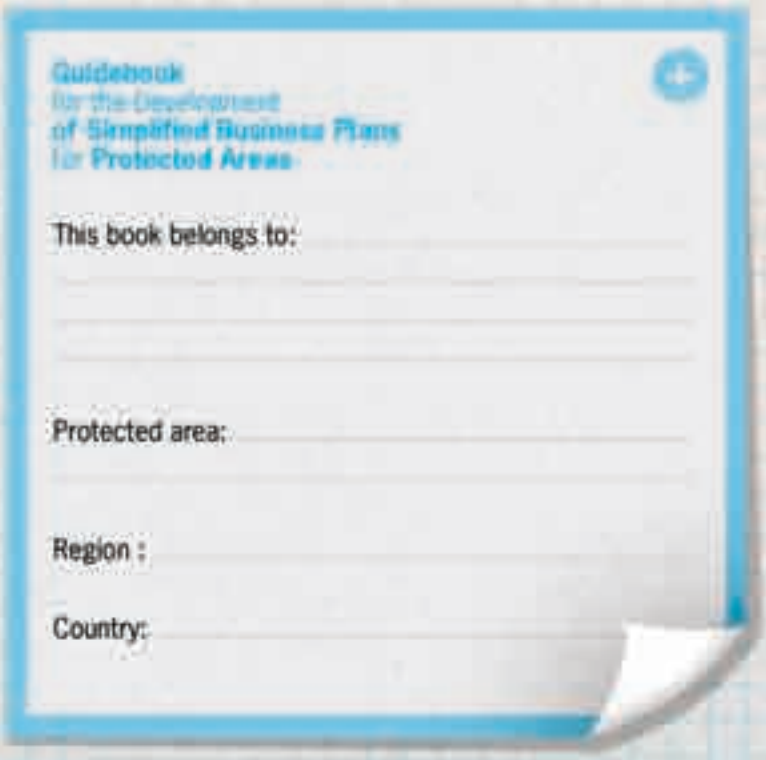

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Guide
for preparing
simplified business plans
for **protected areas**

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The views expressed in this report are those of the consultant and in no way represent those of the different stakeholders.

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ETFs are more than just a simple financial mechanism. They also represent:

- A Forum between stakeholders in environmental protection (governmental organizations, NGOs, the private sector and international donors).
- A source of technical expertise in order to develop effective management approaches.
- Bodies which strengthen capacity and accompany the first phase of a NGO in the field of biodiversity conservation.

ETFs are characterized by 4 key elements:

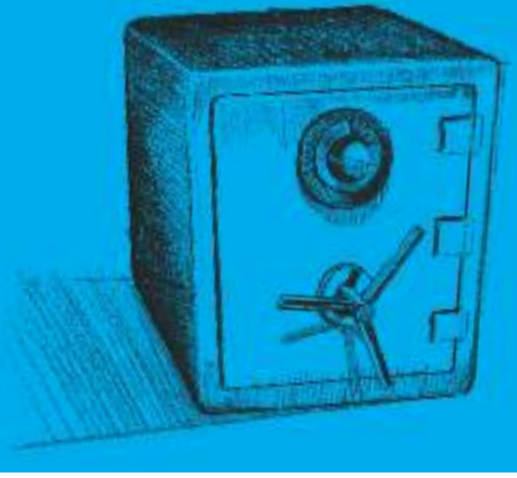
- Capital assets.
- A legal structure(usually in the form of a private body: trust fund or foundation).
- A supervisory body; for example, a Board of Governors (BG) who decide on the allocation of funds. This body should represent all interests and stakeholders.
- A management structure responsible for managing funds and implementing aid programmes.

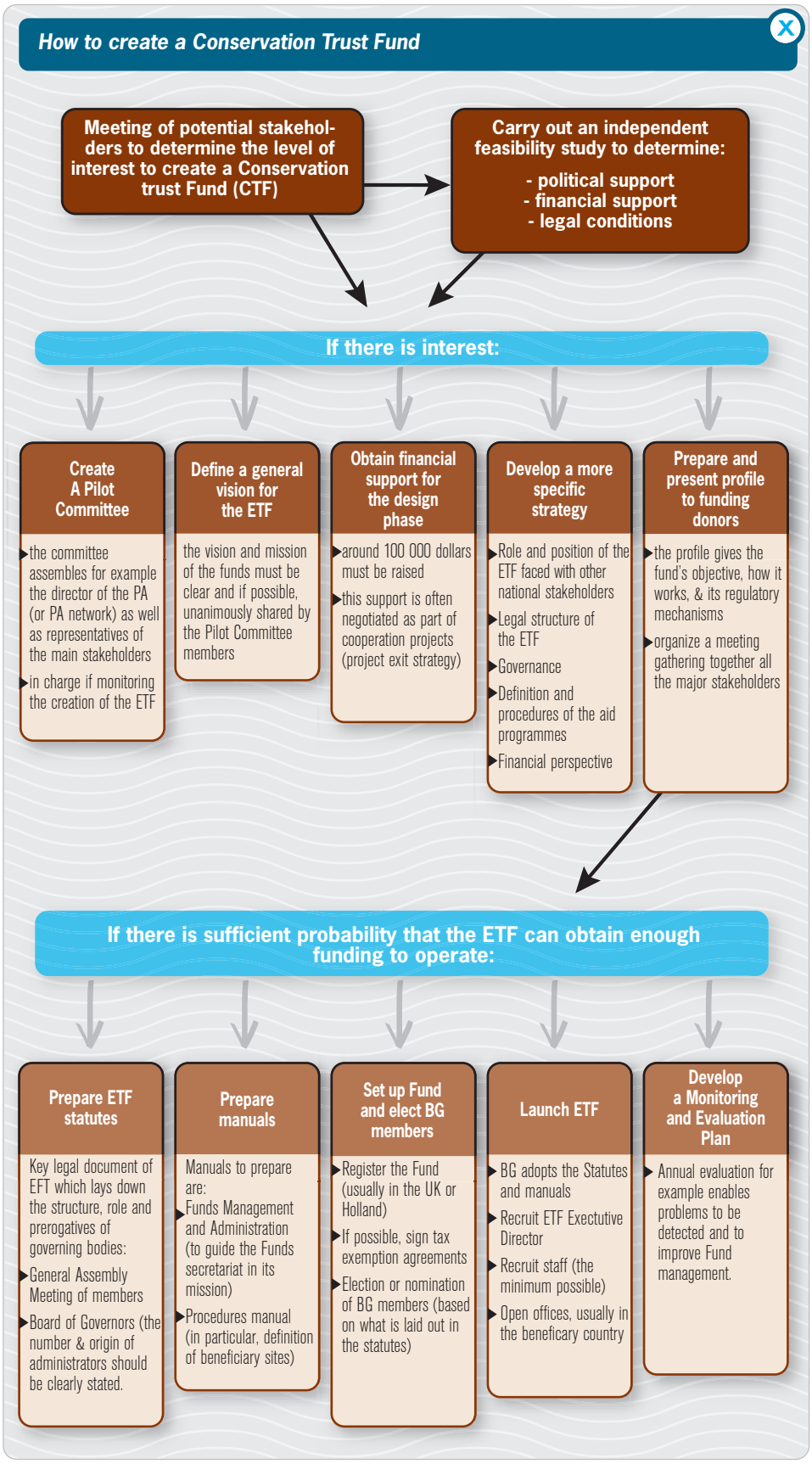
Creating an ETF involves a long-term strategy for managing PAs, with clearly established objectives. The creation of an ETF is generally part of a national strategy for Protected Areas and guarantees that a minimum of funds will be allocated to sustainably fund management operating costs of Protected Areas. Governments play a key role at 3 levels:

- They are usually the landowner of national park territory.
- Directors of Protected Areas, as well as other national representatives are members of the GB.
- In certain cases, governments play an important role in capitalizing funds (e.g. today the Mauritanian government is one of the main funders of Bacomab).

Advantages and disadvantages of CTFs

Advantages	Disadvantages
They offer a long-term funding mechanism for PAs. Good matching with financial and biological time scales.	*Subject to the vagaries of international funding.*
Facilitate planning over the long term.	*Management costs are often high (ideally between 15-20%; sometimes as high as 40%).*
Large participation of multiple stakeholders, and development of civil society.	*Only generate relatively small amounts in view of the amount of funds blocked.*
Interdependence and autonomy regarding governments.	*Cannot generate large amounts in a short time frame.*
Micro-funding capacity by distributing international aid from large donors to multiple local funding.	*The break-even point of an ETF is in the order of 5 million Euros (or even10 million). Sometimes difficult to mobilize.*
Facilitate coordination between the different stakeholders (government, funding donors and civil society).	*May be used for political purposes divergent from ETF objectives.*
Leverage effect: existence of an ETF attracts new funding donors.	*The way projects sometimes operate prevents more comprehensive reforms being formulated (legal, political, and economic etc.).*
Has certain privileges such as tax breaks which enable all the funds available to be allocated to beneficiaries.	*An ETF can cause a reduction in other sources of funding intended for conservation.*




How to create a Conservation Trust Fund
Meeting of potential stakeholders to determine the level of interest to create a Conservation trust Fund (CTF)
Carry out an independent feasibility study to determine:
- political support
- financial support
- legal conditions
If there is interest:
Create A Pilot Committee
the committee assembles for example the director of the PA (or PA network) as well as representatives of the main stakeholders
in charge if monitoring the creation of the ETF
Define a general vision for the ETF
the vision and mission of the funds must be clear and if possible, unanimously shared by the Pilot Committee members
Obtain financial support for the design phase
around 100 000 dollars must be raised
this support is often negotiated as part of cooperation projects (project exit strategy)
Develop a more specific strategy
Role and position of the ETF faced with other national stakeholders
Legal structure of the ETF
Governance
Definition and procedures of the aid programmes
Financial perspective
Prepare and present profile to funding donors
the profile gives the fund's objective, how it works, & its regulatory mechanisms
organize a meeting gathering together all the major stakeholders
If there is sufficient probability that the ETF can obtain enough funding to operate:
Prepare ETF statutes
Key legal document of EFT which lays down the structure, role and prerogatives of governing bodies:
General Assembly Meeting of members
Board of Governors (the number & origin of administrators should be clearly stated.
Prepare manuals
Manuals to prepare are:
Funds Management and Administration (to guide the Funds secretariat in its mission)
Procedures manual (in particular, definition of beneficiary sites)
Set up Fund and elect BG members
Register the Fund (usually in the UK or Holland)
If possible, sign tax exemption agreements
Election or nomination of BG members (based on what is laid out in the statutes)
Launch ETF
BG adopts the Statutes and manuals
Recruit ETF Exectutive Director
Recruit staff (the minimum possible)
Open offices, usually in the beneficary country
Develop a Monitoring and Evaluation Plan
Annual evaluation for example enables problems to be detected and to improve Fund management.

d. Carbon finance

Carbon finance can be defined as presenting all sources of funding linked to reducing greenhouse gas emissions or adapting to climate changes. In many respects, carbon finance is one of the new and very promising opportunities for long-term funding of Protected Areas, although it is important to immediately make clear that until now results have been relatively disappointing and have fallen short of expectations. Carbon finance could take the form of carbon markets (we often hear of '*cap-and-trade*') or taxes on carbon emissions. Although various taxes on carbon (and other greenhouse gases) have been introduced at national level, it is really setting up carbon markets upon which the international community have relied to fight against climate change. From PA managers or PA networks' viewpoint, it is important to have an overall picture of these new mechanisms to be able to determine the real potential at local and national levels.

Certain Protected Areas might develop programmes for afforestation, reforestation (AR) or avoided deforestation (REDD), or even renewable energy projects (wind, solar, hydro-electricity, and biomass energy) which, to a certain extent can qualify for payments for the purpose of fighting against climate change. For PAs, the main outlet concerns afforestation, reforestation and REDD projects, and so here we shall only deal with those projects.

There are several carbon markets in which greenhouse gas emission reductions are traded (more commonly called 'carbon credits'). The main carbon markets:

- **Markets with binding commitments:** this is primarily about the Kyoto Protocol which has led, in Europe in particular. to the creation of a European market for emission quotas (EU ETS). This European market consists of more than 80 % of global carbon credits trading. For developing countries (or transitional economies), the tool to transform an activity into carbon credits is called the Clean Development Mechanism (CDM), as defined by Article 12 of the Kyoto Protocol. As laid out in rather complex procedures, it is possible to register afforestation or reforestation projects but the process is long and random, and until now no PA has benefited from carbon credits through this process. It should also be noted that REDD is still not admissible under the Kyoto Protocol.

- **Voluntary markets** assemble companies or private individuals who want to compensate for their greenhouse gas emissions, without these reductions being made compulsory from a legal point of view. Companies generally do this to improve their image; and individuals for ethical reasons. It is possible to develop afforestation, reforestation or avoided deforestation projects (REDD) in the voluntary markets. Until now, it is the best strategy for Pas to follow.

How to determine if it is possible to develop a project?

▸ Methodology

The carbon credit calculation is done based on approved methodologies. The first step is then to find a methodology that corresponds to a proposed activity. Reforestation projects, including voluntary markets use methodologies approved by the UN and available online on UNFCCC[2]: http://cdm.unfccc.int/methodologies/index.html

Concerning REDD projects; the 3 main methodologies which currently exist are the following[3]:

- Avoiding planned deforestation
- Avoiding unplanned frontier deforestation and degradation
- Avoiding unplanned mosaic deforestation and degradation

▸ Additionality

It is the key concept in obtaining carbon credits. The idea is that a project should only obtain carbon finance aid on the condition that the project would not have taken place without the existence of carbon finance. This can sometimes be difficult to demonstrate and support from professionals in the sector is essential to increase the chances of success.

▸ Eligibility

First of all, it is necessary to find out the definition of forest (in terms of size, density and surface area) from the Designated National Authority[4] of the country concerned.

In order to avoid individuals causing deforestation to then develop reforestation projects, it was decided that reforestation projects would be eligible to obtain carbon credits on condition that deforestation was prior to1990. The difficulty is proving the date when deforestation occurred (based on satellite photos or field surveys which are costly and difficult to undertake).

For REDD projects, the forest should be at least 10 years old. Similarly, it is necessary to prove this

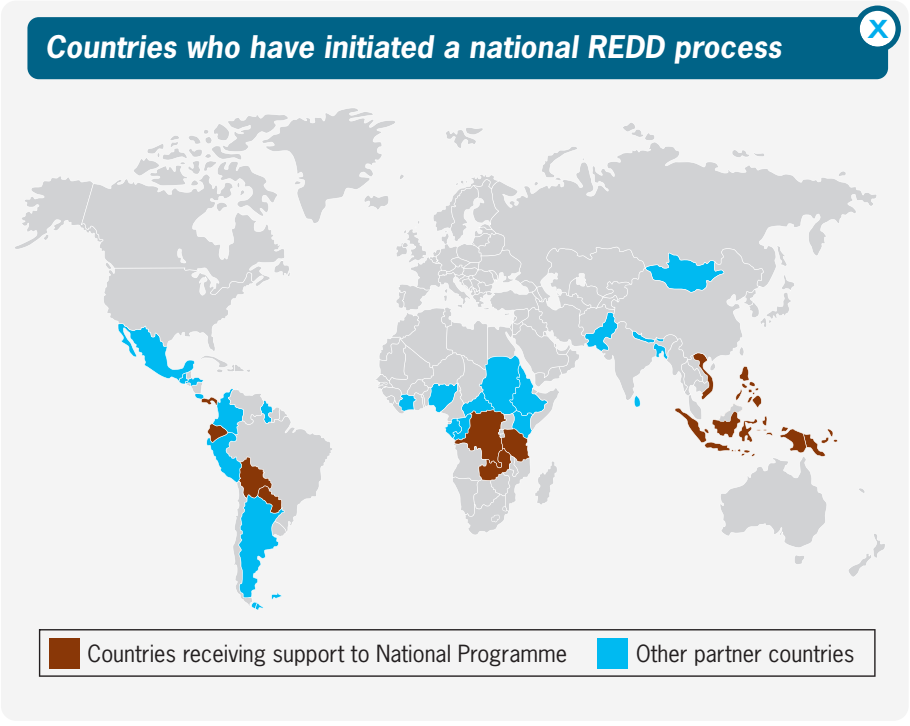
▸ Estimating the number of carbon credits

Before initiating the process, the number of carbon credits likely to be generated by the project needs to be estimated. If the number obtained is too low and does not cover the cost of the transaction, it is preferable to abandon the project (which does not necessarily mean abandoning reforestation or avoided deforestation activities; it just has to be done with other means).

2 UNFCCC = United Nations Framework Convention on Climate Change
3 The Voluntary Carbon Standard propose several REDD methodologies (www.v-c-s.org)
4 See the Designated National Authorities list on http://cdm.unfccc.int/DNA/index.html?click=dna_forum

▸ Leakage

The concept of *leakage* applies particularly to REDD projects. Assuming that deforestation declines in a given territory, how to ensure that deforestation will not simply be displaced to a neighbouring territory? And how to check this? To resolve this problem, REDD methodologies apply quotas: for example, it is necessary to generate 120 carbon credits in order for the project initiator to obtain 100 carbon credits. The difference of 20 is used to offset leakage. This rather unconvincing solution has led the international community to opt for national REDD programmes(as opposed to local REDD initiatives), by arguing that the fight against deforestation is more effective if conducted by national authorities themselves..



Source: UN-REDD.org

The number of countries subscribing to national REDD should significantly increase in the coming years. From the viewpoint of PA managers (or national PA networks), it is essential to follow these negotiations in order for PAs to benefit from funding generated at national level.

Indeed, we have already seen that national authorities responsible for REDD do not consider it necessary to fund PAs since, *a priori*, the rate of deforestation is lower than elsewhere. Therefore, in order to benefit from possible resources PAs must demonstrate their importance in promoting protection of the environment at national level.

How to proceed:

- Identify a project which could qualify for carbon compensations and write a Project Idea Note (PIN)
- Contact the Designated National Authority and ask them for the definition of the forest and their point of view on a PIN
- If the project seems viable, contact a carbon project developer
- Carry out a feasibility study which addresses issues of methodology, eligibility, additionality, and leakage, and which gives an estimate of the number of carbon credits that the project could generate
- Search for partners, investors and / or buyers of carbon credits
- Negotiate an ERPA (or VERPA for Voluntary Emission Reduction Purchase Agreement), which is a carbon credits forward sales contract.
- Initiate the validation process (draw up a Project Design Document and start the AR or REDD project)

e. Debt-for-Nature Swaps

Debt-for-Nature Swaps have been one of the main tools for creating a large number of Protected Areas since the end of the 1980s. Although setting up the conversion of debt is quite complex, the general principle is quite simple. PA network managers should be familiar with the general workings so as to determine whether or not there is a funding potential through this strategy. A Debt-for-Nature Swap consists of buying all or part of a country's external or commercial debt, converting it into local currency, and using the funds generated to fund conservation. The debtor country generally gladly accepts the Debt-for-Nature Swaps as they alleviate the country's debt by transforming a strong currency debt into local currency. In addition, the Debt-for-Nature Swap is systematically carried out at a lower value than the nominal value of the debt. In other terms, the repayment only represents a fraction of the initial debt; a fraction which is subject to negotiations between the parties.

Debt-for-Nature Swaps allow important funding to be accessed, which for example can be used to capitalize an Conservation trust Fund. It should be noted that negotiations to carry out a debt swap is done at national level and aims to fund a Protected Area network rather than one sole PA. There are certain limits to this mechanism and the main ones are as follows:

- Only one part of the country's debt can be a Debt-for-Nature Swap: this is essentially bilateral public debt (country to country). The main debt swaps have happened with permanent members of the Paris Club which brings together the richest economies of the world.

- Following debt reduction or cancellation arrangements, Heavily Indebted Poor Countries (HIPC) then have very limited debts with members of the Paris Club, or these debts are not sufficiently old to justify a debt swap.

- Negotiations take a long time

- Debt swaps are done by intermediaries, usually international NGOs. If there is the possibility of using this mechanism, PA managers should work in conjunction with the latter to propose action programmes, with the risk of being influenced by NGO priorities.

5 La liste des membres permanents du Club de Paris est la suivante : Allemagne, Australie, Autriche, Belgique, Canada, Danemark, Espagne, Etats-Unis, Finlande, France, Irlande, Italie, Japon, Norvège, Pays-Bas, Royaume-Uni, Russie, Suède et Suisse.

How to proceed:

- Study the debt structure (information that can be obtained from government finance departments
- If there are outstanding debts- ideally with members of the Paris Club- there is a possibility
- Contact an international NGO and advise them of your intention
- Write a mail to the Embassy concerned, giving a brief outline of the project
- If the creditor country is interested, develop a programme detailing the objectives and use of funds
- Further reading: 'Debt-for-Nature Swaps', CFA

f. Other sources of potential funding

Apart from the main instruments presented previously, other tools can be used to improve the financial health of Protected Areas. The principal tool available to governments to raise funding is fiscal instruments, which consist of putting in place new taxes or contributions, usually at national level.

The main fiscal instruments which can be put in place at national level are the following:

- Fines for illegal fishing. The point to stress is that these fines are usually collected by government finance departments and do not systematically lead to additional revenue for PAs.

- Departure tax contribution at international airports. The application of such a tax to fund PAs is justified by the fact that the plane is an extremely pollutant means of transport.

- Tax on hydrocarbons (at the pump). This works very well e.g. in Costa Rica where a 13% tax on hydrocarbons goes to the Funds for the Protection of the Forest. Problem: detrimental effect on the population's purchasing power, not necessarily popular (hence, the significance of its low amount).

- Contribution by companies carrying out extractive activities of natural resources. It should be argued that these activities generally pose a significant risk for the environment which PAs aim to protect.

- Conversion tax on forest lands permanently allocated to other uses

It should be noted that these instruments have advantages and disadvantages that should be closely examined before proposing a new fiscal measure:

Advantages and disadvantages of fiscal instruments for conservation

Advantages	Disadvantages
Supplies a source of regular and reliable revenue.	*Ensuring that revenue is properly allocated to conservation is a real challenge.*
The existence of tax collection mechanisms makes it unnecessary to create new collection mechanisms.	*It is necessary to have strong institutional and fiscal capacity. It could prove difficult to introduce new taxes – political acceptability risks require considerable effort to obtain information which would increase costs.*
Establishing fiscal instruments with a wide tax base means that managers depend less on individual donors.	*Strengthening the powers of local authorities or PAs might require a modification of current legislation.*
Taxes levied on economic benefits from the use of natural resources direct the economy on a more sustainable path.	*Recovering all the environmental costs and profits requires a large volume of information to be collected.*
Ecotaxes can lead to 'double dividends' by reducing certain existing ones (e.g. tax on revenue).	*New instruments might have adverse effects. The instruments should remain sufficiently flexible to enable an iterative approach.*

Sourcet: Conservation Finance Alliance

How to proceed:

- Organize a meeting and plan a list of contributions which could be put in place either at local or national level
- Select the easiest to implement and the most promising from a financial point of view
- Promote and / or set up the instruments selected

6 OBJECTIVE NUMBER 4 Identifying and putting Payments for Environmental Services (PES)

a. Identifying and evaluating ecosystem goods and services

In conjunction with the analysis of new sources of funding, the identification and evaluation of ecosystem goods and services is not essential but can be a real 'trump card' for the Business Plan. In particular, refining and honing PA managers' knowledge and discourse is very useful when justifying the need for new funding.

This is a proven tool in Anglo-Saxon countries in particular, which consists of promoting a business approach. It points out the fact that Protected Areas offer economic goods and services to individuals, companies and to society in general. This work can eventually lead to the clear identification of beneficiaries of certain environmental services given by PAs, and put in place Payments for Environmental Services (see the following sub-section).

The concept of ecosystem goods and services emerged with the worsening of the current ecological crisis that has seen the damage and loss of numerous ecosystems. The increasing fragility of ecosystems has led to the idea that it is advisable to understand our environment and better recognize the benefits received from nature. Although technically complex, this exercise allows a real value to be given to nature and thus, might lead to including negative environmental externalities generated by economic activity. In other terms, it gives a value to nature to encourage humans, companies and society to better respect and reflect on it.

Environmental services are defined in the Millennium Evaluation of Ecosystems: '*It is about benefits that people obtain from ecosystems. These include provisioning services such as food and water; regulating services such as flood and disease control; cultural services such as spiritual, recreational, and cultural benefits; and supporting services that maintain the conditions for life on Earth such as nutrient cycling*'.

A break down of the different types of ecosystem goods and services is as follows:

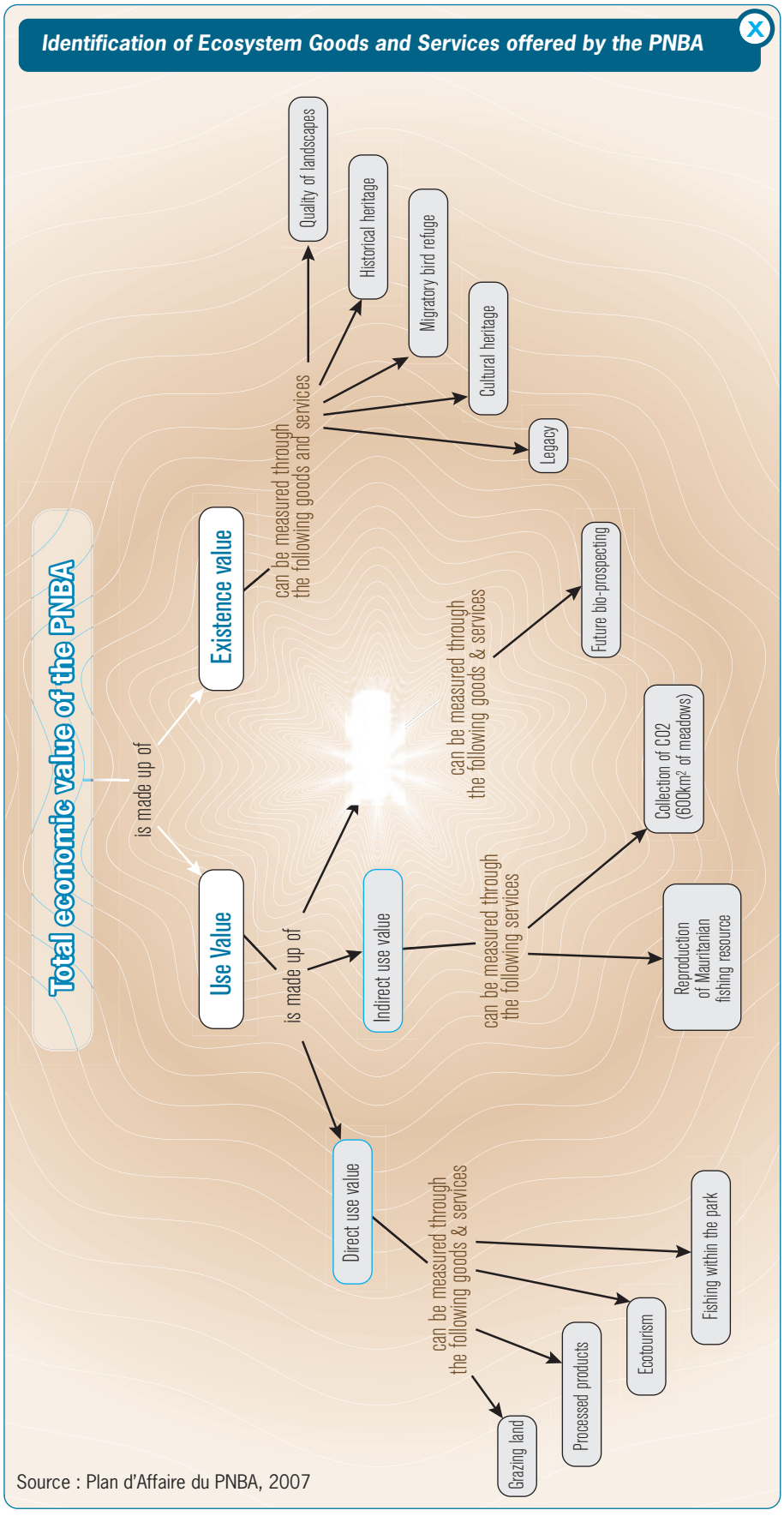
⊙ Value in use

- Direct value in use represents the benefits from the environment by economic operators who make direct use of resources from the environment.
- Indirect value in use (or ecological value) is the sum of benefits resulting from maintaining ecological services of an ecosystem. Most of these services have no artificial substitute and represent a crucial source of well-being for the human community.
- Option value is based on the hypothesis that if an individual can not currently benefit from a direct or indirect advantage from the resource, s/he might wish to conserve the option of using this resource in the future.

⊙ Value to people's lives such as:

- Quality of landscapes
- Cultural heritage
- Historical heritage

For each PA (or for a PA network), it is possible to identify ecosystem goods and services. It is advisable to show all these goods and services by using a graph such as the one below:



Source : Plan d'Affaire du PNBA, 2007

The diagram above represents the goods and services identified. This work of identification is also called **qualitative evaluation**. Once the goods and services are identified, it is possible (but not necessarily essential) to proceed to the stage of quantitative and even monetary evaluation:

- **Quantitative evaluation.** We shall look and try to use one unit of weight or measurement to quantify each good and service delivered by the PA. For example, to list the number of kilogrammes of fish caught in the PA, the number of visitors to the PA, and the number of endemic species. This quantitative evaluation allows goods and services offered to be better evaluated, and to follow their evolution over time. In fact, they are biological indicators (but also economic and social) with which we can study evolution, including better management of the PA.
  In certain cases, it can be interesting to classify goods and services identified in order of importance. We shall use the contingent choice method which is to carry out a survey to ask people to classify goods and services by order of importance.

- **Monetary evaluation.** We shall try to determine economic value of goods and services given on a monetary basis. This notion of monetary value has suffered some criticism, in particular due to its imprecision (for example, what is the economic value of a tree or the value of a landscape?) but nevertheless, the tool can be powerful at the moment of justifying figures on the table; an economic incentive for a country to conserve its natural resources well. However, it is necessary to remain prudent and only use the monetary value if the methodology employed is indisputable and if the results produced do not risk being counter-productive e.g. in the case where we got too low an economic value. In short, the main methods to carry out monetary evaluation are the following:

  - Market price method (just the market price is used e.g. the price of fish per kilo or the price of a tonne of wood. This method is applicable to direct use values).

  - Opportunity costs method (estimate the cost of an alternative which should be abandoned for the environmental service to be supplied; applicable to indirect use values).

  - Avoided costs method (e.g. conserving a forest will avoid the costs caused by flooding; this method is applicable to indirect use values).

  - Travel cost method (tourism value of a PA can be measured, in part, by the amount of money that tourists pay to reach the site).

  - Hypothetical markets method (consists of carrying out a survey in order to ask people how much they would be prepared to spend to maintain ecosystem goods or services; applicable to all goods and services).

b. Setting up payments for environmental services

The work of the previous section in some cases can allow some direct or indirect beneficiaries to be identified for some goods and services produced by the PA. On this basis, it is possible to put in place Payments for Environmental Services (also called Payments for Environmental Services). PES can be set up at several levels (international, national and local) and financially support PAs:

- **International level:** some services are of international environmental concern. The best known are, for example, maintaining forests (avoided deforestation) or creating new forests (AR) to limit greenhouse gas emission concentrations in the atmosphere and so reduce the impact of climate change worldwide. The section on carbon finance (p. 23) details this potential source of funding for forest PAs.

- **National level:** It is often difficult to identify environmental services provided at purely national level. Indeed, ecosystems only rarely stop at national borders. However, national level is often useful to implement PES by national authorities. For example, preserving natural heritage can contribute to promoting tourism. Tourists should be considered here as beneficiaries of maintaining ecosystems. In this sense, it is possible to apply entrance fees divided proportionally or even national taxes to support associations or institutions (such as PAs) who champion environmental protection. Costa Rica created a National Forest Fund whose objective is to support all initiatives for reforesting and conservation. This policy is largely justified by the different environmental services provided by the forests.

- **Local level:** The example most frequently used is that of the hydro dam which benefits from proper conservation of the forest above the dam to limit erosion and siltation from the reservoir. The beneficiary here is the hydroelectric company who benefits from the erosion-fighting services provided by the forest. The Payment for Environmental Services here consists of making the beneficiary pay to assure that the service is maintained over time.

In conclusion, it is important to emphasize the fact that PES is a tool probably set for a promising future but which remains difficult to implement, primarily due to a lack of awareness and recognition of services provided by ecosystems. Thus, it is important to increase the number of studies in this promising area and consider solutions adapted to each Protected Area.

How to proceed

- Organize meetings with scientists who will contribute ideas to consider and discuss on goods and services provided by the PA
- Download the CMAP Tool (free software to create diagrams as above)
- For more detail, the leading website on the issue is currently www.teebweb.com (The Economics of Ecosystems and Biodiversity).

7 How to complete the Excel document 'My Business plan'?

a. Which IT skills are needed?

The Excel spreadsheets are extremely simple to use and an individual with very limited IT skills could manage. Nevertheless, it is preferable to have one individual with good Excel skills within the team responsible for writing the Business Plan, and for 3 reasons. Firstly, it is desirable to have good overall understanding of the tool, including from a technical point of view, before starting the process. A person with good Excel skills will quickly understand the links between values and quickly grasp the mathematical logic of the document. Ideally, this person should work alone on the document for one day, test it, and present the document to the members of the team. Secondly, small typing errors can occur or small changes might be necessary. Thus, it is necessary to be able to follow the existing model to ensure that the table is functioning correctly. Thirdly, Excel is a very practical tool which is worth being used to its full potential. Thus, based on the simplified Business Plan template, it is possible or even desirable, to include additional tables corresponding to the PA's specific needs e.g. to insert additional rows, calculate current and future requirements for fuel, and accurately determine per diems allocated each year, etc.

If the PA does not have somebody with the required IT skills, it is recommended to take on an IT intern or call upon a national IT specialist for a few days.

b. Presentation of spreadsheets

The Excel document 'My Business plan' is made up of the following spreadsheets:

NAME OF SPREADSHEET	DESCRIPTION	COMMENTS
General information	IThis is a brief presentation of the main features of the Protected Area. This information is found in the Management Plan.	Information to be taken from the Management Plan.
Investment	Presentation of all investments planned mid- and long-term.	Think about not just initial investment but also about future investment necessary.
Staff	All PA staff should be presented.	Do not hesitate to add rows and to modify the spreadsheet to correspond to headings.
Operations Activities	See section III) d) on operations The most complex spreadsheet. It is necessary to extract from the Management Plan the list of activities and 'copy-paste' them one by one into the left-hand column (use the logical framework from the Management Plan if it exists). See section III) e) on additional costs and section VI) c).	Surplus headings and rows can be deleted.
Activities (summary)	Presents additional costs to carry out activities based on 2 classifications (by thematic heading of the Management Plan and by type of additional cost).	Generated automatically; do not add anything to this spreadsheet.
Expenditure (summary)	Important summary document to analyse very quickly the different PA expenditure. Key information to present to donors and other stakeholders.	Generated automatically; do not add anything to this spreadsheet.
Self-financing	See IV) a).	Projections and assumptions.
Public funding	See IV) b).	Projections and assumptions.
Funding donors	See IV) c).	Detailed monitoring of donors.
Other mechanisms	See V).	Only include mechanisms which have strong potential to succeed.
Revenue (summary)	Important summary document to very briefly analyse the different sources of revenue of the PA.	Generated automatically; do not add anything to this spreadsheet.
Final summary	Presents the annual balance of the PA. The most important summarized statement for stakeholders.	Generated automatically; do not add anything to this spreadsheet.

C. Checking results and retrieving data from the summary

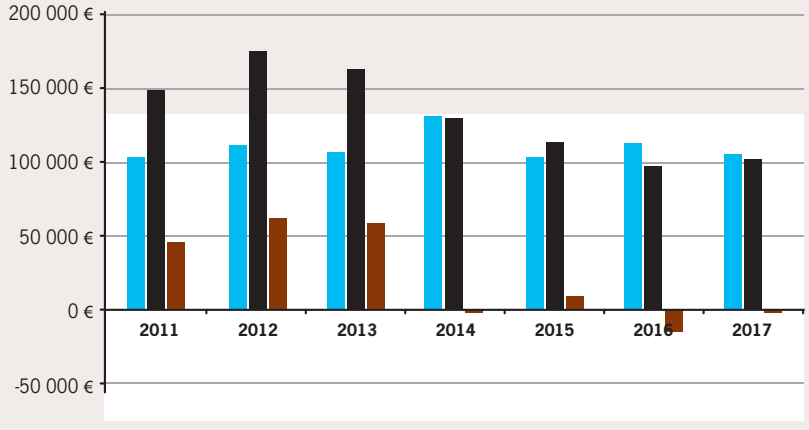
The Excel document is very simple to use and it is rare for problems to occur. However, some errors sometimes appear on 'Activities' of the Excel spreadsheet. To ensure that no errors are introduced into the document, it is advisable to check in the spreadsheet 'Activities (summary)' that the sums in the 2 tables are identical. In fact, 'Activities (summary)' presents the total costs to carry out activities based on 2 classifications; by the Management Plan thematic, and by the type of additional cost (investment, consultation, training, and manpower). If the 2 total sums are not equal, it will be necessary to return to the spreadsheet 'Activities' and correct the error. These errors usually occur when a new row is added to the table 'Activities'. To add a row, it is preferable to 'Copy and Paste' an existing row (that conserves the formula) rather than insert a new row (which does not conserve the formula).

d. Think about developing at least two scenarios

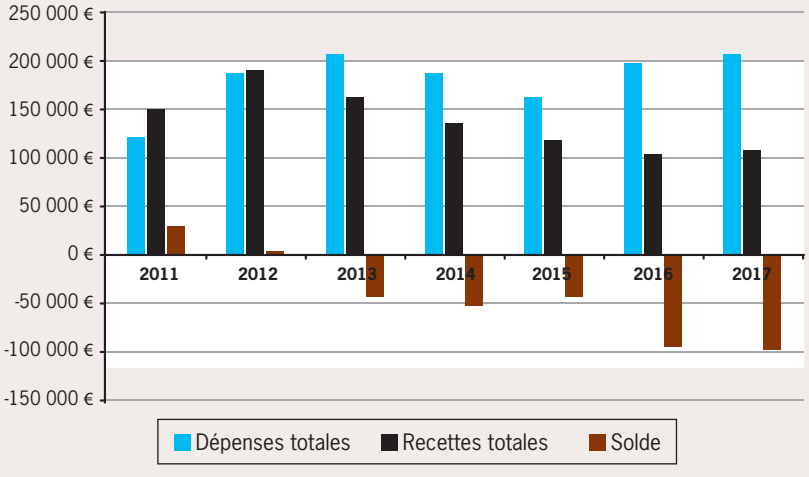
A Business Plan allows a long-term strategic vision to be defined and gives managers a set of indicators to help them make the most appropriate decisions depending on the environmental and economic context. Developing at least two scenarios is essential in order to have several possibilities.

To do this, base the Business Plan on one scenario e.g. the 'realistic' scenario. We shall call this scenario 'XXX PA Business Plan -Date- realistic scenario'. Once this version is finished, you should create a copy of the document and call it 'XXX PA Business Plan -Date- worst-case scenario'. The second scenario will take less time than the first. At the end, you will have summary tables of the following type:

PA Business plan, worst-case scenario



PA Business plan, realistic scenario



8 Further reading (list of references and other sources)

- Conservation Finance Alliance. Business Planning for PA, Conservation Finance Guide. http://www.guide.conservationfinance.org
- Conservation Finance Alliance, 2003. Les Echanges dette-nature, Conservation Finance Guide http://www.guide.conservationfinance.org
- Emerton, L., Bishop, J. and Thomas, L. (2006). Sustainable Financing of Protected Areas: A global review of challenges and options. IUCN, Gland, Switzerland
- Klug W. 2003. La mise en place de fonds fiduciaires pour l'environnement pour financer les aires protégées en Afrique francophone, Vth World Parks Congress: Sustainable Finance Stream. Durban, South-Africa, September 2003
- Parker C., Mitchell A., Trivedi M. and Mardas N., 2008. The Little Red Book, A guide to governmental and non-governmental proposals for reducing emissions from deforestation and degradation, Global Canopy Programme.
- Eagles Paul F. J., McCool Stephen F. et Haynes Christopher D., 2002. Sustainable Tourism in Protected Areas Guidelines for Planning and Management ». IUCN Gland, Switzerland and Cambridge, UK. Xv+183pp.
- Philipps A., 2000. Financing Protected Areas: Guidelines for Protected Area Managers No. 5. Financing Protected Areas Task Force of theWorld Commission on Protected Areas (WCPA) of IUCN, in collaboration with the Economics Unit of IUCN, 2000, viii + 58pp
- Philipps A., 1998. Economic Values of Protected Areas, World Commission on Protected Areas, IUCN Economic Values of Protected Areas: Guidelines for Protected Area Managers. No. 2. Task Force on Economic Benefits of Protected Areas of the World Commission on Protected Areas (WCPA) of IUCN, in collaboration with the Economics Service Unit
- Quintela C. et Phillips S., 2011. Strategic Planning for Environmental Funds . Capacity Building Project for Environmental Funds. RedLAC
- WWF. 2009. Guide to Conservation Finance. Sustainable Financing for the Planet. WWF, Washington, DC.
- Spergel, B. 2000. Financer les aires protégées - un éventail d'options. World Wildlife Fund - US, Center for Conservation Finance. http://www.worldwildlife.org/conservationfinance

Important internet sites:

Conservation Finance Alliance: www.conservationfinance.org

Evaluation of Ecosystems for the Millennium: www.millenniumassessment.org

REDLAC (Latin-American network of conservation trust funds): www.redlac.org

The Economics of Ecosystems and Biodiversity: www.teebweb.com

UNFCCC: www.unfccc.int

Voluntary Carbon Standard (REDD methodologies): www.v-c-s.org

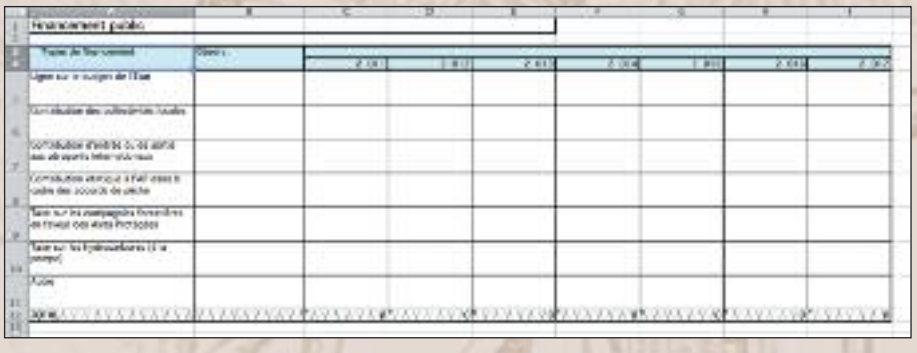
WWF: www.wwf.panda.org

Excel Tools on CD

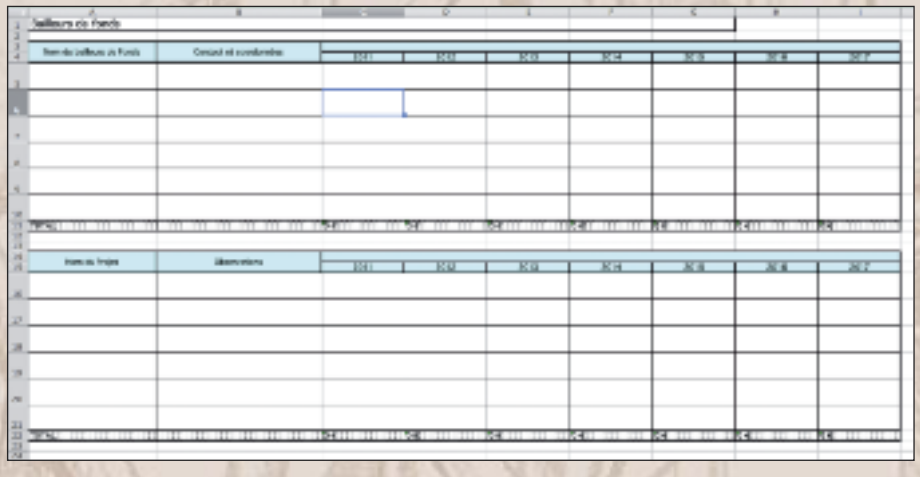
Expenditure (summary)

Self-financing

Public funding

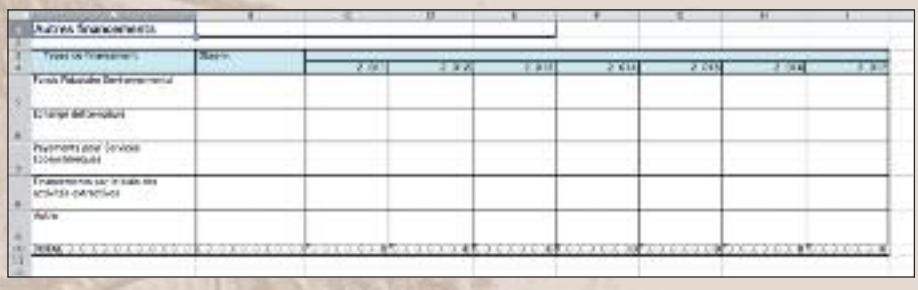


Funding donors



Model of summary tables obtained with spreadsheets

Other mechanisms



Revenue (summary)

Final summary

Business Plan contents table for a PA

At the end, the plan recommended for a Business Plan is the following (only the chapters of high importance are mandatory):

1) GENERAL DATA — IMPORTANCE: MEDIUM

- Overall presentation of the PA
- Maps and photos

2) METHODOLOGY USED — IMPORTANCE: LOW

- Explanation of methodology used to create the Business Plan
- Rationale for the length of the Business Plan (5 years, 10 years etc.)

3) PRIORITIZATION OF ACTIVITIES — IMPORTANCE: HIGH

4) FUNDING NEEDS OF THE PA — IMPORTANCE: HIGH

- Based on 2 scenarios (worst-case and realistic)
  - Analysis of staffing costs
  - Investments
  - Operating charges
  - Additional costs linked to activities
  - Summary of financial needs (to be taken from the 'My Business Plan' document)
  - Analysis of funding gap and expenditure reduction strategy

5) SOURCES OF EXISTING FUNDING — IMPORTANCE: HIGH

- Analysis of self-funding
- Description of national public subsidies (state subsidies)
- Presentation of existing funding donors
- Summary of existing funding sources (to be taken from the 'My Business Plan' document)

6) POSSIBLE FUNDING MECHANISMS — IMPORTANCE: HIGH

- Debt-for-Nature Swap
- Setting up tourist concessions
- Creating an Environmental Trust Fund? (or capitalization of existing funds)
- Carbon Finance
- Setting up Payments for Ecosystems Services
- Funding through extractive activities
- Setting up new taxes or contributions
- Summary of possible funding mechanisms (to be taken from the 'My Business Plan' document)

7) ECONOMIC EVALUATION OF PROTECTED AREA — IMPORTANCE: MEDIUM

- List of goods and services identified
- Quantative analysis of goods and services identified (facultative)
- Monetary analysis of goods and services identified (facultative)

8) CONCLUSIONS AND RECOMMENDATIONS — IMPORTANCE: MEDIUM

Acronyms & abbreviations

AR
Afforestation and Reforestation

BG
Board of governors

ERPA
Emission Reduction Purchase Agreement

EU ETS
European Union Emission Trading Scheme

GEF
Global Environment Facility

CTF
Conservation trust fund

NGO
Non-governmental organization

MP
Management Plan

PES
Payments for environmental services

HIPC
Heavily Indebted Poor Countries

REDD
Reduced Emissions from Deforestation and Forest Degradation (Avoided deforestation)

UNFCCC
United Nations Framework Convention on Climate Change

VERPA
Voluntary Emission Reduction Purchase Agreement

About the author

Benjamin Landreau graduated in Political Sciences (France); he holds a Master's degree in Environmental management and Ecotourism (Costa Rica). Benjamin has been working for 10 years in the area of conservation, particularly on the subject of Sustainable Funding for Protected Area Networks, especially for the United nationas Development Programme (UNDP), the European Union and different bilateral development agencies like German Agency for International Cooperation (GIZ). He is also specialized in « carbon finance » (Clean Development Mechanism CDM , REDD) and, as such, he has been for 5 years CDM project developer in Asia and Latin America for the Carbon Management Consulting. Currently independent consultant, he extensively works in West and East Africa, Latin America and Europe.

Guidebook
for the Development **of Simplified Business Plans** for **Protected Areas**

The Business Plan consists in giving a strategic financial long-term vision, to ensure that the environmental results as defined in the Management Plan of a Protected Area will be reached, or that, at least, the environmental results are maximized. It is also a very interesting communication tool, to promote a Protected Area (PA), raise funds, demonstrate the transparency of its management and present the priority goals. The PA managers have all interest in writing their own Business Plan, to better know and make their goals, their financial constraints and thus greatly improve their results on the field.

Benjamin Landreau

FIBA