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# Potential financial instruments for PAN Parks

## Examples and ideas

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**Ingrid Roerhorst, October 2000**

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## Examples and ideas

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## Preface

The purpose of the 10-day desk-research resulting in this report was to find examples of and ideas for financial instruments that could generate funds for the PAN Parks organisation and the individual PAN Parks. No analysis of an overall strategy concerning the use of these instruments was made in this report, as this is the task of the PAN Parks European Management Organisation (PPEMO).

PPEMO has commissioned this report, because lack of funding is one of the main problems facing protected areas in Europe. The idea is that lack of funding is not caused by absence of money, but rather by absence of ways to ensure that revenues accrue to national park systems and local communities.

*"Tourism to natural areas is a significant share of the \$600 billion world tourism industry, yet few parks and protected area systems are institutionally equipped to gain financially from international visitation. Most protected area systems labour on under an institutional constraint, unable to raise and retain revenues from the valuable services they provide to visitors, instead having to depend upon the meager resources of their national government budgets." (James, 1999)*

It was difficult to make a clear subdivision of all the found instruments, as a lot of instruments can be combined. For instance the example of Earth Sanctuaries Ltd., mentioned under 'Investments', also contains other financial instruments than investments. The subdivision given in this report however seemed the most logical.

There was some confusion about the terms donation, investment, sponsoring and partnership while doing research for this report. Therefore a short explanation of how these are used in this report seems in place:

- donation: giving money and getting nothing in return other than a good feeling about supporting a good cause;
- investment: funding a project with the intent and expectation to get a return on the investment;
- sponsoring: giving money to a good cause in return for exposure;
- partnership: cooperation - often involving licensing - with an external partner, resulting in financial (and other) benefits to both parties.

It was also difficult to find concrete financial information that shows how the various examples given in this report have been successful (or not). Even when specifically requested, often no information was given.

A lot of the examples given in this overview are not directly adoptable for the PAN Parks concept and most of the ideas are not fully developed. And, being the result of a 10-day desk-research, of course things will be missing in this report. Furthermore, the situation for individual parks varies greatly, and thereby their possibilities to use these instruments.

*"The great benefit of self-sufficiency is that it is a spur to provide more services. While it is difficult to say whether a park with many services is 'better' than a park with fewer services, revenues tend to grow. This indicates that the parks with more services are pleasing their customers. At the same time, we have found no evidence that greater services damage the environment of the parks; indeed, the greater flexibility and availability of funds suggest the opposite." (Leal & Fretwell, 1997)*

However, this report should give a creative impulse to the PAN Parks Organisation and the individual PAN Parks to explore the many possibilities to generate funds.

## **1. Carbon emission trading**

Industrialized countries agreed at the Climate Change Convention in Kyoto to reduce emissions of carbon dioxide (CO<sub>2</sub>) and other greenhouse gases in order to minimize the risks posed by climate change. They also agreed to allow trading as a mechanism to achieve this. Though international rules are likely to be approved in late 2000, there is already a 'market-based market' forming.

Carbon emission trading is the buying and selling of 'allowances' to emit CO<sub>2</sub> and its equivalents. Three types of trading can be distinguished:

- country to country trading between national governments;
- company to company trading within domestic trading schemes;
- company to company trading internationally.

## **EXAMPLES**

### **The Nature Conservancy, USA**

The Noel Kempff Climate Action Project in Bolivia's Noel Kempff Mercado National Park. This carbon sequestration program allows US companies to invest money to prevent deforestation and encourage reforestation. The objective is to lock up by tree planting the carbon dioxide emitted by industry. In return, corporations earn carbon 'credits' for each ton of CO<sub>2</sub> sequestered. The expectation is that the credits will become marketable on commodity exchanges in the next few years, although no trading structure yet exists. When this happens, the companies may realize a tidy profit.

In 1996 Nature Conservancy persuaded Linn Draper, chief executive of American Electric Power, the US utility, to invest \$5.25m in the Noel Kempff scheme over five years. Other partners, including BP Amoco, have invested a further \$4m. AEP could not beat the economics of the deal. For every dollar invested in 634,000 hectares of forest protection, which among other things terminated logging rights in vast tracts of rainforest, the company could expect to generate credits for four tonnes of CO<sub>2</sub>.

That equates to just 25 cents per tonne, a snip compared to the \$15-\$175 per tonne experts expect carbon credits eventually to trade for. "These are **some of the cheapest credits the world will ever know**," enthuses Dale Heydlauff, AEP's vice-president in charge of environmental affairs.

Sequestration partnerships, which may play a critical role in alleviating global warming, offer the biggest potential for corporate partners. To date the Conservancy has partnered with AEP, BP Amoco, PacifiCorp, SunCor Energy, Wisconsin Electric Power, Detroit Edison, Cinergy and Utilitree Carbon. The Conservancy is near to closing a further four transactions, with many more on the drawing board.

*(Birchard, 1999)*

### **Nebraskan energy company Tenaska, USA**

Nebraskan energy company Tenaska has invested \$500,000 into Costa Rican rainforest protection as a way of reducing their CO<sub>2</sub> emissions.

### **Face (Forests Absorbing Carbon-dioxide Emission), the Netherlands**

The Face Foundation was established in Arnhem on 18 October 1990 on the initiative of N.V. Sep (the Dutch Electricity Generating Board). Face was founded with the aim of sequestering the CO<sub>2</sub> released into the atmosphere during the burning of fossil fuels as rapidly as possible, by planting new forest.

Face does not buy land or trees, but instead it invests in a single function of the forest: the capacity to sequester CO<sub>2</sub>. Other parties (the forest owner, for example) contribute, but with the aim of obtaining other benefits from the forest: timber, fruit, nature conservation, or soil protection.

Face itself does not draw up projects or implement them; its job is to find projects whose initiators have an interest in the sustainable conservation of new forest. Such an interest ensures the sequestration of CO<sub>2</sub> for a longer period of time.

Face is contractually entitled to transfer its share, i.e. the sequestered CO<sub>2</sub>, to third parties. The financiers are able to compensate for a part of their emissions by investing in Face.

Projects submitted to Face are evaluated if seems likely that a financier can be found within a reasonable period of time. Face is currently setting up a fund to pay for the initial project and preparation costs, so that financiers can be presented with a fully prepared and elaborated project proposal. Though cost-effectiveness is important, the most important criterion is that forest systems must be sustained and maintained. This is why Face targets areas where reforestation or forestation is not only necessary, but where there are also substantial positive spin-offs and where the landowner and local population have an interest in maintaining natural forests, and where landowners have insufficient means to realize such afforestation unaided. For these reasons, Face collaborates with organisations aimed at nature management as well as with commercial organisations that profit from the sale of forest products.

Face supports forestation projects in the tropics, but also outside the tropics such as in Central Europe.

When further investigating this way of generating funds the **carbonmarket.com news service** may be useful. This is a weekly carbon trading newsletter subscription service on the Internet that provides up-to-date information on progress in the development of carbon emission trading systems from around the world.

## 2. Charge systems in parks

Parks can charge visitors directly for services. The best-known instrument is an entrance fee. However, other charge systems may be interesting to investigate as well.

## **Entrance fees**

There are many ways to charge entrance fees: differentiation between locals and non-locals and foreigners, higher fees during peak visitation periods, different fees per park etc. The following are examples of how entrance fees are charged in parks around the world.

### ***EXAMPLES***

#### **Africa**

With the exception of South Africa and Namibia, all countries have daily park fees. All eastern and southern African countries, except South Africa, differentiate between citizens and non-residents, thereby meeting the twin objectives of raising revenues from those with the ability to pay and without denying citizens access to their natural heritage. By charging foreign and local visitors the same fees, South Africa loses a lot of revenues in the form of foreign tourists' consumer surplus.

No country differentiates between overseas and regional tourists. Being foreign nationals, both tourist groups pay the same fees. Many African countries have increased park fees for foreigners in recent years. It seems that the fee increase was often based on overseas tourists' WTP (= willing to pay) and little attention was paid to other African citizens. African park authorities have failed to account for the huge WTP difference between these two groups. As a result, the numbers of cross border visits to parks in neighbouring countries dropped drastically.

The treatment of non-national residents varies greatly. While some countries regard them as foreigners some others treat them as citizens or have even introduced a special fee category for non-national residents (Uganda, Botswana). Comparing park fees for non-residents across countries, one can see that, with the exception of Zambia, park fees in southern African (ranging from \$1.5 to \$11.5 depending on the site) are much lower than park fees in eastern Africa (ranging from \$7 to \$27). All countries have relatively low fees for citizens ranging from \$1.5 to \$2. Only protected areas managed by 'South African National Parks' have citizens fees up to \$8.

With the exception of Malawi, Botswana, Zimbabwe and the Kwazulu-Natal Province in South Africa, all countries adopted a system of differential pricing of parks. This helps to reduce pressure at congested parks by channelling visitors to less popular sites. Kenya, for

example, has four different price categories for its parks although this is only applicable to non-residents and non-national residents. Non-residents paid a daily fee of:

- \$27 for Aberdares NP, Amboseli NP and Lake Nakuru NP;
- \$25 for Tsavo East NP and Tsavo West NP;
- \$20 for Nairobi NP, Meru NP and Shimba Hills National Reserve;
- \$15 for all other protected areas.

Uganda, Kenya, Tanzania, Zambia and Zimbabwe quote park fees for non-residents in US Dollars, thereby ensuring that international demand for parks remains unaffected by exchange rate fluctuations. Park fees in Tanzania even have to be paid in US Dollars. Botswana, Namibia and South Africa quote their park fees in local currencies. As a result, park visits became 20 percent cheaper for overseas tourists through a devaluation of the South African Rand and the Namibia Dollar in summer 1998. It makes sense for more developing countries to link foreign tourists' park fees to a certain US Dollar value. However, experience from Tanzania shows that foreign tourists strongly dislike the fact that park fees have to be paid in US Dollars. It forces them to purchase Dollars prior to their visit to Tanzania.

*(Krug, 2000)*

## USA

When it comes to realistic fees that can support national parks, there is a long way to go. In 1995, proceeds from park recreation fees totalled \$80.5 million, or about 7.5 percent of the total cost of park operations. At approximately 270 million park visitors, 1995 proceeds from all 369 parks represented an anaemic \$0.30 per visitor.

A primary reason for the low per-visitor return is the fact that over two hundred park units did not charge entrance fees, and those that did charge fees at the gate charged by the carload per week. At \$10 per vehicle, a family of four could visit in Yellowstone Park for a week for \$0.36 per person per day in 1996. Furthermore, entrance fees have failed to keep pace with inflation. Beginning January 1, 1997, Yellowstone's annual vehicle pass, which provides the user unlimited visits for the year, was raised from \$15 to \$40. But this hefty hike did not bring the price anywhere near the \$133 (in 1995 dollars) that visitors paid in 1916 (Mackintosh 1983, 2). At \$75, an annual pass to visit California's state parks is more realistic.

Indeed, a 1993 audit by the Department of Interior's Office of Inspector General found that the Park Service collected \$59 million from user fees in fiscal year 1991, but it could have collected \$105 million more from entrance fees alone without raising existing fees (USDI 1993, 22). One of the chief reasons was weak fee collection. Of the 136 units authorized to collect entrance fees and retain only 15 percent of the proceeds, 131 had made inadequate

collection efforts. For example, fees were collected from only half the 409,352 vehicles that entered Olympic National Park and from only 5 percent of the 356,238 vehicles that entered Cedar Breaks National Monument and Capitol Reef National Park.

*(Leal & Fretwell, 1997)*

### **A model of successful ecotourism in Costa Rica**

The Monteverde Cloud Forest Preserve is a private 10,000 ha preserve owned and managed by the non-profit Tropical Science Center of San Jose, Costa Rica. The TSC and the Monteverde Conservation League assembled the Preserve from donated and purchased properties since 1972. Sitting astride Costa Rica's central Trilaran Mountain Range, Monteverde is in the heart of a biologically rich region. Beginning as a field station for biologists, Monteverde Cloud Forest Preserve has become the leading private preserve visited by foreign tourists in Costa Rica, hosting approximately 30,000 visitors or 6% of all tourist arrivals to the country - many of whom came expressly to visit this preserve. These visitors generated an estimated \$9.75 million in new expenditures. Positive publicity that began with the broadcast of a BBC documentary on Monteverde in 1978 has built the preserve's 'draw' among European and North American nature tourists.

From its inception, the Preserve has had the benefit of considerable community support that has helped it maintain its integrity and grow. Through adaptive management approaches, the Preserve has defended itself from encroachments by squatters and logging interests. It has become self-supporting in its primary functions through its variable fee structure that charges foreign tourists a higher rate than nationals and students, and provides free access to locals. The tourism carried out a small portion of the property provides sufficient income to fund the maintenance, protection and administration of the whole preserve. Entrance fees provide 45% of revenue and 97% of those fees come from foreign visitors. Revenue also comes from the 'Natural History Program' of guided tours; the gift shop, snack bar and lodge. The lodge is the only portion of the operation that runs at a loss, as it provides free housing and food for the many volunteers who help maintain the trails and staff various operations. Overall, including donations that amount to 4% of all revenue, Monteverde has been producing a good surplus, documented as almost 9% in 1993. This provides funds for investments in capital improvements and expansion of educational programs.

Strict guidelines for visitor use have contributed to the ecological sustainability of the operations. In seeking to establish parameters for the 'carrying capacity' of the Preserve - and recognizing its original mission as an ecological preserve not a resort - no more than 100 visitors are allowed on Monteverde's 20 km of trails at one time. These policies are reviewed annually, with the management seeking to incorporate the latest scientific understanding into the preserve's operations to prevent environmental deterioration. (Aylward et al 1996)

*(Best & Jenkins, 1999)*

## Canada

For more than eighty years motorists and motorcyclists had to buy permits to enter Canada's mountain national parks. Since 1996 a new system has been introduced. Now fees and permits are based on a per-person per-day principle, and everyone entering any of the Rockies national parks, regardless of mode of entry, must buy a permit. The new system is based on the premise that people - not vehicles - use parks, in much the same way as they enter art galleries or museums. Fees are ploughed directly back into the parks, unlike in the past where they were returned to a central revenue pool. The cost of a Day Pass valid for all four of the Rocky national parks (Banff, Jasper, Yoho and Kootenay) is CAN\$5 per day per person. Or you may buy a Great Western Annual Pass for CAN\$35, valid for unlimited entry to all eleven national parks in western Canada for a year. 'Group' day passes are available for anything between two and ten people at a flat rate: CAN\$10 daily, CAN\$70 annual. Thus four people in a car, for example, are charged just CAN\$10.

*(Jepson, Lee & Smith, 1998)*

## Western Australia

Visitor fees apply to some Western Australian national parks. A range of passes is available. The fees collected are reinvested in the parks to improve facilities for visitors and help offset the costs of management. Five types of park passes are available for purchase:

- **Day Pass:** this pass covers entry into one or more parks on any one-day. **Fees:** AU\$9/car (up to 8 legally seated people), AU\$3/motorcycle, AU\$3.30/passenger on commercial tour vehicles and buses.
- **Annual Local Park Pass:** if you live near a national park (or a group of national parks) and visit frequently, this pass lets you visit the park or group of local parks as many times as you wish without having to pay day visitor fees. **Fee:** AU\$17/vehicle (up to 8 people).
- **Holiday Park Pass:** if you are on holiday and want to visit a number of national parks, this pass entitles you to as many visits to as many parks as you wish for any four-week period. **Fee:** AU\$22.50/vehicle (up to 8 people).
- **Annual All Parks Pass:** this pass entitles you to visit any park throughout Western Australia as many times as you wish for a period of 12 months. **Fee:** AU\$51/vehicle (up to 8 people).
- **Gold Star Pass:** a Gold Star Pass is an Annual All Parks Pass that includes a one-year subscription to CALM's award-winning conservation, forests and wildlife magazine, LANDSCOPE. **Fee:** AU\$73 (includes one-year LANDSCOPE subscription).

### Concessions:

- Drivers who hold a Seniors' Card, aged pension card or Department of Veterans' Affairs Card are entitled to pay a concession price of AUS\$3/car for Day Passes, or AUS\$1 per person when on private outings on buses (**not** on commercial tours).
- Student groups undertaking course work or people with disabilities, as well as other groups undertaking educational activities within a park, are eligible for a waiver of visitor fees.

### **Watamu Marine Reserve, Kenya**

Watamu Marine reserve, Kenya, is a tourist destination on the coast that typically receives 2000-3000 visitors a year. People come to the area for snorkelling, diving, fishing and other water sports.

In January 1999, simple measures were taken to increase vigilance and monitoring of tourist numbers by the PA staff. As a result, in the course of just two months, the PA was able to record a more than doubling of visitor numbers and a 52% increase in revenues.

This all happened along the outline of the following steps:

- improving visitor monitoring by stationing rangers at all access points;
- random spot checks to ensure correct compliance of PA users with current fees;
- increased daily patrols within the PA;
- provision of information in the form of visitor leaflets to hotels and tour operators on the facilities available and applicable charges.

*(Inamdar & De Merode, 1999)*

### **Permit fees**

A permit fee could be charged for several kinds of specific recreational activities inside a park such as backcountry use, mountain climbing, river rafting, fishing etc.

**EXAMPLE****Canadian national parks**

A separate backcountry Wilderness Pass (CAN\$6 per person per night to a maximum of CAN\$30 per person per trip, valid in all four national parks - Banff, Jasper, Yoho and Kootenay), available from any park visitor centre or info centre, is required for all overnight backcountry use. Reservations can be made up to three months in advance by phone or in person for some of the more backcountry campgrounds, but *not* for the major park-run campgrounds. There is a \$10 non-refundable booking fee.

*(Jepson, Lee & Smith, 1998)*

**Betterment fees**

A betterment fee is a (often) voluntary fee sought from users to improve the area visited.

**EXAMPLE****The Nature Conservancy, USA**

The Nature Conservancy (an American NGO) organizes trips that include a US\$300 voluntary donation to fund conservation programmes in the areas visited.

**IDEA**

Hotels can add a voluntary betterment fee to their bill of 1 or 2 dollars. People can chose if they want to pay that fee or not. On the bill it must be explained what the revenues of this fee will be used for. Revenues could be used to specific environmental improvement of the accommodation or revenues could go to the parks overall budget.

## User fees

### *EXAMPLES*

#### **Boomkronenpad Staatsbosbeer, the Netherlands**

Staatsbosbeheer in the Netherlands created a bridge on tree top level, thus providing tourists a forest experience on another level.

In 1999 the Boomkronenpad welcomed 135,000 visitors. User fees that year were DFL 5 for adult and DFL 3 for children (in 2000 the fees were raised to DFL 7.50 for adult and DFL 3.75 for children).

#### **Florida, USA**

Florida charges a US\$3 toll to all motorists on a highway called Alligator Alley, just north of the Everglades National Park, where it is often possible to see alligators from the road. This toll raises US\$60 million annually, all of which is earmarked for conservation of the greater Everglades ecosystem.

*(Spergel, 19??)*

### **Recreation Fee Demonstration Program USA**

In 1996, US congress authorized the Recreation Fee Demonstration Program (fee demo) through Public Law, for the Forest Service, National Park Service, Bureau of Land Management, and U.S. Fish and Wildlife Service. The intent of the program is to test entrance and user fees that are reinvested in federal lands where people recreate, to maintain and improve the natural resource, recreation facilities, and services.

The fee demo program is a vital tool for land management agencies to use if the federal government is to continue to offer quality recreation, heritage, and wilderness programs open to the public. It allows the Forest Service to keep trails, campgrounds, lake and river access healthy and safe.

From project inception in 1996 through September 30, 1999, the Forest Service collected \$56.6 million in gross revenues. With this revenue, they have made campsites and other facilities accessible to all, installed trail and interpretive signs, increased hours at facilities, maintained thousands of miles of trails, increased public safety, improved parking areas, and maintained and upgraded restroom facilities.

The Forest Service chose an aggressive approach to the fee program - encouraging projects of varying sizes and fee types, differential pricing, and charging first time fees for many activities, facilities, and services. Projects range in size from a four-forest project in Southern California to a parking fee at a single trailhead to Northern Michigan's Sylvania Wilderness. The Forest Service is testing fees per person and per carload, fees for heritage expeditions, visitor centres, camping, boating, hiking, day-use, wilderness permits, and multi-agency fees.

Based on survey results, the public accepts the fees, especially when they see direct benefits to the site where they paid the fees, and if the forest provides easy methods of payment. Where fees are new, or where the Forest Service is testing ideas that are very different from the norm, the public is slower to accept fees. A longer time frame may be required to gain public trust and acceptance where fees are new.

As of September 30, 1999, the Forest Service spent \$42 million of the \$56.6 million collected since the Forest Service began collecting these fees in 1996.

Collecting revenues costs money, and the percentage of these costs compared to gross revenues will shrink over time. There are many costs associated with starting up projects that must be absorbed by the fees. Third year expenditures per project generally show increased collections and a lower cost of collection. Much of this increase is due to start-up costs, low initial revenues, and significant weather-related declines at a few sites. The Forest Service is closely monitoring collection costs to make certain that added efficiencies are incorporated.

*(<http://www.fs.fed.us>)*

### **3. Conservation trust funds**

This is a complicated subject. A broad variety of conservation trust funds have been established through the years, all intended to provide long-term, sustained funding for biodiversity conservation. Inamdar & De Merode (1999) gives the following 'definition' of a trust fund:

Trust funds are essentially a financial mechanism with three basic components:

- a set of assets, or money that is invested to produce an income;
- a set of laws that limit and define how the money in the trust will be spent and on what;
- a board of trustees that allocate expenditure. The trustees may be drawn from a variety of stakeholders including local communities, funding agencies and government.

Barry Spergel (1999) distinguishes three different ways in which trust funds can be structured in order to provide long-term financing for conservation:

- an endowment fund: only spends the annual income that is earned by its investments, but never spends any of its original capital;
- a sinking fund: not only spends the income that it earns each year from investing its capital, but also spends part of the capital itself each year, until it gradually 'sinks' to zero after a specified number of years (usually between 10 to 20 years);
- a revolving fund: continually receives new revenues from user fees, fines or specially earmarked taxes, which are spent within one or two years after being collected, rather than being invested to generate a smaller but steady stream of income over the long term.

## ***EXAMPLES***

### **Sukau Rainforest Lodge**

Tourism entrepreneur Albert Teo said his Sukau Rainforest Lodge will set up a fund for research and development of ecotourism in Sukau by setting aside \$1 of its income per room night from international tourists who stay at the lodge. The fund will be used to buy seedlings for tree planting and maintenance programs, to provide scholarship to local Orang Sungei in secondary schools up to tertiary level at University Malaysia Sabah, to create jobs by boosting local cottage industries and introduction of local music at the lodge, among others.

Albert Teo's organisation hopes to create their own model of ecotourism that brings tourists to view wildlife and the environment in Sukau while promoting conservation and generating economic benefits to the local community.

## **National Postcode Lottery, Netherlands**

The National Postcode Lottery (NPL) in the Netherlands beneficiaries involved in nature, landscape and biodiversity conservation (WWF, Natuurmonumenten and the DOEN Foundation) have NPL-funded projects in Eastern and Central Europe varying between NLG 35,000 and NLG 132,000.

The DOEN (Sustainable Development and Environmental Protection) Foundation is a parented foundation of the NPL. The DOEN Foundation was especially founded as the NPL's 'own' organisation to handle the growing number of applications for financing coming in directly to the NPL.

The DOEN Foundation has two main objectives:

- providing grants, loans and bank guarantees in order to develop a balanced project program aimed at improving people's lives and the environment in which we live;
- bringing these issues and their possible solutions to the notice of the general public.

For the development of a balanced program, DOEN cooperates with groups or private institutions, local authorities and other official bodies, with media, public relations offices and financial institutions.

## **ECNC (1996) mentions the following trust funds:**

### ***The Rockefeller Brothers Fund***

*The Rockefeller Brothers Fund* assets were US\$ 312,386,696 in 1994. Since 1984, the principal part of the Fund's grant-making program has been organized around the theme One World. One of the two main aims of this is to encourage sustainable development throughout the world, employing an approach that balances social, economic and ecological concerns. The Russian Biodiversity Program was budgeted at US\$ 225,000 for the period 1993-1996. Projects are also located in East Central Europe to the value of approximately US\$ 350,000 in 1995, US\$ 685,000 in 1994, and US\$ 580,000 in 1993.

### **The Prince Bernhard Fund**

The Prince Bernhard Fund in the Netherlands donates NLG 100,000 each year for nature conservation in the Central and East European countries. It supports 'Stichting Milieukontakt Oost-Europa' with the refurbishment of offices, staff training, and printing newsletters for the Nature Conservation Strategy project in Albania and the Estonian Fund for Nature.

### **The John D. and Catherine T. MacArthur Foundation**

The John D. and Catherine T. MacArthur Foundation in the USA has a grant-making program in the newly independent states of the former Soviet Union (NIS). Priorities of the program include resource management, maintaining a balance between environmental protection and economic development, the preservation of ecosystems, biodiversity, and land use planning. A total amount of US\$ 680,000 was spent on Russian biodiversity in 1994.

### **The Trust for Mutual Understanding**

The Trust for Mutual Understanding in the USA has environmental, infrastructure and land use planning activities in Russia, the Czech Republic, Hungary, Poland, and Slovakia. In 1994 the Trust contributed US\$ 285,000 to projects related to biodiversity conservation in Russia, representing approximately 45 per cent of its environment budget. Examples of environmental exchanges supported by the Trust include wildlife and habitat conservation programs, land use planning projects, activities designed to promote more effective international communication between environmental organisations, and efforts to encourage sustainable development in relation to the preservation of natural resources and indigenous cultural values.

### **The Weeden Foundation**

The Weeden Foundation in the USA has adopted the protection of nature as its main priority. The Foundation is particularly interested in new and innovative efforts that help develop sustainable models for conservation action. Projects that serve as catalysts, inducing others to lend support, receive priority consideration. The Foundation has a biodiversity program. This had a budget of US\$ 814,225 in 1994, of which US\$ 281,225 was awarded to international projects, and US\$ 118,725 to projects in Russia.

### ***The W. Alton Jones Foundation***

The W. Alton Jones Foundation in the USA has among its goals to build a sustainable world by developing new ways for humanity to interact responsibly with the planet's ecological systems. The Foundation has a Sustainable World Biodiversity Initiative with a budget of US\$ 2.6 million in 1993; US\$ 247,000 went to projects of US organisations concerned with Russian biodiversity issues.

## **UK Charity Know How's**

The UK Charity Know How's purpose is to support the redevelopment of a voluntary sector in Central and Eastern Europe and the republics of the former Soviet Union by fostering skill-sharing partnerships between voluntary organisations in the UK and the beneficiary area. Funding for 1994-1995 is approximately US\$ 1,117,000.

## **UK Fauna and Flora Preservation Society**

The UK Fauna and Flora Preservation Society protects rare and endangered species and contributes among others to Russian biodiversity.

## **Funders online ([www.fundersonline.org](http://www.fundersonline.org))**

Funders Online is an initiative of the European Foundation Centre Orpheus Programme. The mission of the European Foundation Centre (EFC) is to promote and underpin the work of foundations and corporate funders in the New Europe. Orpheus, the information and communications program of the EFC, provides a public record and a public information service on foundations and corporate funders active in Europe. Funders Online is also part of ARIES, the European telematic network for the social economy. Funders Online operates from the European Foundation Centre.

Funders Online has as one of its major goals to facilitate access to online funding information. They have put together some useful information and practical tips on how to research independent funders, how to package a project proposal and where to find additional information, both in print and online, on foundations and corporate funders, as well as on fund-raising. Funders Online has now 470 funder profiles available.

## **4. Cost saving instruments**

Self-sufficiency can give a park management an incentive to balance costs and benefits. Costs must be covered out of revenues, but there are also cost saving instruments. One of the most explicit examples is deploying volunteers. Volunteers can for instance be deployed at visitor centres to give tourists park information, they can give guided tours and guard vulnerable sections in the park. A unique example of deploying volunteers is given below.

## **EXAMPLE**

### **Ecovolunteer**

Ecovolunteer is a special travel agent. The trips they organize are not common vacations. As an ecovolunteer people take part in projects for research and nature conservation in countries all over the world. In doing so they help local conservation organisations that are in need of manpower and money.

Ecovolunteer is about the exchange of possibilities. Conservation projects get a chance to provide the much needed manpower and money, and nature lovers get a chance to become more active.

A part of all the projects Ecovolunteer takes part in, and sometimes all of it, can only be realized because of the financial and physical contribution of ecovolunteers.

The Ecovolunteer network is developed by and coordinated from the Ecovolunteer Program in the Netherlands.

Roughly 77% of the recommended retail price of a trip is transferred to the conservation organisations that operate the ecovolunteer projects in the various countries. This money covers participation of volunteers and contributes to the project's organisation, as well as the continuation of the research and conservation efforts. Additionally 3% is used to keep up the Ecovolunteer websites and the web marketing, only up to 10% of the price is used for the development, management and maintenance of the Ecovolunteer Program organisation. Additionally 10% of the recommended retail price is added for the national ecovolunteer agencies that operate national marketing and bookings.

## **5. Debt-for-environment/nature swap**

A debt-for-environment swap (DFES) or debt-for-nature swap is a type of debt-for-equity swap leading to the extinction of a part of the external debt in exchange for increased environmental spending by the debtor country. There are two types of DFES:

- The bilateral form involves only the debtor and creditor countries and is used mainly for *official debt*. The credit country forgives a portion of the foreign currency debt it holds while the debtor country provides resources in *domestic* currency for environmental protection. In most cases, this money is administered by a trust fund that is strictly governed by a committee agreed to by both parties.

- The *trilateral model* can be used for both *private and official debt*. In contrast to the bilateral form, it involves at least one additional party, usually an NGO, with a particular interest in environmental protection either at the regional or global level.

DFES's only offer a limited solution to debt management. Their importance is mainly environmental because they increase the debtor country's financial resources available for environmental purposes.

(Drucker, 1998)

## **EXAMPLE**

### **Polish EcoFund**

The Polish EcoFund debt-for-environment resources were channelled into environmental projects in four areas of international importance:

- limiting the emission of gases causing climate change: 21 projects with a total commitment of US\$ 22 million;
- reducing transboundary air pollution: 42 projects with a total commitment of US\$ 20.1 million;
- reducing the pollution of the Baltic Sea: 20 projects with a total commitment of US\$ 17.9 million;
- biodiversity conservation: 36 projects with a total commitment of US\$ 7.7 million.

(ECNC, 1996)

## **6. Donor contributions**

A donation is a financial instrument through which a donor gives money to a charitable cause. In return the donor gets nothing other than a good feeling about supporting that good cause.

## **Bequests**

An article in the Dutch magazine ADFO DIRECT (May 2000) reports that the total income from bequests in the Netherlands increased from 226 million Dutch guilders in 1996 to 309 million guilders (20% of the total income from charitable funding) in 1998. It is expected to increase even more.

According to American research by the Boston College, between 41 and 136 billion dollar will be transferred between generations within the next 50 years worldwide.

For some Dutch NGO's bequests form an important and increasing part of their funding.

## **Benefactions**

### ***EXAMPLES***

#### **WWF Netherlands, 'personalised fund'**

A special way to make a benefaction is to set up a so-called 'personalised fund'. The name of the fund will be given by the benefactor, for instance his or her own name or the name of a child. A 'personalised fund', which has certain fiscal advantages, can only be set up if the money from this fund goes to the credit of a cultural or conservation organisation. This organisation invests the money from the fund and will administer it very carefully. Every year the fund will generate certain revenues, which the organisation can use for its work.

#### **National Parks Conservation Association, USA**

The National Parks Conservation Association (NPCA) is America's only private non-profit organisation dedicated solely to protecting, preserving, and enhancing the National Park System. NPCA was founded in 1919 and today has more than 400,000 members.

NPCA has developed a number of ways to make a donation. The following are two examples.

#### *Memorial gifts*

Giving a memorial gift to NPCA is a way to pay tribute to a friend or loved one, as well as recognize their love for America's national parks. Gifts can be made in honour of weddings, graduations, or other special occasions. When a memorial gift to NPCA has been made, a letter will be sent to the designated person, acknowledging the benefactor's consideration and generosity.

### *Workplace Giving*

NPCA participates in workplace giving through an alliance of the country's leading non-profit environmental and conservation organisations, working under one name to safeguard public health and the environment. Earth Share promotes public education and charitable giving through workplace fundraising campaigns in federal, state, local, university and corporate campaigns across the country.

Many corporations offer Earth Share as a choice in their charitable giving campaigns, including Time Warner, J.P. Morgan, Wells Fargo, Pitney Bowes, The New York Times Co., Turner Broadcasting, Sears Roebuck and Co., The Gap, Levi Strauss, Lotus, and WMX Technologies.

## **The Sierra Club, USA**

The Sierra Club has over 600,000 members. Their mission statement:

- explore, enjoy, and protect the wild places of the earth;
- practice and promote the responsible use of the earth's ecosystems and resources;
- educate and enlist humanity to protect and restore the quality of the natural and human environment;
- use all lawful means to carry out these objectives.

The Sierra Club also has developed a number of ways to make a donation. The following are a few examples.

### *Gifts from tax deferred qualified retirement accounts*

Retirement plans are typically funded by an individual, by his or her employer, or both. Most retirement plans are made up of assets which are not taxed so long as the assets remain within the particular retirement plan - in other words, the plan is generally comprised of untaxed contributions and untaxed earnings. While there are a variety of different types of retirement plans, typically distributions from the plan become taxable at the time when they are paid out to the beneficiary or beneficiaries. Disbursement of retirement plan funds generally occurs because the beneficiary of the plan:

- has reached retirement;
- has reached a certain age and is required to take distributions from the plan;
- has become seriously ill, disabled or otherwise incapacitated; and/or
- has died, and the retirement plan assets must then be distributed to the individual's estate or other beneficiaries named within the plan.

With the exception of one's surviving spouse, the heirs who receive distributions from another person's tax deferred plan could find themselves subject to as many as three different types of taxation:

- income tax;
- estate tax;
- generation skipping transfer tax.

The net result is that the value of the asset can be significantly reduced. However, many retirement plans permit a charity to be named as a beneficiary. Upon the death of the retirement plan participant, the interest passes to charity and is tax free since charities are generally tax-exempt.

### *Life income gifts*

Generally, a life income gift pays income to a person or a chosen beneficiary for a term of years or for life. After the conclusion of the term, or upon the death of the last income beneficiary, the remainder left in the life income gift is distributed to The Foundation. Life income gifts, funded with cash, securities, or real estate, may be made during the donor's lifetime or at death for the benefit of one's heirs. In addition to the satisfaction of creating a priceless legacy for the environment, life income gifts may offer a variety of tax, financial, and estate planning advantages.

### *Charitable Remainder Trusts*

A charitable remainder trust is an arrangement whereby the donor transfers cash, securities, or real estate to a trust that provides the donor, or anyone chosen by the donor, with an income based on a fixed percentage (at least 5%) of the trust's assets. The terms of the trust can be tailored to the specific financial and philanthropic goals of the donor. \$100,000 is the minimum necessary to establish a charitable remainder trust.

### *Charitable Gift Annuities*

A gift annuity is a contract under which The Sierra Club Foundation, in exchange for a gift of

cash or marketable securities, guarantees to pay a fixed annual amount to a designated beneficiary for life. Minimum funding level is \$20,000.

### *Pooled Income Funds*

A pooled income fund is a common trust funded with cash or appreciated securities, that allows gifts from many donors to be combined for investment purposes. Each beneficiary receives his or her proportionate share of the net income earned by the fund. Minimum funding level is \$20,000.

## **7. Fundraising events**

A fundraising event is a one time or yearly returning event or action to raise funds for a charitable cause. There are many ways to do this. Below a few examples are described.

### ***EXAMPLES***

#### **Dixie Chicks**

The Grammy award-winning country band Dixie Chicks, who are already donating proceeds from their smash album, 'Fly', to World Wildlife Fund, have named WWF as the charitable beneficiary of their 70-city tour in the year 2000. One dollar from the sale of each ticket will go to WWF's global conservation efforts.

#### **National Parks Conservation Association - March for Parks**

March for Parks is the USA's largest walking event for parks and open spaces, and the largest and longest-running annual nationwide Earth Day event.

All proceeds raised at individual marches stay at the local level to fund park projects identified by local volunteers, called 'March Partners'. In past years, citizens have repaired historic buildings, planted trees, repaired existing trails and built new trails for disabled park

visitors, and even bought land for new community parks.

March for Parks was created in 1990 by NPCA, which supports the program with staff, toll-free telephone assistance for local organizers, and free posters, pledge forms and publicity materials for community organizing groups.

March Partners may choose any project that benefits a public park or open space such as:

- trail restoration and clean-up;
- tree planting; purchasing native registration;
- environmental education; recycling programs;
- equipment and land purchases.

The most common type of March for Parks fundraising event is a walk in which marchers raised pledges based on distance they cover. March Partners in the past however have held runs, outdoor festivals, and volleyball tournaments. March Partners in colder climates even have held their marches in snowshoes.

## ***IDEA***

### **Project auction**

The idea is to collect projects from parks, e.g. an English brochure/guide, a viewing point, hiking track, walking maps, computer for an information centre etc. Provide a form for the Park authorities, describing the project including costs. Forms must be available on the PAN Parks website. Visitors to the PAN Parks website can directly support one of the projects through an Internet payment. Each form is connected with a money barometer. The next step is that everyone can follow how the project is carried out on the Internet and/or what the final result of a project is.

To publicize the idea it is necessary to launch the Auction Site. An idea is to launch the site in an event where the invitees are PAN Parks sympathizers, partners or partners to be. A well-known auctioneer will auction off the first projects. All parks and interested parties can follow the auction live through Internet.

Why contribute?

- It is easy to participate and affordable.
- To create a sense of ownership (= commitment) of a project.
- For partners to be: to show goodwill.
- Because park visitors had a very nice holiday and want to do something in return.

In return for the support people get:

- name on the PAN Park site (for example; 'this project was made possible through the support of ....');
- a subscription to the PAN Parks Courier;
- a good feeling;
- tax deduction.

Costs for PAN Park organisation:

- creation of the website (maybe this can be sponsored);
- webmaster (use of trainees can minimize costs);
- launch (maybe this can be sponsored).

Other auction possibilities:

- sell donated objects from PAN Parks and/or PP regions.

*PAN Park events*

'Events' can be a tool to collect money and to create a circle of committed (wealthy) supporters. Besides the auctions, theme dinners can meet the above purpose. For example invite the best-known chef of one of the PAN Parks countries to cook country specials for one evening or weekend and sell tickets for 500 guilders a cover.

## 8. Internet

More and more people are getting access to the Internet. And more and more people find their way to conservation organisations via the Internet. Especially people who never visit a park but do want to donate money may find an easy way to do so (paying by credit card) on the Internet.

Below examples of how a conservation organisation can generate funds through the Internet, with mostly little effort and (sometimes none at all) costs.

### *EXAMPLES*

#### **www.fondsen.org**

www.fondsen.org is a collaboration between Dutch funds with the **CBF hallmark**. These funds joined their forces on the Internet in 1999. Their aim is to provide easy access for Internet users to funds in the Netherlands.

By collaborating, sharing Internet technology and sharing costs, Internet should become as cheap as possible medium for these funds. Thereby making Internet an attractive and cost efficient medium to spread their message.

The goal is to develop [www.fondsen.org](http://www.fondsen.org) into a site:

- that provides products that the funds offer;
- on which a donation can be made;
- on which lots of information (news, annual reports etc.) can be found.

## **GreaterGood.com**

GreaterGood.com, Inc. brings together the explosive economic growth of the Internet with the increasing desire to 'give back' to the organisations that make the world a better place. Their mission is to provide a cost-free, hassle-free way to use the Web for tangible social and environmental change.

Online shoppers can support their favourite organisations at any of 2,000 online shopping villages that GreaterGood creates and maintains for charitable causes, K-12 schools and colleges and universities. When people purchase products at these stores, a percentage of the price automatically goes to the organisation of their choice, at no extra cost to them. GreaterGood forged partnerships with proven Internet retailers, including Amazon, eToys, OfficeMax, and Jcrew.

**When an organisation signs up with GreaterGood.com, it'll also get a custom shopping site which links directly from the organisation's website. This shopping site will maintain the look of the organisation and will only include the retailers the organisation chooses. Plus, the organisation can highlight specific products that appeal to their supporters. Either way donors get the benefit of a high-quality shopping experience that will bring them back again and again. With both a central site and a custom site, an organisation has twice the visibility.**

Up to 15% of every purchase goes to the charitable organisation. Products are sold at the same price shoppers would pay if they bought directly from these online retailers. The most stringent security measures are followed and purchases are delivered directly to the shopper's specified address.

Unlike other fundraising methods, a partnership with GreaterGood.com costs the charitable organisation nothing to set-up or maintain. All back-end services, including transaction and payment processing, shipping, customer service, and reporting, are taken care of by GreaterGood.com and the retailer. Partnership already exist with UNICEF, The Nature Conservancy and World Wildlife Fund.

Forecasts are that over 85 million people are expected to be shopping online by 2003,

e-commerce sales will reach \$920 billion in 2003.

## **CharityMall.com**

CharityMall.com is a similar system as GreaterGood.com. On CharityMall shopping can be done at over 100 top e-retailers. For every order placed money will be sent to a charitable cause of the shopper's choice, at no additional cost to the shopper. The retailers pay a commission for every purchase made through CharityMall.com. CharityMall.com sends 100% of that commission to the charitable cause. CharityMall.com raise money for over 2000 charitable causes.

### *EcologyFund*

EcologyFund is owned and operated by CharityMall.com as a way to get new funds for critical habitat and wilderness preservation using the power of the Internet. When clicking the button 'click to donate' EcologyFund sponsors pay the project selected to preserve the number of square feet shown by each project. The person clicking the button pays nothing.

If you register, CharityMall will donate 500 square feet of wilderness in your name, and will keep a running tally for you of all the land you have preserved.

All monies from sponsorships and shopping commissions generated on EcologyFund go to purchase and protection of wild lands.

## **Rainforest site: click-to-donate**

By clicking on the 'Donate Land - Free' button on the Rainforest site (<http://therainforestsit.com>), a donation is made to the Nature Conservancy's Adopt an Acre program. Each sponsor mentioned on the Rainforest site pays for 2.4 square feet of land for each click on the button (the Rainforest site currently has 5 sponsors). In July 2000 alone 1,932,675 people clicked the 'Donate Land - Free' button on the Rainforest site.

Click-to-donate sites are instant, they give an immediate 'result', they create a feeling of agency and being in control, and they create a way of enlisting the riches of business that feels good and legitimate.

## **The Parks Company ([www.theparkco.com](http://www.theparkco.com))**

Two creative freelance professionals have come up with a way to boost funding for America's national parks. Joe Galliani and Mike Baggetta started The Parks Company National Parks Catalog in 1997. Now they're also on the Internet.

Customers can order from a catalog or online. Over 500 products are offered, including hats and clothing labelled with national park logos, National Parks Monopoly game, Pendleton national park blankets, art, jewellery, guidebooks, hand-painted hiking medallions and stuffed animals.

5% of the gross profit from each item that is sold is donated back to the National Parks. Donations are made either directly to the park itself or to one of its non-profit support groups for specific park improvement projects. That's why even though the small company has yet to show a profit, they've still raised and donated over \$25,000 to the National parks in their three years in business.

## **9. Investments**

An investment is a financial instrument through which an investor funds a project with the intent and expectation to get a return on the investment.

### ***EXAMPLES***

#### **PGGM**

PGGM (a Dutch pension funds) recently established a pilot-fund of 50 million Dutch guilders, which will be used for responsible investments. Basic principle of the fund is Triple P: people, planet and profit. According to PGGM the environment should not suffer from making profit, there's more in this world than just money. PGGM - with an administered capital of 110 billion Dutch guilders - wants to propagate that by establishing this fund.

#### **Flor Y Fauna**

The deal between Flor Y Fauna (a teak plantation in Costa Rica), OHRA (a Dutch insurance company) and WWF Netherlands is an innovative combination of a partnership and

sponsoring.

Basically insurance company OHRA developed a financial product (based on an investment in Flor Y Fauna's teak), which was sold to individuals on the Dutch market. The financial product was 'green' - and therefore very attractive - as Flor Y Fauna promised to become the first well-managed plantation worldwide (following FSC principles). This promise was a condition by WWF Netherlands. Furthermore OHRA paid approximately 1 million Dutch guilders to be spend for 3 of WWF Costa Rica's conservation projects in northern Costa Rica (near Flor Y Fauna's plantation).

In return OHRA was allowed use of WWF's Panda-logo and an agreed-upon statement in advertisements for the financial product. This proved to be a powerful tool in raising money.

The investment turned out to be controversial, mainly because the predicted returns were seen as overly optimistic. The cooperation did lead however to conservation results. From a marketing point this cooperation was a success as well.

## **Wereldpartner Polis SNS Bank and NOVIB**

SNS bank (a Dutch bank) and Novib (a Dutch development organisation) have created the Wereldpartner Polis (world partner policy): a savings insurance contributing to a more balanced development of the world. With the Wereldpartner Polis one can influence that development: 20% of one's pension build-up is invested in Novib projects. That 20% is fully tax deductible as a donation.

## **Earth Sanctuaries Ltd., Australia**

Earth Sanctuaries are the private sector alternative to the government-funded national parks system. Earth Sanctuaries Ltd. has been hailed as the first publicly listed company in the world with the core business of conservation. ESL does this by striving to be both ecologically and economically sustainable. It is the mission of Earth Sanctuaries Ltd. to save Australia's wildlife before any more species become extinct. The management of over 90,000 hectares has enabled Earth Sanctuaries Ltd. to re-introduce rare, threatened and endangered mammals back into safe, feral-free habitat.

Earth Sanctuaries Ltd. has developed a series of profitable income sources to support its main business of conservation. These profit sources include:

- Donations: 17.8% of the revenue comes from donations, which have a 100% profit margin.
- Filming and photography: each of the sanctuaries provides excellent and diverse 'settings' for filming and photographing Australian landscapes and wildlife. Gross profit from these activities exceeds 50%.
- Weddings and Functions: the unique beauty and peace of the sanctuaries provide wonderful settings for weddings and other functions.
- Food and Beverage Sales: a restaurant facility at one of the sanctuaries contributes 50% to the total income of the sanctuary and 36% of gross profit.
- Conferences: the calming environment of the sanctuaries creates the ideal conference venue.
- Guided Walks: gross profit margins from walks, the most significant activity in making visitors aware of successful conservation outcomes, are in the order of 90%.
- Accommodation: the high quality and the uniqueness of the accommodation contributes significantly to the successes and returns a consistently good gross profit margin.
- Contract Management: Earth Sanctuaries Ltd. is currently involved in managing Hanson Bay, Kangaroo Island on behalf of an American company and is negotiating other contracts.
- Native Animal Sales: native animal sales have been a solid contributor to sales income and Earth Sanctuaries Ltd. expects continued growth and solid returns.
- Outdoor Education: currently, school groups account for 12% of total revenue and 18% of gross profit.
- Wildlife Sales: Earth Sanctuaries Ltd. already earned revenue from relocating wildlife onto private land and expects this revenue to grow.
- Native Nursery Sales: reminders of a visit to an Earth Sanctuary are excellent revenue opportunities. Earth Sanctuaries Ltd. has a native plant nursery that allows visitors to have a garden full of native birds by simply planting a native garden.
- Gift Shop Sales: many visitors purchase a token of their visit from the well-stocked Gift shops, where a large selection of Australian souvenirs can be purchased.
- Contract Services: Earth Sanctuaries Ltd. builds feral-proof fences, eradicate feral animals and re-introduce Australian wildlife for others.
- Consulting Services: the intellectual property that is endemic to Earth Sanctuaries Ltd is available for hire. Earth Sanctuaries Ltd. has a successful history of consulting services.

The above mentioned profit sources allow Earth Sanctuaries to be economically sustainable by providing a positive cash flow throughout the financial year. This cash flow attracts investors, and ESL's shareholder base increases. Currently, there are more than 6000 shareholders that contribute to the Earth Sanctuaries mission. Along with the feeling that they are 'doing something' for the environment, they receive dividends to demonstrate the company is turning a profit. Dividends have been paid annually for the last six years, since ESL became a public company. In addition, the new accounting standard AASB1037 'Self Generating and Re-Generating Assets' allows the biological increase in wildlife to be added to the financial statements. Since ESL shares have been trading, their value, in the market place, has increased at about 30% per annum. People that invest with ESL can also be assured they are supporting a true 'ethical investment'. ESL is a listed public company, so all its records must be transparent, and all of its projects are open to inspection by the public.

ESL Shareholders are entitled to a 20% discount at each Sanctuary, invited on Shareholders' weekends throughout the year, and are kept up to date with a regular newsletter.

Operating profit was \$ 1,146,578 over 1998/99 compared with \$ 159,742 in the preceding year.

## **PAN Park Village**

PAN Parks' founding father the Molecaten Group has established a limited liability company by the name of PAN Park Villages BV. Its prime objective is to set up so-called PAN Park Villages in/near those PAN Parks that have no/insufficient proper accommodations.

A typical PAN Park Village will have a capacity of approximately 50 lodges, 150 well-qualified campsites and an information centre. It will be managed in a sustainable way, in order to qualify for the PAN Parks logo.

The information centre will provide information on the PAN Park and it will serve as a gateway to the local community, guiding tourists to local restaurants, shops and guides, boosting local economy and business opportunities.

PAN Park Villages BV will be incorporated with a minimum share capital of euro 2,000,000 from the Molecaten Group. Furthermore, shares of PAN Park Villages BV will be issued to private and corporate investors at a nominal price of euro 50,000. Return on investment is expected to be steady and ecologically sound. After a three-year starting-up period the proceeds of investments can be at maximum 1% above Euribor. Exceeding profits will be transferred to PAN Parks and will serve for developing PAN Parks.

The most likely sites for the first two PAN Park Villages are the Polish Bieszczady National Park and Fulufjället National Reserve in Sweden. Total needed investments in Fulufjället are euro 3,655,000. In Bieszczady euro 2,480,000 is needed. In less than 15 years, the initial investment is expected to be fully repaid.

PAN Park Villages BV is a new and innovative tool that could greatly contribute to the goals of the PAN Parks organisation. It combines an economically sound investment with increased awareness of and support for conservation of two of Europe's unknown natural gems. Furthermore it aims to boost the local economy and local support for the protection of these areas.

## **Triodos Bank**

Of the Green banks, Triodos Bank made the largest investment in the environment in 1994: ECU 60 million. Triodos targets four categories of projects:

- social economy (366 projects were approved costing NLG 30.2 million);
- nature and the environment (297 projects were approved costing NLG 33.9 million);
- non-profit and arts (277 projects were approved costing NLG 34.2 million);
- other projects (costing NLG 23.9 million).

The 'green investment fund' at Triodos Bank invests in a wide scale in 'green projects'

important for nature conservation. In particular, the fund is investing in projects relating to the development and application of new technologies.

*(ECNC, 1996)*

## **OTP Bank Ltd**

The Országos Takarékpénztár és Kereskedelmi Bank RT (OTP Bank Ltd) was among the first banks to introduce environmental due diligence and impact analysis into its loan approval procedure.

### *Financing projects that take nature conservancy aspects into account*

Example: A project financed partly by OTP was the last section of the Budapest to Vienna motorway, which was completed at the end of January 1996. During the construction of that road a lot of new assessment criteria were taken into consideration, including maintenance of migration routes or runs of wild animals. Overpasses were built for larger animals and underpasses for the smaller animals.

### *Financing a nature conservancy project on a commercial basis*

Example: OTP supports nature conservation activities as an investor. In one example, a company was established to organize the three-week Natureexpo '96 event, which was held in Budapest in the summer of 1996. OTP owned 51% of shares in that company. Some of the events of Natureexpo '96 were:

- \* a scientific meeting organized under the title 'Sustainable use of natural resources';
- \* international exhibitions on technologies, product services, books and similar issues;
- \* a 'nature fiesta' to invite the public to take part in some nature conservation activities.

Furthermore OTP supports as a sponsor the 'Day of birds and trees', which is a demonstrative and educational event, held in early May each year the President of Hungary plants a tree and the whole event is broadcast on television.

*(Drucker, 1998)*

## **The European Investment Bank (EIB)**

EIB is the European Union's financing institution, established in 1958 under the Treaty of Rome.

In terms of volume of borrowing and lending, the EIB is the largest of the international financing institutions. In 1995, it made loans totalling 21.4 billion ECU, of which 2.8 billion ECU for projects outside the European Union. With borrowing operations in some 16 currencies - a total of over 12.4 billion ECU in 1995 - the EIB is a major presence on the capital markets and has contributed significantly to their development, in particular in the emerging markets of the European Union.

The Bank finances both public and privately owned investment in the following sectors of the economy: communications, environmental and energy infrastructure, industry, services and agriculture. The ceiling of EIB finance of the total cost of a project is normally 50%. Capital investment which the Bank helped to finance in 1995 was some 53 billion ECU, over 4% of the Union's gross fixed capital formation.

The EIB contributes indirectly to the conservation of biological diversity by financing schemes for cleaning up river basins and seas, coastal protection investments and reforestation projects. The Bank may also contribute to biodiversity conservation through funding investment improving the rational use of natural resources.

*(Drucker, 1998)*

## **Rabobank/Robeco Group's Green Funds of the Netherlands**

The goal of the Green Funds in the Netherlands is to attract private investments in order to accelerate green investments. The mechanism is based on the exemption from income tax given to interest and/or dividend income from investments in green projects, which took effect from January 1 1995. Rabobank/Robeco Group's 'GroenRente Fonds', or Green Fund, came on the market as the first Green Fund in October 1995. Within 9 days, NLG 450 million was invested in the fund. In general, the interest of the public in green investments is overwhelming, to be fair basically not because of the green character of the fund, but because of the fiscal incentive. Other green funds came on the market after October 1995, so that by 1996 around NLG 850 million was available for green investments.

To be recognized as a green project and to enjoy the tax exemption, the government has to approve each individual project and give it a 'green stamp'. There are four categories of green projects:

- nature conservation;
- renewable energy;

- projects that make a clear contribution to the improvement of the environment;
- ecologically sound house building.

(Drucker, 1998)

## **DOEN Foundation: micro finance**

Many farmers and small producers in the Third World and Eastern Europe are not able to go to ordinary banks for financing. They are dependent for loans on family, friends and loan sharks. The Dutch DOEN Foundation tries to support these people by providing loans at a reasonable rate. A small/micro loan is often sufficient for a farmer or businessman to keep his company in operation. Practice has shown that these poor small businessmen, farmers and private parties pose no greater risk than the traditional, well-off clientele of a bank. Through participation, for example, in the financing company Internationale Micro Investitionen ag (IMI), which invests in micro credit banks in the Third World, DOEN helps people obtain fair credit. Locally managed financial institutions guarantee the continuity of financial service lending. Micro credit is an outstanding instrument for trade financing, public housing and setting up co-operatives for production, purchasing and sales.

### *IMI*

The Internationale Micro Investitionen AG (IMI) investment company was founded in 1998 by the Frankfurt-based consulting company Internationale Project Consult GmbH (IPC).

IMI sets up banks for micro credit worldwide. With the credit extended, the businessmen and farmers in the Third World and Eastern Europe buy the raw materials for their final products. In this way, they can invest the money in their own business without losing it to sky-high interest rates or repayment of debts to loan sharks.

The banks target on small businessmen who have no chance at ordinary banks. Ordinary banks are restrained where micro financing is involved. They are afraid that their earnings will be too low and hesitate to become involved with a group that is used to receiving development money instead of loans.

The DOEN Foundation has a 21 per cent share in IMI.

## **The Microfinance Handbook: an institutional and financial perspective**

The Microfinance Handbook is a technical manual designed to assist those in the field of micro finance in the design and implementation of micro finance activities. It is aimed at a wide audience that includes governments, financial institutions, donor agencies as well as practitioners. It offers a comprehensive overview of the main issues in micro finance and an update of the lessons learned and best practices in the field. It is organized in three parts which get progressively more technical - Issues in micro finance provision; Designing and

monitoring financial products and services; Measuring performance and managing viability.

The micro finance handbook can be ordered at:

The World Bank  
P.O. Box 960  
Herndon, VA 20172-0960, U.S.A.

Phone: (703) 661-1580  
Fax: (703) 661-1501  
E-mail: Books@worldbank.org

### ***IDEA***

When in need of investments, PAN Parks can consider a partnership with a bank (or another financial institution such as an insurance company or pension fund). A bank can easily raise money for a projects that are economically sound, socially beneficial and environmentally appropriate. Large profits are not necessary, but investors will want some return on their investment.

An option is the set-up of a fund based on a subordinated debenture loan. The idea is as follows:

- the bank will raise money for a fund from private investors (e.g. by selling debentures);
- small-scale PAN Parks businesses partners in Central East European countries will be given loans from this fund with relatively low interest rates (interest rates in some of these countries are as high as 30%);
- co-financing with local banks (offering liquidity through a credit line);
- possible set-up of a guarantee fund with which part of the credit risk is covered;
- the business partners pay back their loans with some interest;
- part of the interest goes to the bank and the investor (as well as the PAN Parks organisation), part of it (plus the originally borrowed sum) flows back to the fund.

Of course a partnership could also be set up to raise money for the PAN Parks Villages or any other commercially viable project. It would be good to think of ways to ensure that the local population directly benefits, e.g. by distributing some shares locally.

When setting up a partnership with a bank, the basis (the actual investment product) should of course be sound. If it is, further opportunities arise:

- Clients could be given a PAN Parks membership by the bank when investing a certain minimum amount in the PAN Parks subordinated debenture loan. Also, they could be approached for special offers related to PAN Parks.
- The bank could decide to sponsor certain PAN Parks projects to further underline its commitment to PAN Parks. Especially high profile projects (an observation tower, a visitor

centre, etc.) will be interesting. Banks annually spend millions for sponsorship (e.g. ABN AMRO on Ajax, Rabo on cycling, Aegon on speed skating) and might be more inclined to sponsor a cause they are closely linked to. They will expect visibility in return.

- The employees of the bank could and should be kept up-to-date on PAN Parks, creating broad ownership of the project. As staff is hard to find and financial incentives alone are not enough, employees should feel proud of their employer and a bank's commitment to 'a better Europe' could serve this purpose. Also, PAN Parks products (e.g. exclusive calendars) could be produced for the employees and customers. Furthermore, it is becoming increasingly popular for employers to give their employees the opportunity to work for a good cause for a certain period (or a few hours a week). PAN Parks could come up with projects in need of free labour. Etc.

## 10. Membership

Many organisations have members. Typically they get a magazine and sometimes other services. This of course requires administrative work but provides direct revenues plus a broad basis and credibility to an organisation and a better basis when negotiating sponsoring, partnerships etc.

### *EXAMPLES*

#### **WWF's The 1001: A Nature Trust**

In 1971, HRH Prince Bernhard of the Netherlands invited 1000 men and women to join him in protecting nature. Although The 1001 are not widely known to the public, they help make possible the work of WWF World Wide Fund For Nature.

Joining The 1001 implies a financial commitment. Membership contributions are invested in a special fund and the income used to help cover WWF's operating costs. WWF is thus able to direct further donations directly to its programme activities.

Many of The 1001 lead public lives. Whatever their political or business interests, they have each chosen to support a cause for all mankind. Through their contributions they help WWF achieve its mission to save the natural world. Through their commitment, they raise funds and mobilize support; special contributions and legacies from The 1001 form another significant

source of funds for WWF. They make crucial conservation projects financially possible and they are a positive force in influencing the world's governments and corporations.

The 1001 do not constitute a club or a formal organisation. Members are free to choose their own level and type of involvement. To allow them to see WWF's work first-hand, The 1001 Secretariat organizes special field trips to different project sites. And their reward is the satisfaction of observing the results of their action.

The 1001 come from 54 countries. Their personal commitment, symbolized by their membership contribution of US\$ 25,000 to The 1001: A Nature Trust, unites the world's cultures and beliefs in a common purpose. That commitment, recognized by their peers, brings together a shared vision, talent, experience, and leadership as a powerful resource.

Since The 1001: A Nature Trust was set up, inevitable vacancies have appeared in its ranks. When such a vacancy occurs, an individual who is able to make an effective long-term contribution to the protection of nature is invited to assume a life-long responsibility for the care of the planet. Such men and women are often nominated for membership by The 1001 members.

## **Peace Parks Club, Africa**

The Peace Parks Foundation is an international partnership promoting wildlife conservation, ecotourism and job creation in southern Africa. 200,000 Square kilometres of transfrontier conservation areas are planned to create new hope for a wildlife environment currently fragmented by man-made borders. The Peace Parks will offer huge opportunities for ecological and economic prosperity to all the involved nations.

The Peace Parks Foundation has launched the Peace Parks Club to harness the worldwide interest in promoting sustainable solutions for wildlife conservation in Africa. Members of the club will be kept informed of all peace parks initiatives and become eligible for travel opportunities and privileges. With the assurance that all funds raised will be put directly into the creation and maintenance of peace parks, club members can take advantage of travel offers.

Membership rates Peace Parks Club:

Individual subscription - 10 year membership \$5,000

Corporate subscription - 10 year membership \$50,000

Benefits available to Club Members and a companion, booking directly through the Peace Parks Club Travel Partner, include:

- 15% reduction on various accommodations;
- discounted flights on southern Africa's largest regional airline, South African Airways, including a 15% reduction on one First or Business Class fare to the region each year or a 10% reduction on Economy Class;
- 30% reduction on AVIS car hire worldwide, including membership of AVIS' exclusive President's Club;
- A year's complimentary subscription to the award-winning Africa Environment & Wildlife, the region's foremost conservation magazine.

## **National Parks Conservation Association, USA**

### *Gift memberships*

Through their membership program, a membership in NPCA can be given to a friend or loved one. They will receive all the benefits of membership, including a subscription to National Parks magazine for an entire year.

### *Trustees for the parks - a Society of the NPCA*

People are invited to join a society of dedicated members whose annual commitments of \$1,000 or more support NPCA's work to preserve the US national parks. The Trustees for the Parks provide important leadership to ensure the success of the NPCA's park protection work across the USA.

### Special Updates

As NPCA's strongest friends and supporters, Trustees for the Parks receive exclusive membership benefits. Trustees get an insider's look into park issues and NPCA's advocacy and educational initiatives through the quarterly newsletter, *Inside Report*, in addition to timely briefing memoranda and correspondence from NPCA's President, Tom Kiernan. Trustees also receive periodic updates on parks in their region from NPCA's regional directors.

### Unique Travel Invitations

Each year NPCA designs a special program for Trustees for the Parks. In 1997, members gathered for a special tour of six national parks in the Southwest. Last year the rich historical and natural resources of Georgia's Cumberland Island National Seashore were explored. Trustees for the Parks also receive additional invitations to attend NPCA special events with the organisation's Board members and officers at national parks around the country.

## A Range of Giving Opportunities

The Trustees for the Parks program offers a range of opportunities for individual support at four levels:

Leadership Trustee - \$10,000 or more

Sponsoring Trustee - \$5,000

Sustaining Trustee - \$2,500

Trustee for the Parks - \$1,000

### *Corporate Partners*

Through annual participation as a National Parks Corporate Partner, American businesses can visibly demonstrate the critical role an engaged private sector can play in safeguarding US National Parks.

National Parks Corporate Partners make a \$25,000 annual contribution to NPCA; \$10,000 of this amount may be designated to support a specific NPCA project.

Special Recognition & Benefits include:

- annual two-day NPCA partners' retreat on current park and resource issues, held at one of the country's national parks;
- invitations to NPCA special events;
- acknowledgment in NPCA's Annual Report with special National Parks Corporate Partnership sidebar listing;
- listing in a full page Corporate Partners' ad in *National Parks* magazine; and
- company employee option of discounted membership in National Parks and Conservation Association, with National Parks magazine and all other individual member benefits.

### **John Muir Society - The Sierra Club, USA**

The John Muir Society is Sierra Club's recognition level for members whose annual donations to the Sierra Club, The Sierra Club Foundation or the Sierra Club Political Committee are \$1000 or higher.

#### *John Muir Society Benefits*

\$1000 to \$2499 Associate:

- complimentary Sierra Club Membership;
- John Muir Society Recognition Certificate;
- annual recognition in Sierra Magazine;
- priority seating at Annual awards Dinner;
- special John Muir Society newsletter and insider briefings;
- Sierra Club Calendar and selected Sierra Club book.

\$2500 to \$4999 Patron:

- All of the above benefits; plus
- special invitation to private regional events;
- Personalised John Muir Society Recognition Gift.

\$5000+ Benefactor:

- all of the above benefits; plus
- invitation to Sierra Club Foundation National Advisory Council Outing;
- personalised Benefactor Recognition Gift.

## **The Wilderness Society, USA**

### *Wilderness Watch Sustaining Members*

The Wilderness Society in the USA has a Wilderness Watch Sustaining Members program. Through a regular monthly donation, Sustaining Members provide the Wilderness Society with a dependable financial base to continue their conservation efforts. People can become a Sustainer online, which saves them writing a check every month. And it's cost effective because administrative costs are low, so more of the donated money goes to save wilderness.

By joining the Wilderness Watch program, Sustainers will receive special updates on The Society's activities, on Capitol Hill and in the field.

### *Advocates for Wilderness*

A core group of stalwart believers, Advocates for Wilderness make a commitment of \$1,000 or more each year. Becoming an Advocate for Wilderness is easy. A gift can be made with a

credit card from the Wilderness Society website. Or a check can be emailed. You can send \$100 each month or \$250 a quarter.

In addition to the other benefits of Wilderness Society membership, an Advocate receives an annual report as well as special news and program updates.

## **Novib, the Netherlands**

### *Subscription to Novib books*

NOVIB (a Dutch developing organisation) has a book subscription system. Subscribers give writers from Third World countries a chance to publicize their work. Apart from the books a subscriber can also attend readings and other events organized by Novib.

The various subscription options are as follows:

- world subscription: 5 Novib books per year plus a Novib calendar (DFL 44.50 a quarter);
- novel subscription: 5 Novib novels a year plus a Novib calendar (DFL 44.50 a quarter);
- country subscription: 7 books per year describing a specific country (DFL 34.50 a year);
- calendar subscription: Novib calendar automatically every year (DFL 42.50 a year).

### *Donor*

Novib donors allow Novib to automatically deduct DFL 12.50 a month from their bank account. They will regularly receive the Novib Magazine, with information about Novib partners, background news, updates about the Novib projects.

### Partner Plan membership

For DFL 25 a month you can become a Partner Plan member of a Novib project or partner. Partner Plan members can follow Novib's work in the Third World directly by a regularly received magazine and an extra supplement about the chosen partner(s).

## ***IDEAS***

## **PAN Park Explore Pass**

A card offering reductions or even free facility on various kinds of products and services such as entrance fees, accommodation, area-maps, excursions, flexible bicycle- and canoe rent, specific reductions on organized PAN Park travels, etc. The owner of the pass pays an annual contribution for this exclusive right.

This card is specially for those consumers who live in the surrounding cities close by the PAN Park area and are regular day-visitors of their favourite PAN Park-area but do not use the accommodation facilities at the gateways. This pass is not necessary for tourists who stay at gateway-accommodations because they pay, via the price of overnight-stay, an all inn price and have free facility of practically all the offered gateway-products & services. It's also possible for not regular visitors to buy a PAN Park Explore Pass for a short period.

*(Leussen, 1999)*

### **PAN Park 'hot spots' Pass**

Every year the PAN Park Organisation selects a number of the most beautiful PAN Park accommodations in the PAN Park area; the so-called 'hot spots'-locations. These accommodations are located in the most beautiful parts of the area and offer the most astonishing PAN Parks experiences. Four times a year (every season) the PAN Park Organisation reserves the locations for a specific period and make them available for the owners of the PAN 'hot spots' pass. At the beginning of every season the Organisation offers the selected 'hot spots' exclusively to the PAN 'hot spots' pass -owners. They receive an extensive view of every selected hot spot (picture accommodation and surroundings, map, information about possible activities, etc). In that way the owners of the Pass receive the first right to reserve a 'hot spot' location at every beginning of the season. During a special fixed reservation period, reservation is only available for the owners of the pass. When this specific period ends the selected locations are available for all potential consumers again. The owner of the pass pays an annual contribution for this exclusive right.

*(Leussen, 1999)*

## **11. Park products and services**

The products and services mentioned in this section are the ones that could either be exploited by parks themselves or in partnership with third parties. More complicated products and services can better be exploited in partnership with third parties, allowing the park authorities to concentrate on their core business.

## ***IDEAS***

### **Merchandise**

PAN Parks merchandise, varying from pins and key chains to (photo) books and video material etc., can be sold in gift shops in the parks (revenues go directly to the park) or via the PAN Parks website (revenues go to the PAN Parks Organisation).

### **Recreational activities**

The parks themselves can facilitate many simple activities. In Banff National Park in Canada for instance, the various activities are priced as follows:

Guided hikes: CAN\$ 6-12

Cycling tours: from CAN\$ 49 half day to 83 full day

Canoe rental: from CAN\$ 22 per hour

Horse riding: nineteen minute CAN\$ 30, half day 45, full day 80 (including lunch)

White-water rafting: from CAN\$ 63

## **12. Partnerships**

A partnership is a cooperation - often involving licensing - with an external partner, resulting in financial (and other) benefits to both parties.

Among others partnerships can be entered into with:

- transport related companies;
- accommodation suppliers;
- cars, restaurants, snack bars;
- gift shops, local products;

- tour operators;
- media (TV, radio, magazines etc.);
- conference facilities for workshops, education projects for schools.

## ***EXAMPLES***

### **Initiatives South African National Parks (SANP)**

#### *Joint venture with filming company*

SANP has a joint venture with a filming company. SANP has committed itself to adding value to the filming company wildlife productions by working closely with them and passing on interesting information. The filming company pays R1.2m per annum. So successful has their business been that they have now offered 20% of the equity to SANP, free of charge.

#### *'Savannah Conservation Marketing'*

One project that is yet to prove itself but has great potential is what SANP refers to as 'Savannah Conservation Marketing'. This is an agreement between SANP and a professional sports marketing company that is selling the association rights of the institution for pre-defined periods. The best analogy is probably the Olympic games, where Coca-Cola, amongst others, purchases the association rights for a sum of money on the basis that the association with the Olympics gives Coke an advantage over Pepsi.

#### *Live images of wildlife on the Internet*

SANP is currently in negotiations with a company called Africam that posts live images of wildlife on the Internet. In many ways national park agencies control media content (i.e. wildlife films) in that they control the majority of the areas where good footage can be obtained. SANP's agreement with Africam allows the media and telecom specialists (Africam) to make use of SANP resource base but SANP taps into the income stream that this generates.

### **Baiji Dolphin Conservation Project, China**

Tongling Baiji Conservation Committee of the Tongling Municipal Government wants to prevent the Baiji dolphin from extinction in the Yangtze river in China. In order to reach their goal they have licensing agreements with local businesses that put money into the project. In return they are licensed to use the Baiji symbol, which in turn makes good publicity for the baiji dolphin. Baiji beer, Baiji hotel, Baiji Cola, Baiji computerized weighing scales, Baiji toilet paper, Baiji phosphorus fertilizer, and Baiji Bentonite (mining product used in the production of toothpaste, iron and steel casting and also as an additive for pig food), are just a few of the product that carry the Baiji logo.

*(Adams & Carwardine, 1990)*

### **Abruzzo National Park, Italy**

Local product like honey and textiles are allowed to carry the park logo, which stays for quality and authenticity. The park received royalties per sold product.

### **HAPIMAG, Switzerland: time-sharing**

The Swiss company HAPIMAG established a chalet fund in 1963. HAPIMAG appeals to the wealthy consumer. It's a firm without profit motive, after Swiss law.

A shareholder does not get regular dividend, but receives 12 'chalet points' a year, which can be spend in one of the 53 Hapimag chalets. With Hapimag shares no rent has to be paid for these chalets. In 1999 Hapimag had 120 thousand shareholders all over the world. In 1963 the issue price was 1210 Swiss franks. Since then its value increased with an average 5 to 7 per cent a year.

There's a repurchase guarantee. Four years after the purchase Hapimag repurchases the share for 82% of its actual value. The shares are also transferable.

### ***IDEA***

### **PAN timeshare club membership**

It is possible to become a time-share owner of a PAN Park accommodation in the PAN Park area by joining a club of PAN Park time-share owners. The consumer can become a PAN timeshare club member for a certain period by investing in a PAN Park timeshare contract for

5, 10 or 15 years, All the timeshare accommodations have a guaranteed high quality level that makes optimal area experiences possible. The owners have special rights for free use of all the added products and services at the accommodation (gateway) for experiencing, exploring and discovering the PAN Park area. The timeshare owner is the economical owner of the accommodation. He gets the right to exclusive use of the accommodation for a particular number of days each year. Usually sold by the week, it is also called interval or vacation ownership. The (juridical) ownership of the accommodation remains with the developer or manager: a special PAN Park timeshare Organisation. The purchaser reserves the right to use one or more accommodations for a specified number of years (5, 10, 15), after which all use rights return to the developer / manager. For a one-time purchase price and payment of a yearly maintenance fee, purchasers own their own unique PAN Park accommodation for a predetermined number of years. Owners share both the use and the costs of upkeep of their unit and the added products & services of the gateway-accommodation. The Organisation is responsible for the management and quality of the accommodation.

*(Leussen, 1999)*

## **National Park and Conservation Association's Marketing & Licensing Programs**

Contributions from NPCA's Marketing & Licensing Programs help to support NPCA's work protecting America's national parks. They also raise awareness of NPCA's work and of the needs of national parks and provide valuable services to NPCA members.

NPCA partners include:

- ATCALL: ATCALL provides NPCA's exclusive long distance phone service. 8% of each customer's long distance phone bill goes to NPCA
- Avalanche Publishing: Avalanche produces a licensed National Parks Calendar that bears NPCA's name and logo. This calendar with photos of America's national parks is sold in book and stationary stores.
- Cambrix Publishing: Cambrix worked with NPCA to create a licensed National Parks CD-ROM with colourful information on over 350 National Park System sites. 5% of profits from the sale of this CD go to NPCA.
- Clariol: Clariol provides valuable exposure to NPCA by displaying their name, logo and 1-800 number on packages of Natural Instincts hair colour. Clariol pays NPCA a sponsorship fee for use of their name and logo.
- First USA: First USA produces NPCA's exclusive affinity credit card. First USA donates to NPCA a portion of the charge on each card (\$1 for each new account/ \$1 for each renewed account / .50% net on all charges).
- Franklin Mint: Franklin Mint produces a line of figurines representing animals of America's national parks. A percentage of net sales are given to NPCA.
- Message!Products: Message!Products produces NPCA's line of designer bank checks. These checks are emblazoned with beautiful images of US national parks

- Sumikin Bussan: Sumikin Bussan produces an NPCA licensed brand line of men's, women's and children's outerwear for sale in Japan. This clothing brand is produced through Sumikin Bussan and sold in Jusco department stores, one of the largest chains in Japan. Sumikin Bussan pays NPCA a royalty based on clothing sales.

## **PAN Parks Bialowieza E-commerce Project**

The PAN Parks Bialowieza E-commerce Project has the goal of promoting tourism and accommodation services of Candidate PAN Parks Partners in the Bialowieza region. The project is to be implemented by means of an electronic advance registration system via Internet and fax. Potential tourists to Bialowieza National Park can gather information on Candidate PAN Parks Partner services on-line at [www.panparks.bialowieza.org](http://www.panparks.bialowieza.org). Advance reservations with Candidate PAN Parks Partner can be made by downloading accommodations and services registration forms and faxing the forms to request a booking. The PAN Parks Organisation offers to loan a fax machine, free of charge, to each Candidate PAN Parks Partners participating in the PAN Parks Bialowieza E-commerce Project. The duration of the loan of a fax machine is parallel with the duration of the contract Candidate local PAN Parks Partner. The PAN Parks Organisation is the sole owner of the fax machine and can retract the machine at any time.

In accepting a fax machine, the Candidate PAN Parks Partner pledges to support the goals of the PAN Parks Bialowieza E-commerce Project. This entails making confirmations of requests for booking reservations, via fax, to potential visitors. Candidate PAN Parks Partners also commit to working in an environmentally friendly way, in accordance with PAN Parks Principles and Criteria.

In the start-up phase it will not raise funds, but rather lead to increased support for (expansion of) Bialowieza National Park.

### *Reservation system accommodation*

Building upon the above-mentioned Bialowieza initiative, PAN Parks could provide a reservation system for various sorts of accommodation in and around the parks in cooperation with the various accommodation providers. A percentage of each reservation could go directly to the park or the PAN Parks organisation. The reservation system could work both in the parks as well as on the PAN Parks website. A similar system already exists in the USA.

## ***IDEAS***

### **PAN Parks savings-stamps**

Savings-stamps could help to increase awareness of the PAN Parks logo. A product or shop that goes well with the PAN Parks image could set up a campaign. On the savings-stamp

could be the logo. It should be explained that this campaign aims at increasing awareness of and funding for Europe's wildlife (use attractive species such as bear, beaver, elk, etc.). For a certain number of collected savings-stamps a certain amount would be given by the producer/shop to the PAN Parks organisation. The person who collected the savings-stamps would receive a product related to PAN Parks, if possible something by a PAN Parks partner (local honey, a local handicraft, stickers or postcards with European species, etc.).

## **Railway companies**

Railway companies are logical partners for the PAN Parks organisation as travel by rail is an environment friendly way to travel. The PAN Parks concept fits with the image that railway companies are looking for. The partnership could include joint marketing and communication. One or more European railway companies for example could introduce 'PAN Parks combi-railtickets', either for one park or for a roundtrip to various PAN Parks.

## **National parks shutdown USA in 1996**

With more than 260 million annual visits, national parks play a key role in the U.S. travel and tourism industry. In 1994 this industry generated an estimated \$417 billion in business receipts nationwide and supported roughly 6.3 million jobs. Revenue and employment benefits generated by park visitors are pervasive in many regions of the country and are critical to the well being of park-dependent businesses and communities. Unfortunately, it took an extended shutdown of the federal government for this importance to be fully realized.

During the summer of 1996, the National Parks and Conservation Association (NPCA), in an attempt to better understand the economic dynamic between parks, their related businesses, and neighbouring communities, set out to investigate the impact of the winter 1995-96 government shutdowns on nine national parks and 21 gateway communities.

Hundreds of such communities and thousands of such businesses exist across the country. Many of them depend almost entirely on park visitors for their livelihood. At the same time, however, they support the national parks by providing visitors with goods, services, and accommodations that the parks alone cannot provide. In conducting this study, NPCA reached out to park-related business owners, employees, and community leaders in California, south Florida, and the Colorado Plateau region of Nevada, Arizona, and Utah, asking them to describe, in their own words, the negative effects brought about by the shutdowns. From their stories we can sense the extent and severity of the shutdowns' impacts on the daily lives of actual individuals.

By themselves, the revenue and employment impacts of the shutdowns are impressive. Nationwide, according to the U.S. Department of the Interior, the shutdowns cost park-dependent communities an estimated \$14 million *a day* in business receipts. In Mariposa County, California, 25% of adults found themselves temporarily out of work as a result of the closure of Yosemite National Park. The loss of park visitors led to an overall loss of up to \$8.9 million in direct tourism sales in and around the park, as well as up to \$10,000 a day in county tax revenue.

Elsewhere, businesses and gateway communities lost upwards of \$600,000 in direct sales in and around Joshua Tree National Park in California, \$1.4 million in and around Everglades National Park in Florida, and \$5.6 million in and around Grand Canyon National Park in Arizona.

Such figures alone, however, do not adequately portray the impact of the shutdowns. To many of the business owners surveyed for this study, the loss of a few thousand dollars in a season can define the boundary between success and failure, survival and bankruptcy.

Businesses and communities in each of the three regions investigated were noticeably affected by the shutdowns. Fortunately, the most severe impacts occurred only in areas that traditionally receive heavy park visitation during the winter. Had the shutdowns occurred in July or August, the damage would have been much more severe.

There remains a widespread fear, particularly in the West, that the shutdowns have had a lingering effect on visitation by foreign travellers. Planning a trip to the U.S. national parks requires long-term planning. Many of the men and women we spoke with believed that uncertainty associated with the shutdowns led British, German, and Japanese tourists to go elsewhere during the spring and summer of 1996. Many speculated that the loss of those visitors would be particularly hard on their communities because foreign visitors tend to spend more per day, on average, than American tourists.

Nationwide, the shutdowns cost park-dependent communities an estimated \$14 million a day in business receipts.

*(National Parks and Conservation Association)*

## **13. Sponsoring**

Sponsoring is giving money to a good cause for which one gets exposure (in one way or

another) in return.

## ***EXAMPLES***

### **Thailand Hornbill Adoption Project**

Parasitologist Pilai Poonswad in Huai Kha Khaeng Wildlife Sanctuary en KhaoYai National Park in Thailand initiated this project. Goal of the project is to raise awareness about the state of the Hornbill and give them a fighting chance.

For \$120 a hornbill can be adopted for one year. A villager will tend the nest and will send you pictures and a report on the bird's behaviour, what it is doing, what it is eating, and its family life. You can even pick the species. If you visit the park, people of the foundation will show you the nest.

## ***IDEA***

Adoption is a powerful tool that may relatively easily be used by PAN Parks. In most PAN Parks work is carried out already providing the right type of information. In some areas attractive species carry a transmitter and their movements are followed by researchers. Thus enough information is collected for an adoption programme.

Another example is the nest of a raptor. It is still necessary to guard the nests of some species as the eggs and/or chicks are sought after by egg collectors and/or falconers. Those guarding the nest have little to do, so it would be little trouble to write a daily update.

As (some) research and guarding nests contribute to the aims of PAN Parks adoption could provide income for this work. It would also help build support. The collected information could be send to a mailing list of donors. These donors could even be given non-public part of a PAN Parks website where pictures and such are available. Maybe a webcam could be used to enable donors to follow developments in 'their' nest real-time.

It would be great if such adoption programmes became available to schools in/around PAN Parks. It could help to educate the children about what PAN Parks is in what a special place they live. But for other schools too this would be a great education tool.

### **Trans Canada Trail**

The Trans Canada Trail will be a shared-use recreation trail that will wind its way through every province and territory in Canada. It will be the longest trail of its kind in the world, spanning approximately 16,000 kilometres.

The trail will accommodate five core activities: walking, cycling, horseback riding, cross-country skiing and snowmobiling (where possible/desired).

The Trans Canada Trail is a community-based project. It will be owned, operated and maintained by local organisations, provincial authorities, national agencies and municipalities across Canada. The Trans Canada Trail Foundation will not own or operate any trails. The Foundation has identified a Trail Council in every province and territory, which has assumed the responsibility of championing the cause of the Trail in their region. The Councils are an integral part of the Foundation and are the 'driving force' of the entire movement. Their collective membership represents approximately 1,500,000 volunteers across Canada.

In order to fulfil its mission, the Foundation believes it must raise \$23 million in order to complete the main trunk of the Trans Canada Trail. To generate the funds needed for this project the foundation offers individuals and groups to adopt a part of the trail. In return their name(s) will be put on the trail.

There are three ways of putting one's name on the Trail and they each vary according to the donor's budget and/or the amount of space the donor wishes to have:

- for a contribution of \$40 donors can put their names or the names of anyone they choose on the Trail;
- for a contribution of \$400, donors can put a message in the Trail pavilion. This is especially suited to families who want their names to appear all together or to groups who buy 10 or more meters in memory of a departed loved one;
- for a contribution of \$4,000, donors can put a message or group of names on a special Honour Panel;
- a program called the Kilometre Club has been developed, which gives individuals or corporations the opportunity to buy a kilometre of Trail. For \$40,000, a corporation or association can become a lifetime member of the Kilometre Club.

Donors can permanently inscribe their names or the names of anyone they choose on the Trail in the province/territory of their choice. In major populated areas, names will be inscribed in Trail pavilions. These will be attractive structures built right on the Trail in areas where they can be properly maintained.

In return, the donor receives:

- his name or the name of anyone he designates permanently inscribed in a Trail pavilion;
- a personalised Trail certificate, acknowledging the inscription and province/territory where it will appear;
- a tax receipt for the full amount of the donation;
- an annual update on the Trail's progress.

Under the motto 'Let The World Know Where You Stand With What You Wear!' various items (calendar, cap, pin, t-shirt, sweatshirt, hiking stick etc. with trail logo) are being sold. Proceeds from the sale of these items will be used to help build the Trail and support local Trail Councils.

## **Bench donation program Vancouver city, Canada**

The memorial bench program allows donors to contribute to the cost of installing a park bench at one of the Vancouver City's parks or beaches that comes under the jurisdiction of the Park Board. The cost of a standard bench ranges from \$1700 to \$2000 (1994 figures). In certain areas, such as the Quarry Garden at Queen Elizabeth Park, a specialized bench is used to retain the character of the surrounding gardens. These benches cost about \$2300.

The final cost of a memorial bench is determined by the type of base that will be needed to secure the bench to the ground. The donation covers the cost of the base, the bench, the memorial plaque and 10 years guaranteed maintenance.

A standard brass plaque is used on benches. Standard plaques allow space for three lines of copy, 40 spaces per line. A fourth line can be added for an additional cost of \$25.

Sites for memorial benches are chosen in consultation with Park Board staff. Staff has identified old, existing benches that can be replaced with a memorial bench. Some new sites are also available in some areas, especially in neighbourhood parks.

## **Canadian Parks Partnership**

The Canadian Parks Partnership is the national alliance of cooperating associations working in parks and historic sites. The Canadian Parks Partnership is a non-lobby, non-profit charitable organisation that supports cooperating associations across Canada.

In 1980, a group of concerned Canadians, working in cooperation with Parks Canada, came together to create volunteer grassroots 'Friends' groups for Canada's national parks and national historic sites. The national non-profit umbrella organisation, Canadian Parks Partnership was established in 1986. In 1995, full membership in the organisation was opened to other 'Friends' groups at a provincial and municipal level, particularly those who support parks, historic sites, canals and protected areas administered by agencies other than Parks Canada.

Canadian Parks Partnership members are 'Friends' groups that work at national, provincial and municipal parks and sites and act as a link to the local community. Canadian Parks Partnership presently has 69 members across Canada.

A 'Friends' group is an association that provides visitors with enhanced services and programs and helps generate revenue in support of their partner park or historic site.

The 'Friends', besides being ambassadors of Canadian heritage, organize special events, work on public education, deliver environmental education and children's programs, initiate research projects, manage retail outlets and deliver interpretation programs.

Annually on the Third Saturday in July, Canadian Parks Partnership coordinates the national Canada's Parks Day and 'Take A Hike' events. These events provide Canadians with an opportunity to learn about and support their natural and cultural heritage through participating in fun and interpretative activities. On average there are over 200 events across Canada on this one day.

Canadian Parks Partnership is funded through individual donors, corporate sector funding, corporate sponsorship, contracts, and from special project merchandise sales.

They only develop merchandise for project specific fundraising.

Corporate partners supporting the Canadian Parks Partnership include Air Canada, Chrismar Mapping Services Inc., Eureka Vacuums, Hasmarc, Kodak Canada, KPMG, Power Corporation of Canada, Scantrade International Inc.

### **Friends of Het Utrechts Landschap, the Netherlands**

Het Utrechts Landschap is a Dutch provincial organisation protecting the landscapes of the province of Utrecht in the Netherlands. Companies can become a Friend of Het Utrechts Landschap by donating DFL 2500 a year (by the end of 1999 32 companies became a Friend), or they can become a Golden Friend of Het Utrechts Landschap by donating DFL 5000 a year (by the end of 1999 18 companies became a Golden Friend). For the year 1999 this meant a DFL 170,000 revenue.

### **WWF Conservation Partner**

WWF reserves the title of Conservation Partner for a select group of major sponsors, of which Canon was the worlds first in June 1998. A major element of the sponsorship with Canon was the transformation of WWF's Photo library into an electronic resource that is a strategic support to WWF's communications. The Canon sponsorship does not stop at the photo library. WWF's activities in Europe, Africa and the Middle East receive funding from Canon over the initial three-year term of the sponsorship.

But nature is not the only beneficiary, Canon too will reap important publicity advantages as a WWF Conservation Partner. Every WWF-owned image will include the word 'Canon' in its accompanying photo credit - a subtle exposure for Canon in WWF's many publications and news releases. The partnership is featured on WWF's award winning website, along with a WWF-Canon 'photo gallery' showing a selection of WWF's nature slides. Canon Europe has access to one of the world's most recognized symbols - WWF's Panda logo - in a newly created Conservation Partner format, to indicate its special relationship with WWF.

## ***IDEAS***

### **PAN Parks art gallery**

At a visitor centre, a PAN Parks Village or another suitable location in a PAN Park a PAN Parks art gallery could be created. At a PAN Parks art gallery local art and/or art linked to nature could be displayed and sold. There are a number of options. A professional company could rent space (e.g. in the PAN Parks visitor centre, thus providing income to the park) and sell high quality art. As PAN Parks stands for high quality this type of art gallery would help build the intended profile.

Another option would be to provide space to local artists. Their art and handicrafts would be displayed and sold and the PAN Park would get a percentage of every sold item (for providing space and for handling the sale). This approach focuses more on local support and less on high quality.

A combination of both approaches may of course be possible as well. If done well a PAN Parks art gallery would:

- benefit the local economy
- be interesting for the visitor (even on a rainy day)
- increase support (and export support as the art will be shown by the buyer)
- provide income to the PAN Park

### **Twinning NP's and cities**

A city adopts a park and sponsors certain activities in the park, such as the education of guides, etc.

## **14. Subsidies**

In this report little attention will be given to subsidies as the Dutch consultancy group

Berenschot is already investigating which European subsidies could apply for PAN Parks. Their approach is broader than just applying for subsidies; influencing the EU through lobbying and public affairs form an integral part of Berenschot's work.

While searching for national and European subsidies it seems wise to not only concentrate on subsidies involving nature, but also investigate subsidies involving tourism, local economy, infra structure, education, bilateral cooperation, etc.

Moving through the EC maze of budget lines and application procedures to find the right subsidies for PAN Parks, the '**Eurofunding Guide**' (price: 150 Euro), updated in March 2000, can be a useful resource. The guide contains details of 272 Community subsidy programs and budget lines, and offers detailed information about eligibility, application procedures and contacts. The guide can be obtained at:

TransNational Consulting

4, Rue de Berite

75006 Paris

France

## **15. Watershed protection fees**

Watershed protection could become a way of providing revenues to the individual PAN Parks. If a PAN Park preserves the quality of the water originating from the parks it could charge a fee (covering all costs for facilities providing that preservation) to the communities surrounding the park that use the water.

### ***EXAMPLE***

#### **New York City's Watershed Protection Program**

In the USA the Clean Drinking Water Act passed in 1996 provides a strong incentive for water utilities and municipalities to expand watershed protection as an alternative to the

installation of costly filtration systems. The cost of compliance by unfiltered water companies is estimated to be \$12.1 billion if a technological approach is used. New York City faced the prospect of having to filter the water from its Catskill watershed at a cost of \$4-6 billion, plus \$300 million in annual operating costs. The city's water rates would have had to double. Instead the city adopted an EPA-approved watershed protection plan with a total cost of \$1.2 billion, half of which is being used for watershed improvements, including \$250-300 million for acquisition of fee title and conservation easements on privately-owned watershed lands. The plan is being financed by a public bond that will be repaid by user rates, with the typical New York water bill rising by only 9%. (Budrock & Revlein, 1997)

*(Best & Jenkins, 1999)*

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CARBONmarket.com (<http://www.carbonmarket.com>)

Charity Mall (<http://www.charitymall.com/registry/cmall/index.html>)

Corporate Relations Division of the Western Australian Department of Conservation and Land Management (CALM) ([http://www.calm.wa.gov.au/national\\_parks/park\\_passes.html](http://www.calm.wa.gov.au/national_parks/park_passes.html))

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