

people



respect



nature





Financing the Tourism Industry

Financing Tourism in Protected Areas through an Innovative investment proposal for developing nature-based tourism

PAN Parks Mission

PAN Parks Foundation develops the possibility for people to enjoy Europe's wilderness by:

- increase management effectiveness of protected areas
- contribute to sustainable regional development through creating and promoting high quality tourism packages
- create more awareness of Europe's last remnants of wilderness areas (appetite for wilderness)
- attracting investors to improve livelihood



Photo: Leif Östergren

Return on Investment

- Social
- Financial
- Biological
 - People Planet Profit

Where does PAN Parks Foundation work?

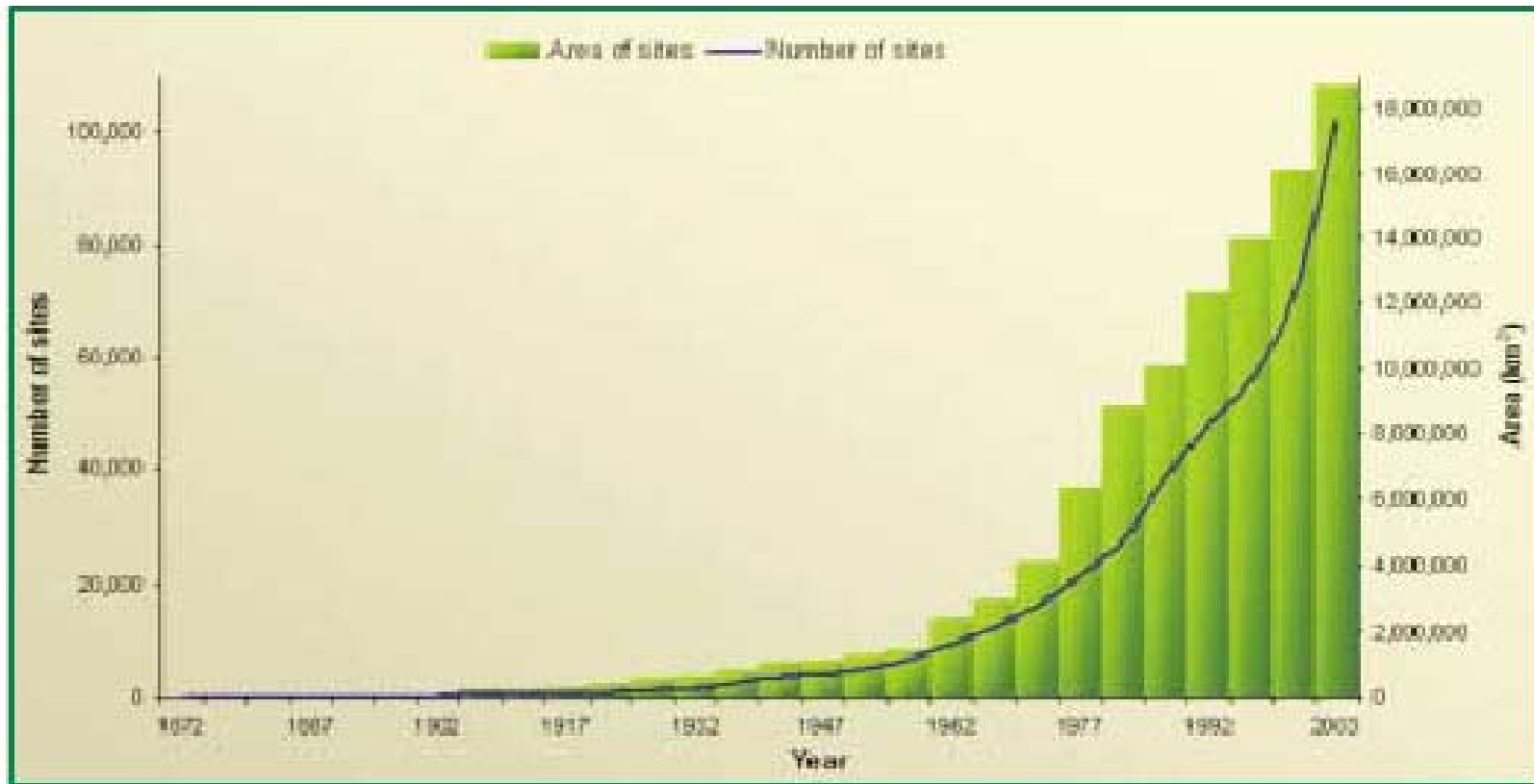
- Europe
 - Wilderness areas – at least 10.000 ha untouched nature
 - Growth potential: **Portugal, Spain, Slovenia**, Croatia, Montenegro, France, Germany, **Hungary, Slovakia**, (many more)
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PAN Parks as of February 2008



Why bother? There is growing number of PA

Figure 5. Cumulative growth in protected areas by 5-year increment: 1872–2003



Nature conservation has an image / brand problem

- Arsenal versus Abisko
 - Nature conservation needs innovative ideas
 - Tourism needs innovative ideas
 - Nature conservationist and tourism developers are too conservative
 - „Competition is tough” between destinations and between the receiver of funding
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Unstoppable growth of tourism

**The international tourism arrivals are still increasing:
808 million in 2005, 1 bn in 2010, 1,6 bn in 2020 (UNWTO,
2006)**

- Continuous expansion of tourism results in both positive and negative impacts

+ economic (698 million arrivals, 4% increase, 500 billion USD, 11% of the GDP, over 10% of the employment), social and personal (psychological needs), any environmental?

- economic (pressure on existing infrastructure), social and personal (invasion of mass tourism disrupt existing cultures), environment (climate change, destroying natural biodiversity)

- There is a need for the sustainable development of the tourism sector
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The recent global activities reinforce the link between nature conservation and tourism as well as the importance of protected areas

The growing number of protected areas too often do not meet with the interest of visitors

- European Initiatives – EC Sustainable Tourism Working group
 - CBD guidelines on Biodiversity and Tourism:
 - potential benefits of tourism in protected areas include: revenue creation for the maintenance of natural resources, contribution to economic and social development, funding the development of infrastructure and services, providing jobs, generating incomes, education, ...etc
 - 5th World Parks Congress in Durban, 2003
 - sustainable tourism and Natura 2000 sites in Europe (EC habitat and bird directives)
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Five steps to develop a tourism strategy - a simple guideline to PA managers / government agencies

- year 1: gather support and evidence
 - step 1: establish governance system
 - step 2: collect data on the impacts of tourism, tourism potential, and carrying capacity
 - year 2: plan and implement
 - step 3: drafting the plan
 - step 4: implementation
 - implement and monitor
 - step 4 continued
 - step 5: monitoring and modify the strategy
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Ten key success factors

- significance
 - distinctiveness, USP
 - clustering
 - branding and networking
 - access to destination
 - seasonality
 - partnership
 - strategic planning
 - accessibility of attraction on destination
 - sustainability
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The aspect of financing tourism in Protected Areas

Protected areas need to consider how they are able to

- cover the costs of
 - management of tourism to avoid or minimise damage
 - providing and maintaining appropriate facilities for tourists
 - raising awareness
 - restoring possible damages
 - generate additional revenues to support new conservation activities
 - demonstrate through tourism the long-term economic value of conservation
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Challenge: creating revenue-generating mechanism through tourism

80% of protected areas are under-financed

- UNEP-Grid Arendal started a programme called Linking Conservation and Tourism (in cooperation with CBD, WWF, CI)
 - Recommended potential income sources (other than government funding):
 - entrance fee and parking and other recreation related service fee
 - concession and lease fees
 - accommodation and other direct commercial activities
 - equipment rental
 - merchandise sales
 - donations and foreign aids
 - taxes on certain goods, services
 - volunteers and donations (tourists' philanthropy)
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What are the key challenges of sustainability in tourism?

How many tourists are too many? If we cannot reply this question, we won't be able to ensure sustainability of a destination

- reducing the seasonality demand
 - addressing the impact of tourism transport
 - improving the quality of tourism jobs
 - maintaining and enhancing community prosperity
 - minimising resource use and production of waste
 - conserving and giving value to natural and cultural heritage
 - making holidays available to all
 - using tourism as a global sustainability tool
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The relationship of tourism with nature conservation

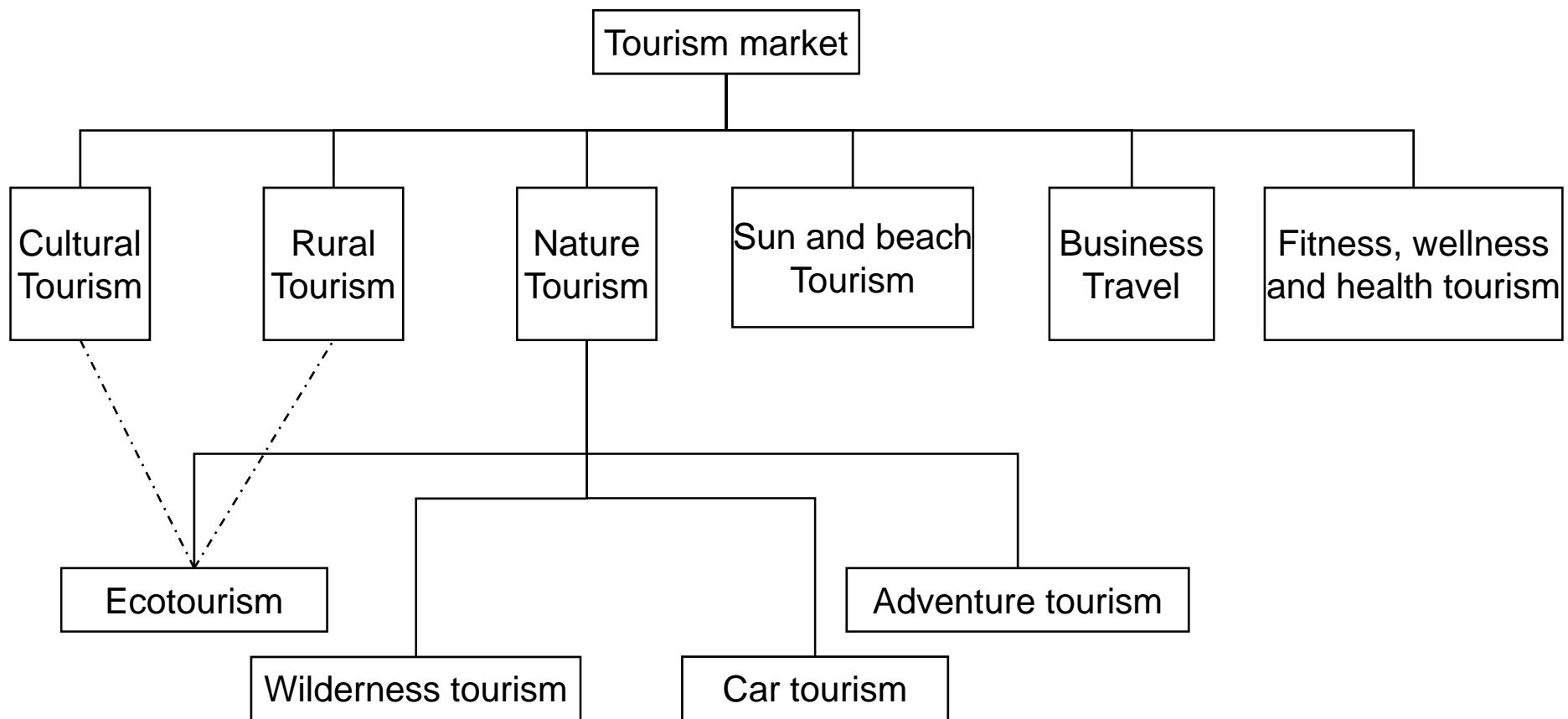
- tourism depends upon the attractiveness of destination
 - outdoor activities
 - tourism can bring income from park visitors for nature conservation → FINANCING TOURISM!
 - education of clients
- Introduction to nature-based tourism
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Description of nature-based tourism

- Nature-based tourism is a travel dependent upon the attributes of the natural environment
 - Two main components
 - appropriate level of environmental quality
 - suitable levels of consumer services
 - This is the fastest growing sector of tourism; 8% growth annually, globally (more in CEECs)
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Nature-based Tourism as a Market Segment

source: UNWTO modified in 2001



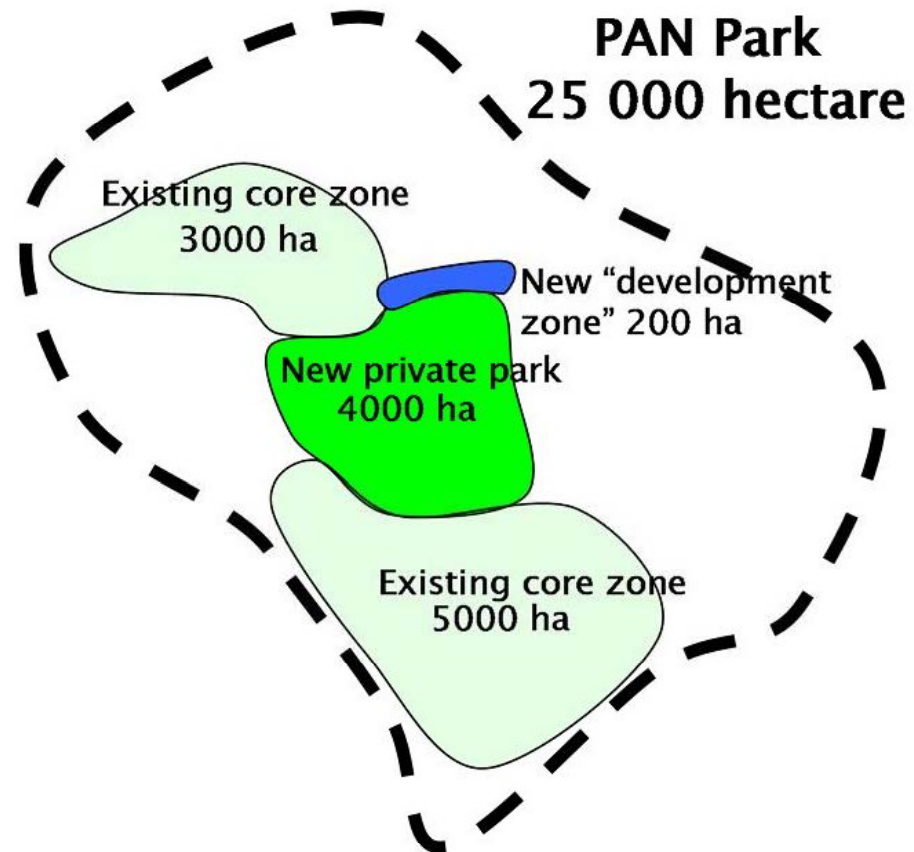
Marketing of ecotourism: understanding the market segments

Understanding visitor motivations and disseminating research results

- motivations and preferences
 - typology and profile of tourists practising ecotourism
 - protected areas are icons that can be turned to powerful marketing brands
 - carrying capacity is very crucial
 - can tourism be a conservation partner?
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Case study

PAN Parks Foundation and Buro Stroming developed the concept of private protected areas / PAN Parks



The basic concept is to start a PPP

Private investors purchase and long/term lease land to protect it, while receive profit making opportunity linked to the newly created protected area

- the concept can be marketed through the PAN Parks brand
 - there are no concrete business plan yet
 - potential countries include Italy Spain, Portugal, Hungary, Slovenia, Slovakia
 - there are rural areas abandoning in the Mediterranean and Central-Eastern Europe
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The legal conditions and land prices, therefore business opportunities, vary in each country

Where are we now?

- Currently PAN Parks Foundation and Stroming are investing their own time and resources to produce a short brochure on the Private PAN Parks concept, targeting specifically investors but also business partners and donors. They are investing their own time, because they are excited about the Private PAN Parks concept and believe it could turn out to be a really powerful and innovative new conservation tool that could attract new funds for conservation as well as for local developments.
 - we are looking for funding opportunities to develop the concrete business cases, and
 - we challenge European government officials 😊
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support, preserve, enjoy Europe's wilderness!

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