



CapeNature

Conserve. Explore. Experience

www.capenature.co.za



Real Growth for People,
Planet and Business

www.ncc-group.co.za

Supporting Biodiversity Planning with Sustainable Financing Strategies



a thought...



“our best planning can come to naught if management authorities can’t fund operations.”



Sustainable financing

Thinking about your organisation



- Is operational budget an issue?
- How diverse is our income stream?
- Has our budget increased in line the expansion of our PA footprint?

Why is this important?

We all know that there is...



- An ongoing net loss of biodiversity
- Increasing threats
- Shortfalls in PA expansion targets
- Increasing PA management costs
- and State funding is decreasing??
- for protected area managers...





Why is this important?



Currently most MA's have three key income 'streams'...

a decreasing treasury budget

tourism revenue

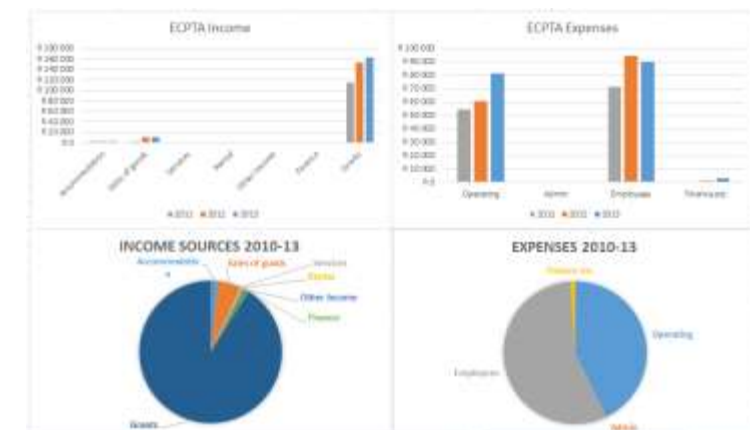
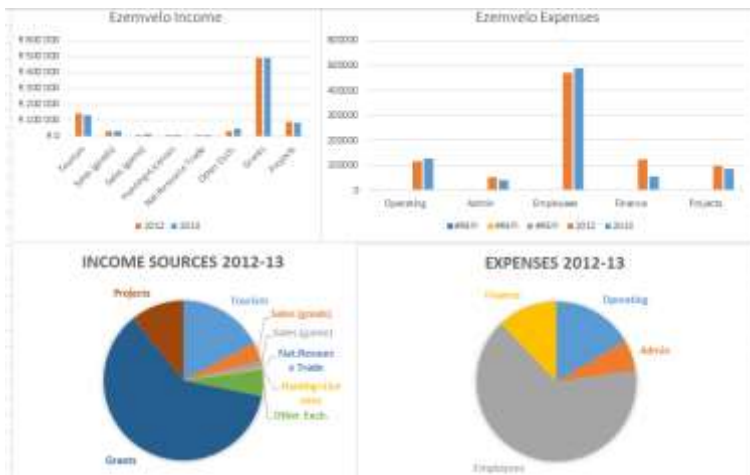
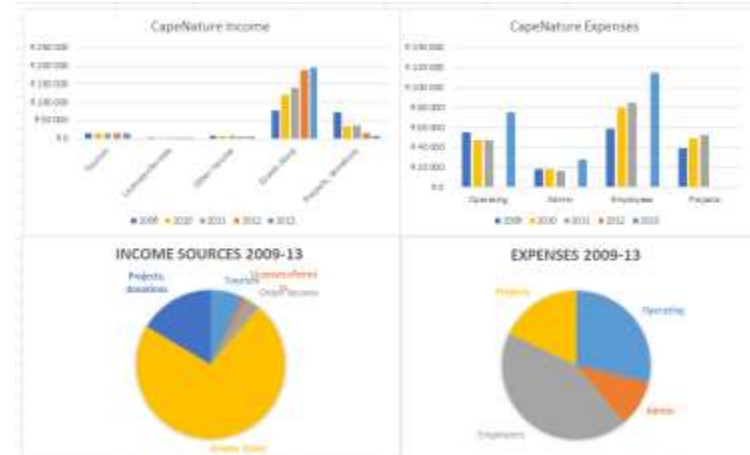
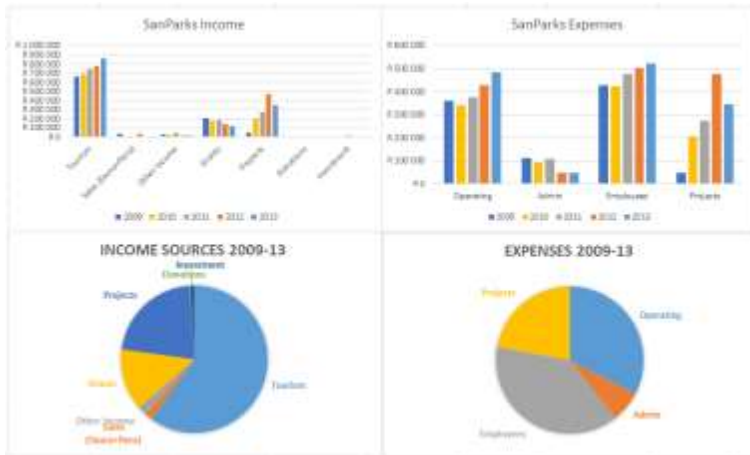
project funding

specific activities



Why is this important?

There are new insights into 'the pot'



Hence this project

**An Investment Business Case
of the income generation potential
of protected areas
in the Western Cape**

Project Activities



Phase One

- **Create awareness within CapeNature**
 - **Engage internal and external stakeholders**
 - **Identify all potential income streams**
-
- > Matrix with 130+ potential income streams in 10 categories
 - > Phase II Terms of Reference

Project Activities

Income stream categories



1. Tourism (40 income streams listed).
2. Natural Resource Utilisation (8).
3. Domestic Government Funding (15).
4. Bilateral and Multilateral Donor Funding (6).
5. Payment for Ecosystem Services (10).
6. Grants, Donations and Sponsorships (14).
7. Renewable Energy (7).
8. Investment & Commercial Opportunities (23).
9. Market Priced Services (3).
10. Leveraging Position as Management Authority for Land (5).

Project Activities



Phase Two

- **Design ten Sustainable Financing Projects**
- **Apply evaluation criteria**
- **Conduct business modelling to identify top three SF Projects**
- **Produce full business plans and investment strategies**

Project Activities



Phase Two (internal)

- **Align HR and strategy to meet project aims**
- **Compile Sustainable Financing Strategy**
- **Mentor and coach executive team**
- **Ongoing internal communication**

Project Activities



Phase Three

- **Select SFP/s for implementation**
- **Facilitate investor relationships**
- **Monitor adherence to business plans**
- **Support functional units to implement the ‘Sustainable Financing Project Pipeline’**

Executive insights

1. Enthusiasm of staff
2. Perceived skills shortfall
3. Align strategy and structure
4. Open to new ways of 'doing business'
5. Leverage stakeholders
6. Community development & job creation
7. Associated cost management
8. Oppose treasury cuts



Thanks

Questions and Comments...



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End

Why is this important?



Management Authorities have a defined pot of funding.



Why is this important?



Unfortunately this pot is...
pretty empty



Why is this important?



and we would like it to be...

NICE AND FULL :o)



Sustainable Financing

Managing risk through diversification



IPCC Scenarios

Is our tourism leg a bit wobbly?

We want a many legged pot
(with some fresh coals on the side)

Sustainable Financing

Moving beyond 'hand-to-mouth'



Predictable, stable and secure

Lays the foundation for strategic planning and effective implementation.

Sustainable Financing

Administrative & operational effectiveness



The balance sheet – income and expenses

No wastage of our hard earned income

Systems, Technologies, Priorities, Strategies

Sustainable Financing

Costs and benefits



Benefitting user pays fair compensation

PES and Ecological Infrastructure

Sustainable Financing

Enabling economic framework



Policies

Red tape

Market pricing

DEA Framework for Financial Sustainability of PA's
SANBI Framework for investing in ecological infrastructure

Sustainable Financing

Mainstreaming



Factoring financial analysis and mechanisms into PA Planning

Building business skills and capacity in the sector

Innovation and New Business Development

Developing our 'entrepreneurs eye'