Business Plans for
two national parks in Belize:
A Case Study

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Lead up to Belize

- Business plans for 75 national parks, 9 national forests, 1 state park, 4 international protected areas
- Asked to develop plans after World Parks Congress presentation
- Venturing outside NPS borders to enrich our tool chest of best practices
Situation in Belize

- Little idea about how much parks cost to operate
- Revenue generation strategies were not based on site specific opportunities
- PA managers and administrators understood that they needed to be more business like
- General management plans were not based on financial realities
- Co-management NGOs were losing credibility with GOB because there were no reporting mechanisms on expenditures
Purpose of the BPI

• Initial goals:
  - Identify the actual costs of park operations
  - Determine the resource needs of the parks to meet mission critical and optimal state objectives
  - Develop methodologies to improve site management planning
  - Create financing support mechanisms that are site-specific and adaptive to local circumstances

• Test the BPI pilot project concept
  - Was it successful? What worked, what didn’t?
Business Plan Criteria @ Site Level

1) General management plan or conservation area plan in place, or in the process of being developed

2) Current tourism or potential for tourism

3) Motivated and competent staff

4) Potential for other revenue generation streams, such as ecosystem services or sustainable resource extraction

5) Good financial data available – specifically this means that the financial data need to be available by activity/program and by funding source for at least one year.
Starting Out

First Week: Framework meeting and Training

• Meeting with key stakeholders
  – Determine framework for business plan that can be applied to all Belize PAs
  – Identify business plan user’s needs and necessary components

• Business plan training for park managers
Business Plan
Structure and Contents

- Executive Summary
- Manager’s Foreword
- Protected Area Overview
- Market Analysis
  - Functional Area Analysis
  - Financials
  - Strategies and Priorities
- Marketing Plan
- Scenario Analysis
- Impact Analysis
Business Plans Identify

- The top goals and objectives of the protected area (what they should be doing)
- The resources necessary to do what they currently do?
- The resources are necessary to do what they should be doing
- How the managers fill the gap between what they currently have and what they need
Laughing Bird Caye NP

- Declared a national park in 1991.
- Co-managed by Friends of Nature – staff of 12.
- Idyllic palm-fringed 1.4 acre tropical island with white sand beaches surrounded by turquoise waters, abundant corals (53 species) and beautiful fish (106 species).
- The Park was created because of its importance to the development of the Placencia’s tourism industry
What did it take to write the business plans?

- Started in late November and finished in March
- Managers spent approximately 5-10 hours per week with us for first 5 weeks, then their time tapered down
  - Key actors were the decision makers at the park, managers and finance person
- Decision makers were involved *throughout* the process
- Staff had to take ownership of the plan
- Good financial data were critical
2004 Visitation 6,980
432 Belizeans
6,980 foreign visitors

**Laughing Bird Caye National Park**
Foreign and Local Visitors to LBCNP

- **Number of Visitors**
- **Locals**
- **Foreigners**

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Functional Area Analysis

- The work done in all PAs in Belize has been split into 6 functional areas.
- Functional Areas are further divided into twenty-nine programs.
- Activity based costing allocates all staff time and expenses from 2004 into the programs to determine the true costs of each program.
- These expenditures are then compared against the staff time and resources needed to meet the park’s goals at the mission critical and optimal levels to determine what level of expenditures are required to achieve those states.
Resource Management & Protection

2004 Analysis of Shortfalls

Belize Dollars

- Patrolling and Enforcement
- Scientific Monitoring and Research
- Wildlife Management and Habitat Restoration
- Zoning and Boundaries
- Wildland Fire Management
- Cultural Resource Management

2004 Expenses by Program

- Patrolling and Enforcement: $20,000
- Scientific Monitoring and Research: $5,000
- Wildlife Management and Habitat Restoration: $15,000
- Zoning and Boundaries: $1,000
- Wildland Fire Management: $0
- Cultural Resource Management: $0

- Mission Critical
- Optimal State

- 51% Patrolling and Enforcement
- 29% Scientific Monitoring and Research
- 18% Cultural Resource Management
- 2% Zoning and Boundaries
- 0% Wildland Fire Management
- 0% Wildlife Management and Habitat Restoration

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Economic Value of Park Tourists to the town of Placencia

Laughing Bird Caye National Park tourism contributed over Bze $1.5 million to Placencia

<table>
<thead>
<tr>
<th>Economic Impact of Foreign Visitors to Laughing Bird Caye National Park</th>
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<tbody>
<tr>
<td><strong>Total Foreign Visitors to LBCNP 2004</strong></td>
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<tr>
<td>Number of non-dive visitors</td>
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<tr>
<td>Average Tour Price</td>
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<td><strong>Value to tour operators</strong></td>
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<tr>
<td>Number of Scuba Divers</td>
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<tr>
<td>Average Dive trip price</td>
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<tr>
<td><strong>Value to dive operators</strong></td>
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<tr>
<td><strong>Direct Revenue to Tour Operators</strong></td>
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<tr>
<td>Average Hotel Price Placencia per person -- shared (2003)</td>
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<tr>
<td><strong>Value of hotel for night of LBCNP visit</strong></td>
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<tr>
<td>Meals and Miscellaneous expenses day of visit</td>
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<tr>
<td><strong>Value of Meals and Miscellaneous Expenses</strong></td>
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<tr>
<td><strong>Total Value 1-day LBCNP visit to Placencia</strong></td>
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</tbody>
</table>
Strategies to Improve Financial Sustainability

User Fees
- Manage tourism by splitting the day into three distinct use periods, with Sunrise (early morning), Mid-day, and Sunset (late afternoon) use periods so that total number of daily visitors can increase without negatively impacting either the experience or the resource.
- Potential revenue increase of $640/day could increase revenue by $64,000

Adopt An Acre
- At Bze $100/acre, this program might be expected to bring in Bze $10,000 annually.

Voluntary add-ons to hotel and restaurant bills
- Potential revenue one half of one percent of Placencia’s total hotel revenue, or $40,000 annually

Hotel Interpretation Programs
- This program could generate $250 an event, or $15,000 a season.
Strategies to Improve Financial Sustainability

Collect spare currency
• Many foreign tourists depart the Placencia airport heading directly to the international airport

Friends of Friends of Nature
• Friends of FoN is currently pursuing 501(c)3 status in the USA,
• If 1000 potential donors are approached each year, this program could raise Bze $10,000 a year.

Merchandising / Gift Shops
• Selling unique branded items could generate up to $25,000 a year

Volunteers
• Foreign volunteer rangers at LBCNP for one to three months at a time could save $5,000-15,000 / year.
Strategy Implementation

Recommended Strategies

1. User Fees
2. Adopt An Acre
3. Voluntary add-ons to hotel and restaurant bills
4. Hotel Interpretation Programs
5. Collect spare currency
6. Friends of Friends of Nature
7. Merchandising / Gift Shops
8. Volunteers
Scenario 1: Demonstrates the park’s funding assuming no strategies for sustainable funding are implemented, maintaining the status quo. This scenario requires the park to rely heavily on NGO funding to meet mission critical needs.
Scenario 2 - Donor Strategies

• Implementation of five donor strategies that require minimal investment costs, although there are operating costs associated with each:
• Potential increase in revenues of Bze $4,275 in 2005 to Bze $95,997 in 2009.
• Park will fall short Bze $185,515 of mission critical levels.
Scenario 3 - Tourism Development and Moorings

- Includes all strategies implemented in Scenario 2.
- Will require a significant public relations campaign to gain buy-in of tour operators.
- Potential annual revenue stream of over Bze $250,000 by 2009.
- Park will fall short Bze $144,382 of mission critical levels.
Results

• Marketing tool to improve community relations
• Identifies benefits of PA to local community
• Management tool to measure and monitor progress toward goals
• Improves managers’ ability to express PA funding needs to possible donors and government
• GOB and funders make funding decisions based on a standardized assessment of costs and needs across the PA system
• Provides a suite of strategies that can/should be implemented to improve long-term financial sustainability
Lessons Learned

• Necessary initial buy-in by park management
• Participating parks should pay a portion of the costs
• Park goals and objectives identified before process begins
• Commitment by park staff to devote resources to project
• Interns should be business students
• Lengthen the process a week or two to allow for unforeseen circumstances
Challenges

• Reliable and accurate financial data
• Some knowledge leaves with the consultants
• Institutionalizing the business plans for the system
• Implementation of the business plan financial strategies
Feedback from Park

- Strategies are great, but need funding
- Managers are overworked, no time to implement strategies
- Would like to see a tighter link between the development of management plans and business plans than currently exists
- Staff does not have the capacity to produce this plan, particularly the implementation
Next Steps

• Business plan workshop in November to identify strategies for:
  – implementation of current business plans
  – integration of future business plans with other planning tools and the budgeting process
  – future development of business plans
  – building local capacity to develop and implement plans and strategies
Questions?