

Long-term

# Financial Planning

for Parks and  
Protected Areas



*Long-term Financial Planning for Parks and Protected Areas*

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First add:

The concepts and guidelines were developed initially from our experiences in Latin America and the Caribbean. However, as our International Program grows and as we expand our work with the World Commission on Protected Areas and their partners we hope to gather lessons learned from the utilization of the materials within the manual. This feedback will ensure the text continues to evolve.

Second add:

The World Commission on Protected Areas (WCPA) is the world's leading global network of protected area specialists. The IUCN Programme on Protected Areas (PPA) is the focal point within the UCN Secretariat for Protected Areas and serves as the Secretariat for WCPA.

WCPA's international mission is to promote the establishment and effective management of a world-wide representative network of terrestrial and marine protected areas, as an integral contribution to the IUCN mission.

The organization has the following objectives:

to help governments and others plan protected areas and integrate them into all sectors, through provision of strategic advice to policy makers;

to strengthen capacity and effectiveness of protected areas managers, through provision of guidance, tools and information and a vehicle for networking;

to increase investment in protected areas, by persuading public and corporate donors of their value; and

to enhance WCPA's capacity to implement its programme, including through co-operation with IUCN members and partners.

## Introduction

Almost every person who has ever worked with protected areas has used the phrase “conserving this area for future generations.” Upon closer examination however, we see that the immediate financial future of most protected areas in developing countries is still in doubt and the distant future is only a vague dream. Why?

As with any social institution, protected areas need financial support to pay personnel, build and maintain infrastructure, and manage natural resources. Although some progress has been achieved as reported in this document, over the past fifteen years virtually all the protected areas in Latin America, the Caribbean, Asia, the Pacific and Africa have been chronically underfunded. Most of these areas are currently experiencing a “hand-to-mouth” financial condition, dependent upon insecure national budget allocations, sporadic support from non-governmental conservation organizations and short-term international project funding.

A major impediment to improving this precarious funding situation for protected areas is found within each of us, the professional conservationists. Unfortunately, many of us tend to be more skilled in such fields as park protection and biological sciences and avoid our critical role as the financial planners and portfolio managers for our natural capital.

This manual is for you. Its purpose is to provide a “non-financial expert” with a practical guide for the preparation of a long-term financial plan for a protected area. The first section of the document includes an overview of the long-term management and financial planning. The second section provides an orientation scheme and a suggested approach for

using this model, as well as detailed instructions for preparing financial projections for a protected area. The third section provides summary information on three case studies of different complexity, intended to assist your planning team in the visualization of your financial strategy, taking advantage of lessons learned in other protected areas. Finally, the fourth section is a primer for developing the major narrative components of this plan.

Please keep in mind that this manual is a work-in-progress. The concepts and guidelines were developed initially from our experiences in Latin America and the Caribbean. However, as our International Program grows and as we expand our work with the World Commission on Protected Areas and their partners we hope to gather lessons learned from the utilization of the materials within the manual. This feedback will ensure the text continues to evolve. Please use this draft format to begin to develop long-term financial plans for your parks and protected areas. We would appreciate any comments and suggestions you could provide so that we can continue to improve this manual for future use. Please complete the evaluation form at the end of this manual and return it to us at your earliest convenience.

We look forward to developing this tool with your input and guidance. In the near future, a Financial Planning Web Site for protected areas will become available, including the latest versions of reference documents, detailed case studies and interactive spaces to assist you with remote technical advice and online help.

*International Program  
The Nature Conservancy, October 2000*

*We see that  
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# I. The Planning Process

Planning, whether it be on a project-life, annual or quarterly basis, is central to achieving the objectives of a protected area. The process for developing a well-formulated and articulated plan is outlined below.

## Planning Levels

Among the many definitions and types of planning, we have chosen a practical and general scheme that can be applied to many situations regarding protected areas in different countries. Three levels of planning can be identified in the chart below.

The highest level corresponds to the Strategic Planning process, through which global guidelines in terms of the mission, ultimate goals and strategies are defined to cover a wide range of protected areas, which can be organized at a national, regional or even cor-

porate level, when a private enterprise is in charge of one or more protected areas.<sup>1</sup>

At the local or site level, two complementary processes can be identified; namely, the Long-term Management Plan<sup>2</sup> and the **Long-term Financial Planning** process described in this document. The corresponding plans define specific objectives, activities, goals and required resources to cover, on one hand, the long-term vision of the environmental protection and development phases of the park or protected area, and, on the other, to specify related costs and sources of financial support.

Derived from the above instruments, at the operational levels the annual operative program or workplan and the corresponding budget establish the time frame for specific goals, personal and institutional responsibili-

Level	Types of Planning			Planning Elements
National Regional or Corporate		Strategic Planning		Mission Ultimate Goals Strategies
Local or Site	Long-term Management Planning		<b>Long-term Financial Planning</b>	Objectives, Activities Goals, Resources
Operational Unit	Annual Operative	Program or Workplan	Annual Budget	Time frame Responsibilities, Indicators Income/Expenses

<sup>1</sup> MacLeod, Paige; Esquivias, Pedro; León, Patricia. *Strategic Financial Planning*. Financial Sustainability for Nonprofit Institutions series. No. 2. The Nature Conservancy. 1999.

<sup>2</sup> Morales, Guadalupe; Andrade, María; Hernández, Alejandro. *Guía para la elaboración de programas de manejo para áreas naturales*. Basada en experiencias en América Latina. The Nature Conservancy. May 1999.

*The main principles of successful planning are a transparency of process, participation by stakeholders and accountability.*

ties, evaluation indicators, as well as detailed income and expenses projections.

Within this simplified framework, this manual focuses on a model to facilitate the application of the financial planning methodology developed by The Nature Conservancy, which has been applied at a number of protected areas in Latin America.

### ***The Management Planning Team***

The first and most critical step in the planning process is selecting the management planning team. The team should include a representative of each stakeholder group that affects the success or failure of your plan. Some key stakeholders to consider are:

- NGO Director
- Government Resource Agency representative
- Financial Officer
- Fund-raising Director

Additional stakeholders to consider are:

- GO representatives from any agency with a legal mandate to manage land, natural resources or infrastructure inside or adjacent to the protected area
- Finance Ministry representatives
- Academic or research representatives with activities in the area
- Local community leaders and resource user groups (farmers, loggers, fisherman, etc.)
- Local political representatives
- Representatives from international NGOs and other donor agencies.

Participation by all the stakeholder groups is important for several reasons. First, they provide diverse knowledge and points of view that contribute to the quality of the planning process. Second, gaining their support and commitment to the site management plan is critical to its success. Third, the team approach to project implementation spreads the tasks among several groups enabling more work to get done faster.

Once the planning team is formed, it acts as the board of directors or technical advisory council for the protected area. The team must analyze the plan and its operating environment (see Section II for an analytical

methodology). Then, the team sets the goals for the plan giving appropriate consideration to the constraints within which it is operating. Once the goals have been set, they are communicated to the entities responsible for achieving the goals. Finally, the team reviews the progress of the plan and monitors changing circumstances, amending the plan as necessary.

While the exact composition of the team and the execution of the planning process varies from protected area to protected area, the basic philosophy of planning remains the same. The main principles of successful planning are transparency of process, participation by stakeholders and accountability. However, the best execution of the planning process coupled with the best scientific research is not enough to guarantee success. The plan must have long-term financial sustainability. This manual and the accompanying set of templates represent one methodology for planning long-term financial resource needs.

### ***The Nature Conservancy's Help***

The Nature Conservancy offers a wide range of assistance to local partners to assist protected area management teams develop management skills. Support can be obtained from the Country Manager, Protected Area Specialist and/or Regional Financial Administrator. You can request an in-country technical assistance visit or attend training courses such as Conservation Training Week and PiP workshops. Do not hesitate to ask for this help. As pointed out above, Conservancy help is being enhanced through a Financial Planning Web Site, which will concentrate the ongoing efforts to document methodologies being applied and experiences learned throughout the world.

Current Nature Conservancy Web Sites with useful information related to protected areas:  
<http://www.nature.org>  
<http://www.capas.org>

### ***The World Commission on Protected Areas' Help***

The World Commission on Protected Areas (WCPA) is the world's leading global network of protected area specialists. The IUCN Programme on Protected Areas (PPA) is the focal point within the UCN Secretariat for Protected Areas and serves as the Secretariat for WCPA.

WCPAs international mission is to promote the establishment and effective management of a world-wide representative network of terrestrial and marine protected areas, as an integral contribution to the IUCN mission. The organization has the following objectives:

- to help governments and others plan protected areas and integrate them into all sectors, through provision of strategic advice to policy makers;
- to strengthen capacity and effectiveness of protected areas managers, through provision of guidance, tools and information and a vehicle for networking;
- to increase investment in protected areas, by persuading public and corporate donors of their value; and
- to enhance WCPA's capacity to implement its programme, including through co-operation with IUCN members and partners.

### *Professional Facilitator*

It may be the case that dedicating a member of the management team to the worksheet template preparation may be impractical or a poor utilization of staff time. In these cases, obtaining outside technical assistance may be a good idea. You may also feel that having outside assistance in preparing your financial plan could allow you to focus more closely on the substance of the plan rather than on the technical worksheet skills.

One option for gaining this expertise is to hire a trained, local accountant or systems person, capable of organizing the wealth of ideas which arise during the planning process. There are certain risks to this approach. Be careful not to sacrifice institutional ownership and control of your financial plan because the individual tasks that make up the planning process have become disconnected. Again, consider consulting with The Nature Conservancy's Country Program Managers and/or Regional Financial Administrators to develop the best approach for your team.

### *Long-term Management Planning for Parks and Protected Areas*

In order to determine the long-term financial needs of a protected area, it is necessary to describe the vision of success, or goals, that we will strive to achieve. A comprehensive Management Plan for the protected area is used to describe a long-term vision and define pro-

gram phases of development and related costs and sources of financial support.

A metaphor can be used to describe the protected area as a "nature factory." Its variables are personnel, financial resources and time. Its products are environmental goods and services such as clean air, clean water, hydro-electricity, wildlife, tourists areas, etc. And its investors are the government, resource users and residents of local, national and international communities. The Management Plan represents not only a strategy for the factory, but also an important tool to attract the investments needed for its development and long-term management.

A Management Plan does not require volumes of information on the protected area, but it does require enough information to make good conservation decisions. Although the planning process for a protected area is dynamic, basic information related to the ecology, economics and human communities of the area are critical. The following is a brief outline of the essential components of a Management Plan for parks and protected areas:

1. **Introduction:** Information on the protected area location, size, legal status and principal goals and objectives.
2. **Ecological Systems and Components:** Descriptions and maps of key ecological processes, priority natural communities and endemic, threatened and migratory species.
3. **Socio-economic conditions and compatible development:** Descriptions and maps of important access routes, land tenure and resource uses, social organization and important cultural aspects of local communities and governance issues. In addition, a list of the environmental goods and services produced by the area is also important.
4. **Threats to the ecological integrity or species:** Descriptions and maps of location, type and magnitude of stresses induced by human use (or misuse) of the ecosystems or other natural phenomena. A scientific understanding of the sources of these threats will be the basis for defining priority actions to ensure compatible uses of the natural resources.
5. **Vision, goals and strategies:** Descriptions of the anticipated future condition with clear

goals, priority strategic actions for resource management, public use and administration of the protected area. Measurable benchmarks should be defined at this stage to assist in monitoring progress.

6. **Development phases:** A 3-5 year chronogram of priority programs and activities that also indicates key benchmarks and coordination between diverse components.
7. **Organization and staffing:** A definition of the roles and inter-relationships between the lead organization responsible for the protected area and other collaborating institutions and communities.
8. **Budget:** Spreadsheets that detail cost estimates by fiscal year of all necessary activities to achieve the protected area's objectives.
9. **Funding sources:** Multi-year spreadsheets that define anticipated funding sources for budgeted activities.

The development of a Management Plan for a protected area is more of an art than a science and requires a process of successive approximation over several years to achieve a satisfactory result. Estimating the costs and sources of financial support requires the same type of effort: staffing projections, materials, equipment and time needed to achieve priorities, monitoring those results and, then, adjusting those variables again.

### ***Threats Matrix and Strategic Actions***

A very useful tool to determine strategic priorities is a Threats Matrix, included in the Protected Areas Financial Planning template. This requires significant analysis of the ecological and economic process at work in and around the protected area. The Conservancy uses an approach to planning called the six S's approach—Systems, Stresses, Sources, Stakeholders, Strategies, and Measures of Success.

#### ***Systems***

Analyze the ecosystem or group of ecosystems and their components which make up the protected area. Include descriptions and maps of key ecological processes, priority natural communities and species of concern.

#### ***Stresses***

Next, examine the stresses and threats to the ecological integrity or species within the sys-

tem(s). Include descriptions and maps of locations, types and magnitude of stresses induced by human use (or misuse). Scientific understanding of the sources of these threats will define priority actions to ensure compatible uses of the natural resources.

#### ***Sources and Stakeholders***

Next, define the sources of the stresses to the system. An analysis of the socio-economic conditions and stakeholders that affect the protected area are a key component of identifying sources. Include descriptions and maps of important access routes, land tenure and resource uses, community organization and cultural values and environmental goods and services.

#### ***Strategies***

Once the relationship between the system, its stresses and the source of those stresses are understood, develop a set of strategies to mitigate the sources identified. Include descriptions of the anticipated future condition with clear goals, priority actions for resource management, public use and administration of the protected area.

#### ***Measures of Success***

Finally, define the benchmarks for measuring success. Establish qualitative and quantitative benchmarks to assess progress toward conservation of biodiversity.

Once this analysis is complete, develop a brief mission statement to express the protected area's goals and provide a guiding theme for the actions planned. Following is an example of a mission statement:

**The goal of the project is to build a sustainable base of conservation infrastructure in the area; initiate actions to integrate these conservation measures into the economic and social lives of the surrounding community; and develop a sufficient long-term funding mechanism to allow the conservation investments made to be continued and maintained by local management.**

The results of your analysis can be summarized in the Threats Matrix, included in the Protected Areas Financial Planning template.

#### ***Ongoing Review and Adjustment***

Finally, planning for protected areas is an ongoing process. As each annual workplan is

prepared, the management team has an opportunity to review progress and reassess the strategic direction of the protected area plan given changing circumstances. Regular reviews and adjustments to the long-term financial plan's programmatic and financial objectives keep it as dynamic as the project it represents.

A key component of project review is an annual, financial audit prepared by an external audit firm. An audit confirms that the financial statements the management team is using to make key decisions are correct and it provides an additional level of comfort for donors.

**Summary**

One way to ensure that you have gone all the way through the planning process is to continually ask yourself the following questions:

- Where is this protected area heading? (Long-term vision)
- How is it going to get there? (Basic tactics)
- What specific tasks must be accomplished over the planning period? What additional activities are most important in furthering success? (Prioritize annual, quarterly and daily operations)

Every aspect of the programmatic agenda of your management program should be able to provide satisfactory answers to these questions.

**Long-term Financial Planning for Parks and Protected Areas**

While conservation is the ultimate goal of setting aside parks and protected areas, this goal cannot be achieved and sustained without a fundamental understanding of the social and financial implications of the level of management and protection sought. This interrelationship can best be described as a triangle,

wherein conservation cannot be implemented without financial resources, and financial resources need to be considered in a manner that is consistent with environmental and social objectives. At the same time, the satisfaction of social needs should not be sought at the expense of the environment.

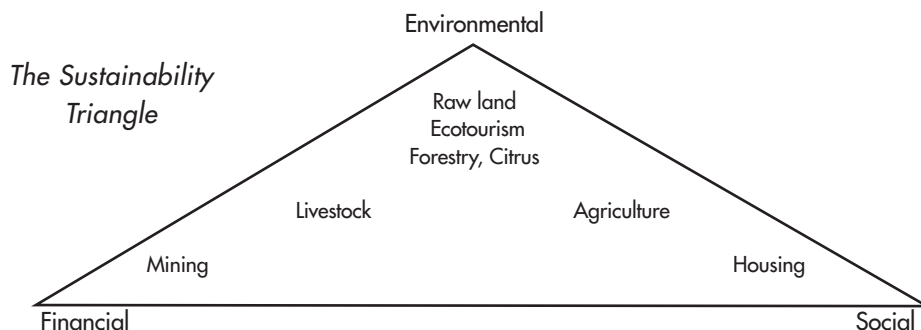
The closer one gets to a single pure objective—environmental, financial or social—the further one strays from the others. In the triangle shown below, land that is highly intact will be closer to meeting environmental protection objectives than financial and social objectives. On the other hand, mining will be closer to meeting financial objectives than social and environmental objectives.

**The Project Planning Cycle**

The establishment of protected areas involves three distinct phases: pre-investment planning, project implementation and long-term management. Although each phase may have overlapping activities, they generally occur in sequence and require several years to complete. Each phase has distinct activities and associated costs that need to be carefully considered.

**Phase I. Pre-Investment Planning**

This phase usually begins with a preliminary study to assess the ecological and economic significance of an area's natural resources, which is carried out in sufficient detail to justify its legal establishment. A political constituency is then formed to secure some form of legal decree that defines physical boundaries and regulatory policies to ensure the area's protection. These initial steps toward an area's protection are usually accomplished through the dedicated efforts of local conservation groups and volunteers with a minimum expenditure of funds. Notably absent at this stage is any consideration of the funding



*The long-term management for a protected area involves the continuation of programs that must extend long into the future.*

required to establish and maintain a permanent management presence in the area. The result of inadequate technical and financial planning at this early stage is the “paper park” syndrome—areas that are legally decreed but with no resources for their on-the-ground management.

Once the natural area is legally decreed, a management plan is the traditional means of defining the policies, programs and administrative structure to manage the area. This process, which culminates in the definition of programs necessary to implement the protected area, typically takes 2-3 years and costs a minimum of \$30,000-\$50,000. While some international support may be obtained for this initial phase, funding usually comes from local sources in the form of government salary support for personnel involved in a project startup and the in-kind support of interested NGOs and volunteers.

#### **Phase II. Project Implementation**

The implementation phase of the project begins with the physical installation of the services and infrastructure necessary to protect and manage the area. Typically, this process commences when the government has adopted the management plan and extends over a period of 3-5 years, depending on the activities contemplated in the management plan.

Activities during this phase include hiring, training and equipping protected area personnel; developing transportation and communications linkage; surveying and posting boundaries; and building the protected area infrastructure. In addition, consultants and special studies may be required to train personnel, design sites and facilities and undertake biological inventories and land tenure studies which form the basis of resource management and compatible development programs.

As a result, implementation is the most costly phase of the project cycle. For mid-sized projects of approximately 1.5 million acres, the costs for this phase may run as high as \$300,000-\$500,000 per year. However, if land acquisition is necessary, the costs during this phase can quickly escalate to more than \$1 million per year. The funding for this phase is generally dependent on international sources, including international NGOs and community foundations and multilateral/bilateral donations, although local sources (in the form of government match funding and pri-

vate donations cultivated by interested NGOs) also contribute.

#### **Phase III. Long-term Management**

The long-term management for a protected area involves the continuation of programs initiated during the implementation phase—including operational support and administration of programs in natural resources protection, management and monitoring, compatible human uses and community outreach and operations and maintenance—that must extend long into the future in order to achieve a successful establishment of an area. The long-term management phase involves recurrent costs for personnel, maintenance and operations of infrastructure and ongoing capital expenditures such as new construction, additional land acquisition and program development activities.

These long-term recurrent operating and capital costs may range from \$200,000-\$500,000 per year for a mid-sized project. As long-term recurrent costs are least likely to be funded directly by international sources, it is imperative that local sources of financing through governmental, non-governmental and private sources be developed during the first two stages of the project.

In the past, the main source of funding for the long-term management of protected areas has come from local or national non-governmental agencies that subsidize the salary and basic operational costs for an area. To the extent that this support has been insufficient to maintain the establishment of a protected area over time, financial mechanisms such as debt-for-nature swaps and trust funds have been developed during the implementation phase to generate more permanent sources of capital to endow these long-term recurrent costs.

Other sources of long-term protected areas funding can be derived from resources concessions, entrance fees, research licenses and other user tax mechanisms. Ecotourism and other sustainable development activities also offer attractive alternatives for local revenue generation.

Nonetheless, while the concept of creating self-sufficient protected areas is promising, it is far from becoming a reality. Long-term financial planning is the first step toward achieving long-term financial self-sufficiency.

## II. Preparing Financial Projections for a Protected Area

### *Financial Planning Process*

Once the management planning team has drafted the strategic and management plans, the financial planning team must estimate the program costs. The financial planning team may include the entire management planning team or a subset of it. Using the threats and activities defined in the management plan, the financial planning team classifies the activities to be performed by year and program type and then ranks them according to need. The first tier of activities are those which *must* be performed to ensure the minimum level of protection for the ecosystem. The second tier of activities are those which are needed to enhance the ecosystem, expand the constituencies and augment the minimum level of protection activities.

Once the activities have been ranked, costs are assigned to the activities and revenue sources are analyzed. **Costs can be assigned using one of two methods.** If the protected area site has a long history, it is most likely that the team will be allocating existing human, financial and equipment resources (supply-driven approach). If the site is relatively new or will be receiving greatly increased resources, it may be more useful to estimate the cost of the resources needed to complete the minimum protection activities (demand-driven approach). To assist with cost projection, a set of Microsoft-Excel spreadsheets have been developed and will be described later in this section.

Once the revenue and expense data have been entered into the Excel spreadsheets, the overall financial feasibility of the plan is analyzed. As a result of this analysis, it may be

necessary to revise the strategic and management plans to reflect the financial constraints on the site. It may also be possible to develop new revenue sources once shortfalls have been identified. If the assumptions supporting either the cost projections or the funding projections change, the financial plan should be revised. When the team has developed a feasible plan, the narrative that accompanies the Excel spreadsheets can be written.

The goal of the spreadsheets is to provide an analytical tool and consolidated information which the management team can use to plan and manage their activities. **Frequently, the management team finds many other audiences for the financial information once it is prepared (for example, donors, government agencies or local constituents).** It is important, however, that these secondary uses for the financial information do not distract the planning team from its primary focus—site management.

Finally, the template was designed to include a broad range of planning styles and project activities. Therefore, some components may not apply to a particular site. Ignoring or deleting the components that are not needed will not affect the functioning of the template in most cases. **It is expected that the team will modify the template in the ways that best suit each protected area.**

### *Template Overview*

The Protected Areas Financial Planning template was developed in a Microsoft Excel format. A diskette containing the Excel file is included with this manual and a blank printout of the file is attached in Appendix 3. The tem-

plate was prepared in Excel version for Office 97 and can be read by any of the more current versions of Excel. Because the macro language instructions used in the templates are not compatible with previous versions of Excel, it is recommended to use at least the Office 97 version. If you do not have the appropriate hardware and software capability to use this template, contact your counterpart at The Nature Conservancy for assistance.

Also, this section is written assuming that the user has a basic familiarity with Excel or other computerized spreadsheet programs. If you need additional information about the mechanics of using Excel, sources include: video-taped courses, computer tutorials, local seminars and technical assistance computer sources. The Conservancy's Country Program Directors and Regional Financial Administrators can provide assistance with these resources.

The Excel file is comprised of 10 spreadsheets and a set of presentation graphs. A brief description of the spreadsheets and their location in the Excel screen follows. The first two spreadsheets used to formalize the threats analysis and activities planning are:

*Threats Matrix*; on tab A.  
*Activities Matrix*; on tab B.

The second four spreadsheets aid revenue and expense projection and planning on a year-by-year basis in detail. These spreadsheets are called:

*Fund-raising Worksheet*; on tab C.  
*Personnel Worksheet*; on tab D.  
*Operating Expense Worksheet*; to the right of the *Personnel Worksheet* (starting on Column V); on tab D.  
*Land Acquisition Worksheet*; on tab E.

The third set of three spreadsheets assists in analyzing the expenses on a functional basis and the revenue sources that will be funding those expenses. These spreadsheets are titled:

*Expense Allocation by Percentage*; on tab F.  
*Expense Detail*; on tab G.  
*Revenue Allocation*; on tab I.

The final three spreadsheets summarize the protected area's historical activity and financial projections. These are the spreadsheets that,

along with the graphs, will most often be used in project presentations and management review. The names of these spreadsheets are:

*Expense Summary*; on tab H.  
*Revenue Sources Summary*; below *Expense Summary* on tab H.  
*Revenue & Expense Summary*; below the *Revenue Sources Summary* on tab H.

Three presentation graphs are automatically generated from the information entered in the nine spreadsheets. These graphs are located on tab J and present the following information: Revenue/Expense Comparison, Program Expenses and Revenue Sources.

To ensure that the graphs accurately reflect the information in the spreadsheets, it is best to modify the spreadsheets in certain areas. The specifics of modifying the spreadsheets are covered below under Initial Input and Modification.

### ***Suggested Approaches***

From an analytical perspective, the various spreadsheets in the template (described above) can be categorized as follows:

Two basic methodologies can be used to complete the template for a particular site or project. The choice of methodology will determine the order in which to approach the spreadsheet categories as outlined in this section. The two methodologies are a supply-driven approach or demand-driven approach.

#### ***Supply-Driven Approach***

Simply put, the supply-driven approach works best for a site that has been in existence for some time and has fixed resources that must be allocated among a range of possible activities to make programmatic decisions. This could apply in the case of a park for which a major donor—possibly the national government through a national funding mechanism such as a trust fund—has already committed funding for recurrent park management costs over a specific time frame. In this case, you would want to map out your programs based on an overall management strategy, but within a predetermined total budget allocation. In this case, you might complete the revenue summary first to map out the anticipated funding sources over the specified time period, then complete the expense summary



and expense detail spreadsheets that allocate those funds among the various programmatic and functional activities involved in park management. In other words, for a supply-driven situation, you will want to take a top-down approach to the spreadsheets (as shown in the above category analysis).

### ***Demand-Driven Approach***

A demand-driven approach works best when you are planning a new protected area, an existing protected area is experiencing large changes in available resources or the protected area requires certain program and functional activities that need to be financed over the specified time period but for which funding commitments have not been secured. Since most parks and protected areas in the developing world find themselves in the later situation, we will focus our attention on the demand-driven approach.

For a demand-driven approach, you will want to complete the spreadsheets from the bottom-up (as shown in the above category analysis). Start with the conceptual and data sheets, then work your way up through the detail and matrical spreadsheets to determine your financial needs by program and subprogram activities. Then, complete the summary spreadsheets and begin to analyze your fundraising needs, given a set of desired activities to be programmed over the time period specified in the long-term financial plan.

The following process may serve as a useful guide, based on the spreadsheet references in the boxed insert below:

1. Determine programs and subprograms on the basis of a management strategy identified in the threats matrix (IV.a.) and management plan document. Use the activity

#### **I. Summary Spreadsheets (historical and projected)**

- a. Revenue & Expense Summary (revenue sources and program expenses)
- b. Revenue Summary (revenues detailed by sources)
- c. Expense Summary (programs and subprogram expenses)

#### **II. Matrix Spreadsheets (for Allocation purposes)**

- a. Percentage Allocation of Expenses by Programs and Subprograms
- b. Revenue Sources Allocation among Programs and Subprograms

#### **III. Detail Worksheets (projections)**

- a. Expense Detail (by Program and Total)
- b. Personnel Worksheet (by Subprogram)
- c. Operating Expense Worksheet (by Subprogram)
- d. Land Acquisition Worksheet (by Subprogram)

#### **IV. Conceptual and Data Spreadsheets**

- a. Threats Matrix (logical frame for management and financial planning)
- b. Activity Matrix (to program programs and subprograms over planning period)
- c. Fund-raising Worksheet (to identify and follow-up with prospective donors)

*The process should be viewed as ongoing, since revenue and expenses continue to change through the project.*

matrix (IV.b.) to determine specific program and sub-program activities over the time period contemplated in the management plan. Do a first draft of the fund-raising worksheet (IV.c.) to estimate funding commitments and fundraising prospects.

2. Prepare detail worksheets (III.b., c., and d.) for every subprogram identified in the previous step. This step may not be necessary if an expense spreadsheet (III.a.) is used for every subprogram.
3. **Use either the percentage allocation of expenses (II.a.) or the expense detail spreadsheet (III.a.) to allocate expenses by program per year.** The percentage allocation (II.a.) allows you to divide the expense projections by function (personnel, travel, training, etc.) into programs and subprograms on a yearly basis. Alternatively, you may wish to prepare an expense detail spreadsheet (III.b.) for every subprogram. **It is not necessary to do both.** If you chose to allocate expenses on II.a., the expense detail will be automatically generated. If you chose to complete the expense detail on III.b., enter the numbers in place of the formulas that currently exist in that spreadsheet.
4. Once the total expenses for each program and subprogram have been determined using either of the two methods described above, enter this information into the expense summary (I.c.). In addition to the projections you have just made, you will want to complete the historical information to facilitate a comparative analysis.
5. Allocate programmatic expenses (from II.a. or from III.b. if completed for all subprograms) to the Revenue Allocation Spreadsheet (II.b.). This will facilitate an analysis of the types of expenses that can be funded by various donors. (Note: this information may be required in certain grant proposals.)
6. Using the information on the fund-raising worksheet, complete the revenues summary (I.b.). Again, you will want to supplement the projection information with historical activity to facilitate a comparative analysis.
7. The information you have entered on the revenue summary and the expense summary will automatically generate the revenue & expense summary (I.a.). Please keep in mind

that this first attempt at completing the model is only a first iteration of a process that should be viewed as ongoing, since revenue and expense assumptions continue to change through the life of the project. The model should be used as a management tool to facilitate decision-making and to guide the financing strategy for the long-term management planning process.

8. Use the print button described later to print hard copies of the spreadsheets and graphs to analyze the results of your work.

### ***Initial Input and Modification of the Templates***

When you execute the Excel application FIN-PENG\_2k.xls you are requested to Enable Macros. Please do so in order to activate the automatic report function. Then you are presented with a set of blank spreadsheets organized from Tab A to J.

The following information will help you modify the spreadsheet for your protected area project.

Enter the site name on screen A, cell A2 and your organization's fiscal year beginning and ending months on screen A, cell A3. This information will automatically carry forward to the other headings on the other spreadsheets and, therefore, need only be entered once.

Enter the appropriate fiscal years for Historical Activity and Projected Budget on the columns headings of the Expense Summary, Revenue Summary, Revenue & Expense Summary, Expense Detail and Activities Matrix.

The expense categories and revenue sources provided as examples in the template are as inclusive as possible. However, **you can change any descriptions to make them more applicable to your site and/or you may also want to delete categories that you do not use or add additional categories.** For this purpose you should follow standard Excel spreadsheet procedures in order to maintain the arithmetic logic in the formulas. For instance, if you delete an entire section that is included in a total, the total will not print and will be replaced with an error expression #°REF!. To correct this, place the cursor on the cell with #°REF!, then edit the formula accordingly with the new logic of

your template; that is, including the whole range of figures that add up to the new total.

Additional lines and columns can be added under any section in the spreadsheet. **To ensure that the Total lines remain correct, place the cursor on the line above the Total line when inserting lines, otherwise they will not be included automatically in the column total. Similarly when inserting columns, place the cursor in the column before the Total column, otherwise the new columns will not be included in the row total.** If you enter an entire section, verify that the totals for the spreadsheet include the appropriate data; that is, the whole range of rows or columns that are relevant to the corresponding totals.

Finally, save your work in a new file (using the Save As command) reserving the blank spreadsheet for future use.

### *Projecting Protected Area Expenses*

Consistent with the demand-driven approach discussed above, the following review of the expense projection process begins at the most detailed level, namely, personnel, operating expense and land cost projections. The data developed on these worksheets along with the other functional expenses (for example, training or telephone costs) are then entered into either the expense allocation by percentage or the expense detail. The final step is to allocate the total expenses for each program and sub-program (as developed on the expense allocation or detail) among specific activities to be performed each year. The following is a spreadsheet-by-spreadsheet discussion of how to work through this process.

#### *Personnel Worksheet (tab D)*

Use this worksheet to project salary expenses per year. The worksheet is designed to make your job easier; but if you have this information in another usable format, you can use the rest of the planning spreadsheets without completing this form. Enter the salary and number of staff needed for each position listed. The positions are separated into Management, Field Staff and Administrative for ease of analysis. However, if you prefer to see this data by program, change the titles to reflect the appropriate programs. **Information from this worksheet is not automatically forwarded to other parts of the template.**

#### *Operating Expense Worksheet (tab D)*

Use this worksheet to project operating expenses per year for transportation costs, equipment and construction. The worksheet is designed to make your job easier; but, as with the Personnel Worksheet, it is not required for the rest of the process. For transportation costs, enter the mode of transport, the average cost per month and the expected price per month. The cost per year is automatically calculated in the total column. For equipment, enter the cost per unit and the number of units of each type of equipment needed in each year. The cost per year calculates automatically in the total column. For construction, enter the units and the cost per unit of the various components of construction; for example, construct warehouse for equipment storage, 100 square meters @ \$10 per square meter. The cost per year automatically calculates in the total column. **Information from this worksheet is not automatically forwarded to other parts of the template.**

#### *Land Acquisition Worksheet (tab E)*

This worksheet enables the site management team to summarize and compare the data for individual land transactions. As such, this worksheet may be used on an on-going basis after the planning process is complete. Enter the following data: size in hectares, payment date, land cost (in local currency), legal and other associated expenses (in local currency), and the exchange rate as of the date of the transaction. If there is a balance due, enter the date the balance is due, the amount due including interest if appropriate and the change rate expected or in effect at the time payments are made. All other columns on the worksheet calculate automatically. If there are special circumstances surrounding a property, list those details in the Notes section; for example interest rates on outstanding balances. Information from this worksheet is not automatically forwarded to other parts of the template.

#### *Expense Allocation by Percentage (tab F)*

Before completing this spreadsheet, look at both this expense allocation worksheet and the expense detail worksheet (tab G) to determine which spreadsheet is more useful to you. You need to complete only one of these two spreadsheets.

The expense allocation by percentage spreadsheet is particularly useful to teams that are using the supply-driven method of financial planning. It enables the management team to analyze the functional expenses on a yearly basis and allocate them among programs and subprograms. This allocation can be done on either a percentage basis or by entering the projected cost of each functional category under each program/subprogram. (To replace the formula in each cell, enter the appropriate cost data.) For each year, programs and subprograms are listed in columns across the top of the spreadsheet and the following functional expense categories are listed in rows down the spreadsheet:

- Salaries
- Training
- Equipment/Materials
- Transportation/Vehicles
- Construction
- Field Operations
- Special Studies
- Land Acquisition-Conservation Land
- Institutional Support/Administration
- Professional Services
- Audits

Definitions of the functional expense categories are included in Appendix 1. Not all cost types apply to all of the major program areas. Use only those that apply to your site, adding rows and columns if necessary. Enter the expense projections developed on the Personnel, Operating Expense and Land Acquisition worksheets. Also include other program costs that do not have detail worksheets, for example, training, field operations, professional fees, etc. When projecting expenses into the future, it may be useful to apply an inflation factor to current expenses. Be aware, however, that this assumes expenditures will stay constant which may not always be the case. **If you complete this spreadsheet, information from it is automatically forwarded to the Expense Detail.**

#### *Expense Detail (tab G)*

The expense detail spreadsheet provides a side-by-side comparison of functional expenses for each year in the planning period. The spreadsheet also shows total expenses by function. If you completed the expense allocation by percentage, the information automatically

forwards to this spreadsheet and no additional work is necessary. If, however, you need to analyze all the functional expenses at a program or subprogram level to determine total site needs (a demand-driven approach), it may be more useful to prepare the expense detail spreadsheet for each program or subprogram depending on the level of detail you require.

The functional expense categories on this spreadsheet are the same as on the expense allocation by percentage spreadsheet. Use only those that apply to your site, adding rows if necessary. If you choose to prepare this spreadsheet instead of the expense allocation one, replace the formulas in each cell by entering the expense projections developed on the Personnel, Operating Expense and Land Acquisition worksheets. Also include other program costs that do not have detail worksheets, for example, training, field operations, professional fees, etc. When projecting expenses into the future, it may be useful to apply an inflation factor to current expenses. Be aware, however, that this assumes expenditures will stay constant. This will not always be the case. **Information from this spreadsheet is not automatically forwarded to other parts of the template.**

#### *Expense Summary (tab H)*

The Expense Summary is separated into programs and subprograms as follows:

#### **Protection and Management Program**

- Protection Subprogram
- Conservation Land Subprogram
- Natural Resource Management Subprogram
- Research Subprogram

#### **Compatible Use Program**

- Environmental Education Subprogram
- Ecotourism Subprogram
- Forest Resources Subprogram
- Agricultural Uses Subprogram
- Community Outreach Subprogram

#### **Administration Program**

- Management & Finance Subprogram
- Operations & Maintenance Subprogram
- Training Subprogram

Each of the subprograms is further divided into common activities. A brief description of

the programs and subprograms is included in Appendix 2. Please note, the listing is designed to be as inclusive as possible. Therefore, an individual Protected Area will probably use only some of the activities listed. The applicable activities will vary from country to country and project to project. Each subprogram also has one line for other activities that are not covered by the categories listed and new lines can be added as needed. Enter the total expenses for each program/subprogram that you developed on the expense allocation or expense detail spreadsheet allocating them among subprogram activities.

## ***Projecting Protected Area Revenues***

### ***Fund-raising Worksheet (tab C)***

This worksheet enables the project team to forecast funding by source and track their progress toward obtaining the targeted funds. Therefore, this worksheet has value beyond the initial planning process. Enter the donation amount sought from each donor (this can be cash, land, equipment, etc.), any previous gifts from the donor, the donor's name and address, the name of the person responsible for maintaining contact with the donor and the steps taken to cultivate the donor. Based on the most current information, assign the most likely probability that the donation will be obtained. This probability will change over time; for example, upon initial contact, the probability may be low. After the donor has learned about the site and its programs, the probability may increase.

### ***Revenue Summary (tab H)***

List expected revenues by National Sources and International Sources. Some standard categories are listed on the spreadsheet and should be modified as necessary. As with expenses, not all sources will be applicable to all sites. Whether or not to include a revenue source depends upon the probability of receiving the funding. To be conservative, risky funding sources can be discounted based on the probability of collection as determined on the fund raising worksheet. The assumptions made regarding major funding sources should be summarized in the Revenue section of the Narrative (see IV: Writing a Long-term Financial Plan).

### ***Revenue Allocation (tab I)***

Once the revenue sources have been defined, use the Revenue Allocation spreadsheet to ana-

lyze the expenses that the revenue sources must cover. As a result of this analysis, the project management team will be able to identify specific areas that require additional fund raising. The team will also be able to prioritize activities based on the funding available.

On the left hand side of the page, the spreadsheet lists the three programs (Protection and Management, Compatible Use and Administration), the subprograms and activity types as shown on the Expense Summary. The revenue sources from the Revenue Summary are listed in columns across the top of the page. Enter the names of the funding sources (adding columns as needed) and allocate the revenue from each source among the appropriate activities.

### ***Revenue & Expense Summary (tab H)***

This is the most important sheet in the site financial plan because it is often the only one many people will see. The information on this spreadsheet is automatically taken from the Revenue Allocation and Expense Summary spreadsheets. Enter only the assumptions used to formulate the projected revenues and expenses. Some samples of common assumptions are provided. Use the Revenue and Expense Summary to review the projections for reasonableness, accuracy and achievability. Frequently, the numbers will have to be revised because the constraints under which you are operating will prevent you from doing everything that needs to be done. Do not be discouraged if you have to go through the review and adjustment process a few times before you develop an achievable set of activities. It is a normal part of the process that will help you prioritize your activities.

### ***Graphics***

Three standard graphics are included with the spreadsheets to simplify presentation. These graphics are: **site revenue/expense comparison, expenses by category and revenue by source**. If any modifications were made to the spreadsheets during data entry, check the graphs carefully to ensure that the data are reflected correctly.

### ***Printing***

A print menu button (REPORTS) is included with the spreadsheets at the top of the screen, on the regular menu bar. Six options appear in the REPORTS menu which is a pop-down

*Once the revenue sources have been defined the team will be able to identify specific areas that require additional fund raising.*

menu. The first option allows the user to define the report destination, i.e. the screen or the default printer. The next four options activate additional pop-up menus with additional choices. The menu options and their corresponding secondary menu choices are as follows:

1. Summary—Expense Summary, Revenue Summary and Revenue & Expense Summary
2. Analysis—Expense Detail, Expense Allocation, Revenue Allocation and Activities Matrix
3. Detail—Personnel, Operating Expenses, Land Acquisition, Fund Raising and Threats Matrix
4. Graphs—Revenue & Expense Comparison, Expenses and Revenue

The last option (All) sequentially prints all of the above reports:

5. All—Summary, Analysis, Detail, Graphs, All Spreadsheets and Graphs

The page breaks and margins have been pre-set considering regular letter size paper (8.5"x11"). If you add or delete a significant number of lines, you may need to change margins. To correct this, send the selected report to the screen and correct the margins manually with the Excel standard procedure. You can also insert page breaks or other controls (bold face, font size, etc.) in the selected spreadsheet using regular Excel commands. Also, the spreadsheets may be centered on the page when printed. To correct this, print individual spreadsheets by highlighting their print ranges and adjusting the margins. Similarly, if only a part of a spreadsheet is needed, highlight the area to be printed and use the print command instead of the print macro. Printing the graphs on a color printer (if available) makes the information contained on the graphs easier to read.

*The goal of the spreadsheets  
is to provide a tool and  
information the team can  
use to plan and manage  
their activities.*

### III. Case Studies

Three summarized real case studies are presented in this section to illustrate the application of the Long-term Financial Planning methodology presented in the previous section. Differences among the three cases emphasize the flexibility of the templates discussed above, as well as the different degrees of complexity which can be found in the planning process of a protected area. The full versions of the following cases can be requested from The Nature Conservancy and will be available through the Internet at the Web Site under development.

Worksheets for National Park El Imposible, Sierra de las Minas Biosphere Reserve and Crooked Tree Wildlife Sanctuary follow each case study. The application of the templates to El Imposible Long-term Financial Plan is enclosed on the diskette.

#### *El Imposible National Park, El Salvador<sup>3</sup>*

El Imposible National Park is currently the largest natural area in El Salvador and the one presenting the highest degree of biodiversity. This park is the last refuge for many plant and animal species still existing in the country, where 98 percent of the national territory has undergone some degree of modification. For this reason, this park is an important genetic bank, crucial for restoring the severely damaged habitat in the country.

One of the main goals of SalvaNatura, a conservationist NGO that administers the park, is to gain the local communities involve-

ment through the recruitment of local rangers and the promotion of micro enterprises dedicated to folk art and tourism services. Looking at the future, SalvaNatura is planning to reinforce ecotourism, as an effort to promote environmental conservation, as well as improving the park's financial self sufficiency. Land acquisition is one of the main approaches, used by Salva Natura, to create a buffer zone around the precious natural and cultural values of El Imposible.

The Long-term Financial Plan for this park is mainly based on its General Site Management and Development Plan for years 1997 to 2001. Estimated costs are based on historic trends and the projected needs of every program. Income forecasts are based on previous income sources as well as on new grants being negotiated. Therefore, all detailed income presented have a medium to high probability of being obtained.

The major goal of SalvaNatura for El Imposible is to preserve the last large natural area in El Salvador, as well as the native animals and plants. The specific programs aimed at attaining this goal are:

- Natural and cultural resources management.
- Sustainable development in the natural area's buffer zone.
- Scientific research.
- Tourism and public use.
- Environmental education and interpretation.
- Park Administration and Development.

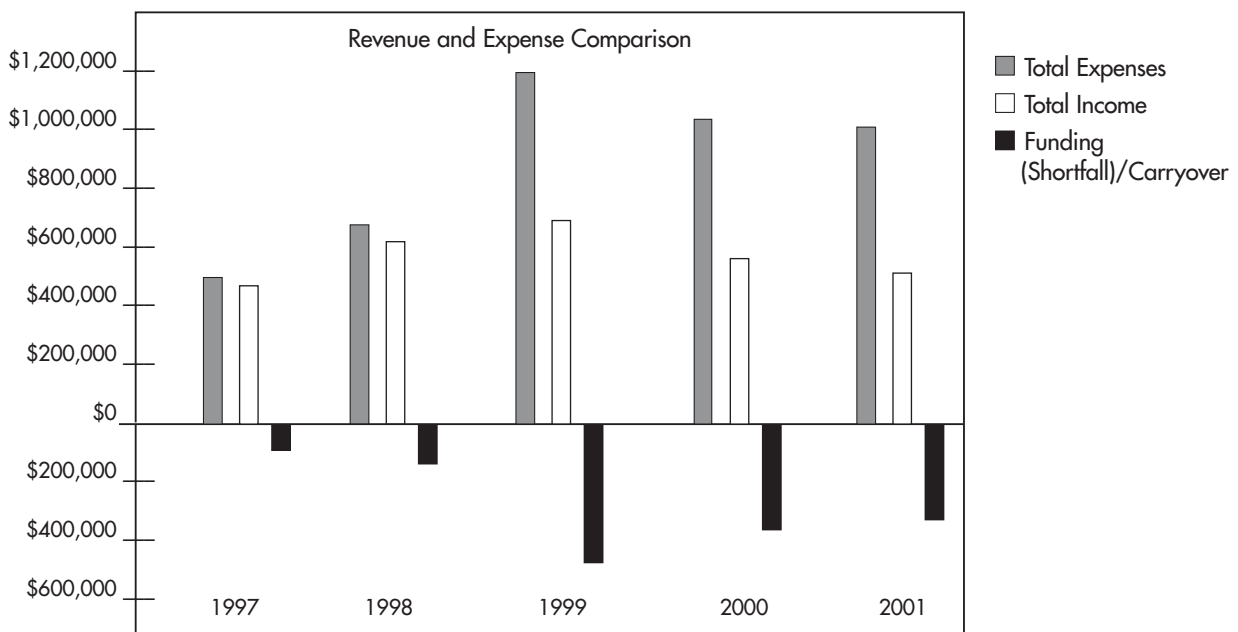
<sup>3</sup> Garffer, Patricia. *Plan de financiamiento a largo plazo para el Parque Nacional El Imposible 1997-2001*, El Salvador. SalvaNatura. The Nature Conservancy. August 1998.

## Worksheet for El Imposible National Park, El Salvador

### Summary of Expense and Income

	Annual Projected Budget					Total Projected Budget
	1997	1998	1999	2000	2001	
<u>Income Sources</u>						
I. National Sources						
A. Governmental sources	\$24,828	\$26,069	\$27,372	\$28,741	\$30,178	\$137,188
B. Private sources	\$119,061	\$170,977	\$200,431	\$203,304	\$203,304	\$897,077
C. Trust funds	\$115,113	\$91,412	\$148,637	\$98,563	\$105,459	\$559,184
D. Self-sufficiency funds	\$17,779	\$30,976	\$31,717	\$37,878	\$44,172	\$162,522
<b>Total National Sources</b>	<b>\$276,781</b>	<b>\$319,434</b>	<b>\$408,157</b>	<b>\$368,486</b>	<b>\$383,113</b>	<b>\$1,755,971</b>
II. International Sources						
A. Governmental agencies	\$136,820	\$130,748	\$123,564	\$100,575	\$100,575	\$592,282
B. Private sources	\$25,566	\$139,799	\$142,523	\$67,092	\$50,310	\$425,290
<b>Total International Sources</b>	<b>\$162,386</b>	<b>\$270,547</b>	<b>\$266,087</b>	<b>\$167,667</b>	<b>\$150,885</b>	<b>\$1,017,572</b>
<b>Total Sources of Income</b>	<b>\$439,167</b>	<b>\$589,981</b>	<b>\$674,244</b>	<b>\$536,153</b>	<b>\$533,998</b>	<b>\$2,773,543</b>
<u>Expenses by Programs</u>						
I. Management and research	\$33,515	\$219,188	\$541,376	\$493,309	\$415,090	\$1,702,478
II. Public use and education	\$109,311	\$197,673	\$264,751	\$69,281	\$47,593	\$688,609
III. Administration and development	\$331,717	\$253,461	\$356,640	\$352,005	\$416,572	\$1,710,395
<b>Total Expenses</b>	<b>\$474,543</b>	<b>\$670,322</b>	<b>\$1,162,767</b>	<b>\$914,595</b>	<b>\$879,255</b>	<b>\$4,101,482</b>
<b>Financing (Deficit)/Future Balance</b>	<b>(\$35,376)</b>	<b>(\$80,341)</b>	<b>(\$488,523)</b>	<b>(\$378,442)</b>	<b>(\$345,257)</b>	<b>(\$1,327,939)</b>

### Income and Expense Balance Graph





## ***Sierra de las Minas Biosphere Reserve, Guatemala<sup>4</sup>***

Sierra de las Minas Biosphere Reserve is located in an isolated and rugged area of Guatemala's central highlands, between the Polochic and Motagua River valleys. Formed by one of the oldest mountain ranges in Central America, the Reserve is approximately 130 kilometers long (80 miles) and 10-30 km wide (6-19 miles) and has a total area of 238,357 hectares (636,413 acres). Its mountains are very steep, having slopes of 65 percent and greater. Dramatic differences in altitude, aspect and rainfall patterns within the Reserve all contribute to its exceptional biological diversity. This Reserve was created by the Guatemalan Congress in October 1990. That same year, Defensores de la Naturaleza, a private, nonprofit conservation organization, received the legal authority to manage and administer the Reserve from Guatemala's National Council of Protected Areas (CONAP).

Among Defensores' first priorities after receiving responsibility for Sierra de las Minas was to establish on-site management systems in the Reserve. This included carrying out activities such as boundary demarcation, selection, training and supervision of park guards, and construction of guard stations and field staff accommodations. Land acquisition was another major component of Defensores' initial conservation strategy for Sierra de las Minas and gave rise to the need for land tenure studies which identify suitable parcels of land and their title holders. In addition to these studies, biological research and the design of an ecological monitoring program for the Reserve were carried out.

Community extension programs which aim to educate communities about the Reserve and encourage the adoption of sustainable, non-consumptive agricultural practices have also been a major part of Defensores' conservation strategy for Sierra de las Minas. More recently, Defensores has undertaken activities in the areas of institutional development and conservation policy formulation. Finally, the establishment of basic protection and monitoring systems at Bocas del Polochic will be a priority for Defensores in the next five years.

The long-term financial plan for Sierra de las Minas is based on the site's Management Plan for the years 1997 to 2001. This Management Plan was carefully reviewed in conjunction with Defensores and government staff, paying special attention to new programs and activities. Based on this Management Plan, initial expense projections were made using The Nature Conservancy's long-term financial planning methodology. These projections were then modified after interviews with program managers had been conducted in order to take personnel and resource constraints into account. It is important to note that the Management Plan for Sierra de las Minas contemplates a scenario with far more activities than were finally selected for this financial plan.

Historical data are based on Defensores' financial records for Sierra de las Minas. These data enable a better assessment of how realistic income and expense projections are and provide a context for tracking the rapid growth of programs carried out at Sierra de las Minas. Projections are based on interviews with program managers and finance personnel at Defensores and represent the expected cost of fulfilling the activities called for in the management plans for Sierra de las Minas and Bocas del Polochic.

Sierra de las Minas' primary conservation objective is the protection of its many ecosystems and the biologic diversity they contain. Defensores has pursued this objective through specific program areas which include:

- protection of ecosystems and species with the highest biodiversity value;
- protection of those watersheds which hold the greatest socioeconomic value for surrounding communities;
- promotion of sustainable resource use by local communities;
- implementation of collaborative management systems which involve local decision makers;
- preservation of areas with unique scenic value; and
- coordination of scientific research efforts on the Reserve's ecosystems and their biodiversity.

<sup>4</sup> Defensores de la Naturaleza. *Sierra de las Minas Biosphere Reserve Long-term Financial Plan 1997-2001*, Guatemala. The Nature Conservancy, December 1997.

## Spreadsheets for Sierra de las Minas Biosphere Reserve, Guatemala

### Spreadsheet C. Historical Income and Expense Summary (Fiscal Years 1993-1996)

Income Sources	Historic Activity				Total Prior Activity
	1993	1994	1995	1996	
I. National Sources					
A. Governmental sources	\$14,731	\$14,731	\$14,731	\$14,731	\$58,924
B. Private sources	\$121,455	\$113,357	\$120,690	\$111,466	\$466,967
C. Trust funds	\$2,686	\$13,547	\$10,880	\$29,691	\$56,804
<b>Total National Sources</b>	<b>\$138,871</b>	<b>\$141,635</b>	<b>\$146,301</b>	<b>\$155,888</b>	<b>\$582,695</b>
II. International Sources					
A. Governmental agencies	\$111,363	\$202,907	\$182,202	\$145,527	\$641,998
B. Private sources	\$502,307	\$306,704	\$575,850	\$344,220	\$1,729,081
<b>Total International Sources</b>	<b>\$613,670</b>	<b>\$509,611</b>	<b>\$758,052</b>	<b>\$489,746</b>	<b>\$2,371,079</b>
<b>Total Sources of Income</b>	<b>\$752,541</b>	<b>\$651,245</b>	<b>\$904,353</b>	<b>\$645,634</b>	<b>\$2,953,774</b>
<b>Expenses by Programs</b>					
I. Management and research	\$474,525	\$323,968	\$516,229	\$285,054	\$1,599,776
II. Public use and education	\$135,907	\$172,051	\$224,629	\$249,544	\$782,132
III. Administration and development	\$87,529	\$120,779	\$106,169	\$79,380	\$393,856
<b>Total Expenses</b>	<b>\$697,960</b>	<b>\$616,798</b>	<b>\$847,027</b>	<b>\$613,979</b>	<b>\$2,775,764</b>
<b>Financing (Deficit)/Future Balance</b>	<b>\$54,581</b>	<b>\$34,447</b>	<b>\$57,326</b>	<b>\$31,656</b>	<b>\$178,009</b>

### Spreadsheet F. Projected Income and Expense Summary (Fiscal Years 1997-2001)

Income Sources	Projected Budget by Year					Total Projected Budget
	1997	1998	1999	2000	2001	
I. National Sources						
A. Governmental sources	\$22,724	\$22,724	\$22,724	\$22,724	\$22,724	\$113,621
B. Private sources	\$139,655	\$146,552	\$154,138	\$162,483	\$180,283	\$783,110
C. Trust funds	\$17,635	\$47,931	\$58,621	\$62,931	\$60,345	\$247,462
<b>Total National Sources</b>	<b>\$180,014</b>	<b>\$217,207</b>	<b>\$235,483</b>	<b>\$248,138</b>	<b>\$263,352</b>	<b>\$1,144,193</b>
II. International sources						
A. Governmental agencies	\$560,966	\$540,466	\$525,466	\$159,341	\$0	\$1,786,239
B. Private sources	\$422,703	\$463,867	\$283,293	\$199,155	\$397,766	\$1,766,783
<b>Total International Sources</b>	<b>\$983,668</b>	<b>\$1,004,333</b>	<b>\$808,759</b>	<b>\$358,496</b>	<b>\$397,766</b>	<b>\$3,553,022</b>
<b>Total Sources of Income</b>	<b>\$1,163,683</b>	<b>\$1,221,540</b>	<b>\$1,044,242</b>	<b>\$606,634</b>	<b>\$661,117</b>	<b>\$4,697,216</b>
<b>Expenses by Programs</b>						
I. Management and research	\$331,793	\$550,505	\$310,975	\$319,591	\$283,575	\$1,796,439
II. Public use and education	\$616,105	\$837,442	\$905,384	\$881,752	\$964,277	\$4,204,960
III. Administration and development	\$125,812	\$118,439	\$130,283	\$143,312	\$157,643	\$675,488
<b>Total Expenses</b>	<b>\$1,073,710</b>	<b>\$1,506,386</b>	<b>\$1,346,643</b>	<b>\$1,344,654</b>	<b>\$1,405,495</b>	<b>\$6,676,888</b>
<b>Financing (Deficit)/Future Balance</b>	<b>\$89,973</b>	<b>(\$284,846)</b>	<b>(\$302,401)</b>	<b>(\$738,021)</b>	<b>(\$744,378)</b>	<b>(\$1,979,672)</b>

## Crooked Tree Wildlife Sanctuary, Belize<sup>5</sup>

Crooked Tree Wildlife Sanctuary (CTWS) is the most important wetland in Belize. It was declared a protected area in 1984 and a "Wetland of International Importance" by the RAMSAR Convention in 1997. Belize Audubon Society manages this protected area for the Government and People of Belize.

The area protects many different bird species, mammals, reptiles and fishes. Five villages are located close to the Sanctuary and have a very strong economic dependence on it. Most of the villagers support CTWS, but economically viable options are needed in order to reduce pressure on the natural resources.

This Financial Plan presents all the costs of the ideal activities during five years (2000 to 2004) for the Sanctuary and combines them

with the secure and possible income already identified for the area. **The deficit identified is the fund-raising target for Crooked Tree Wildlife Sanctuary. Therefore, if enough funds are raised then the planned activities will become feasible.**

The major Sanctuary goals are:

- conserve in perpetuity the wetland ecosystem in order to maintain its ecological functions and maintain as a RAMSAR site;
- provide recreation in a manner that it is compatible with the natural and cultural environment;
- secure the biological integrity of the ecosystem;
- secure the traditional resource-based lifestyle of local villagers.

## Worksheets for Crooked Tree Wildlife Sanctuary, Belize

### Expense Analysis

#### Expense Projection (2000 - 2004) Belizean Dollars

	2000	2001	2002	2003	2004
<b>I. Basic Operational Budget:</b>					
<b>SALARIES</b>					
Director	16,900.00	17,845.00	18,837.25	19,879.11	20,973.07
Wardens	31,200.00	41,800.00	42,000.00	42,200.00	53,000.00
Social Security	262.08	327.60	327.60	327.60	393.12
Insurance	3,120.00	3,900.00	3,900.00	3,900.00	4,680.00
<b>Subtotal</b>	<b>51,482.08 (49%)</b>	<b>63,872.60 (52%)</b>	<b>65,064.85 (49%)</b>	<b>66,306.71 (47%)</b>	<b>79,046.19 (46%)</b>
<b>TRANSPORTATION</b>					
Travel allowance	3,000.00	3,150.00	3,307.50	3,472.88	3,646.52
Per diem	1,200.00	1,260.00	1,323.00	1,389.15	1,458.61
Accommodation	1,440.00	1,512.00	1,587.60	1,666.98	1,750.33
Fuel	12,020.40	16,027.20	20,956.32	28,605.38	33,006.20
Freight/rental	750.00	787.50	826.88	868.22	911.63
Servicing/repairs	3,005.00	3,155.25	3,313.01	3,478.66	3,652.60
Licensing/Insurance	390.00	819.00	859.95	902.95	948.09
<b>Subtotal</b>	<b>21,805.40 (21%)</b>	<b>26,710.95 (22%)</b>	<b>32,174.26 (24%)</b>	<b>40,384.21 (28%)</b>	<b>45,373.98 (27%)</b>
<b>OFFICE EXPENSE</b>					
Building/equipment insurance	1,000.00	1,050.00	1,102.50	1,157.63	1,215.51
Communication	4,470.00	4,693.50	4,928.18	5,174.58	5,433.31
Office supply	2,000.00	2,100.00	2,205.00	2,315.25	2,431.01
Sanitation/toiletries	1,380.00	1,587.00	1,825.05	2,098.81	2,413.63
<b>Subtotal</b>	<b>8,850.00 (8%)</b>	<b>9,430.50 (8%)</b>	<b>10,060.73 (8%)</b>	<b>10,746.27 (7%)</b>	<b>11,493.46 (7%)</b>
<b>MAINTENANCE UPGRADE</b>					
Trails	1,700.00	1,785.00	1,874.25	1,967.96	2,066.36
Resting Sites	1,350.00	1,417.50	1,488.38	1,562.79	1,640.93
Grounds maintenance	1,000.00	1,050.00	1,102.50	1,157.63	1,215.51

<sup>5</sup> Dada, Juan José. *Crooked Tree Wildlife Sanctuary Long-term Financial Plan 2000-2004*. PROARCA/CAPAS. February 2000.

## Expense Analysis (continued)

	2000	2001	2002	2003	2004
Buildings/Structures	1,200.00	1,260.00	1,323.00	1,389.15	1,458.61
Equipment	720.00	756.00	793.00	833.00	875.16
Signs	1,200.00	1,260.00	1,323.00	1,389.15	1,458.61
Parking lots	1,500.00	1,575.00	1,653.75	1,736.44	1,823.26
Exhibits	2,500.00	2,250.00	2,025.00	1,822.50	1,640.25
Electricity/Water	1,575.00	315.00	330.75	347.29	364.65
Education/Promotional material	1,500.00	1,575.00	1,653.75	1,736.44	1,823.26
Subtotal	14,245.00 (14%)	13,243.50 (11%)	13,568.18 (10%)	13,942.83 (10%)	14,366.60 (9%)
TRAINING					
Facilitator/Refreshments	2,000.00 (2%)	2,600.00 (2%)	3,380.00 (3%)	4,394.00 (3%)	5,712.20 (3%)
UNIFORMS					
Personnel	4,000.00 (4%)	5,250.00 (4%)	5,512.50 (4%)	5,788.13 (4%)	7,293.0 (4%)
OTHERS					
Sundries (incidental)	1,440.00	1,512.00	1,587.60	1,666.98	1,750.33
Discretionary payment (staff)	1,200.00	1,260.00	1,323.00	1,389.15	1,458.61
Subtotal	2,640.00 (3%)	2,772.00 (2%)	2,910.60 (2%)	3,056.13 (2%)	3,208.94 (2%)
<b>Subtotal Basic Operational Budget</b>	<b>105,022.48 (27%)</b>	<b>123,879.55 (28%)</b>	<b>132,671.11 (45%)</b>	<b>144,618.28 (44%)</b>	<b>166,494.40 (49%)</b>
II. Special Projects:					
EQUIPMENT					
Audiovisuals and others	7,000.00	1,000.00	1,050.00	8,103.38	1,157.63
Generator, saws and others	4,000.00	800.00	840.00	882.00	926.10
Spark lights, tents and others	1,875.00	400.00	200.00	210.00	220.50
Machine and electric boat	20,000.00	500.00	525.00	8,100.00	578.81
Trail bike and four wheel vehicle	12,000.00	40,000.00			
Subtotal	44,875.00	42,700.00	2,615.00	17,295.38	2,883.04
CONSTRUCTION					
Resting site			500.00		
Office extension		1,500.00			
Patrol station		5,000.00			
Boardwalk II		5,500.00			
Subtotal	0.00	12,000.00	500.00	0.00	0.00
PROTECTION					
Warden exchange			5,000.00	5,250.00	5,512.50
Fishery management plan		6,000.00	1,000.00	1,050.00	1,102.50
Jaguar compensation		61,050.00	16,852.50	14,608.13	15,338.53
Subtotal	0.00	67,050.00	22,852.50	20,908.13	21,953.53
RESEARCH AND MONITORING					
Jabiru studies	2,400.00	2,520.00	2,646.00	2,778.30	2,917.22
Bucket testing	1,500.00	1,575.00	1,653.75	1,736.44	1,823.26
Subtotal	3,900.00	4,095.00	4,299.75	4,514.74	4,740.47
COMMUNITY DEVELOPMENT					
Gibnut farm	8,380.00				
Local fish pond	9,980.00				
Cashew deshelling machine	16,400.00	16,400.00			
Scholarship for students	1,000.00	1,000.00	1,000.00	1,000.00	2,000.00
Analysis of community projects	4,500.00				
Community research	25,000.00				
Subtotal	65,260.00	17,400.00	1,000.00	1,000.00	2,000.00
ENVIRONMENTAL EDUCATION					
Subtotal	50,000.00	50,000.00	20,000.00	20,000.00	20,000.00
ADVOCACY PROGRAM	7,000.00	7,350.00	7,717.50	8,103.38	8,508.54

## Expense Analysis (continued)

	2000	2001	2002	2003	2004
MARKETING AND MEMBERSHIP	1,000.00	1,050.00	1,102.50	1,157.63	1,215.51
<b>Subtotal Special Projects</b>	<b>172,035.00 (45%)</b>	<b>201,645.00 (46%)</b>	<b>60,087.25 (20%)</b>	<b>72,979.24 (22%)</b>	<b>61,301.09 (18%)</b>
III. Community Participation: COMMUNITY SUPPORT					
Water patrols	16,200.00	17,010.00	17,860.50	18,753.53	19,691.20
Land patrols	7,500.00	7,875.00	8,268.75	8,682.19	9,116.30
Wildlife observation	6,750.00	7,087.50	7,441.88	7,813.97	8,204.67
Garbage campaigns	14,500.00	15,225.00	15,986.25	16,785.56	17,624.84
Linkages and public relations	1,250.00	1,312.50	1,378.13	1,447.03	1,519.38
Com. wetland working group	3,600.00	3,780.00	3,969.00	4,167.45	4,375.82
Special activities support	10,000.00	10,500.00	11,025.00	11,576.25	12,155.06
Transportation	6,000.00	6,300.00	6,615.00	6,945.75	7,293.04
Services	960.00	1,008.00	1,058.40	1,111.32	1,166.89
Subtotal	66,760.00 (17%)	70,098.00 (16%)	73,602.90 (25%)	77,283.05 (24%)	81,147.20 (24%)
IV. Contingencies:	40,700.00 (11%)	40,100.00 (9%)	28,500.00 (10%)	31,600.00 (10%)	33,800.00 (10%)
<b>TOTAL EXPENSES CTWS</b>	<b>384,517.48</b>	<b>435,722.65</b>	<b>294,861.26</b>	<b>326,480.56</b>	<b>342,742.69</b>

## Income Analysis

All the income has been grouped by category and by probabilities.

By category, the three different categories are: Self Generated, Belizean Government and International Donations.

By probabilities, the categories are: the Secure Income and the Possible Income.

## Income Projection (2000 - 2004) Belizean Dollars

	2000	2001	2002	2003	2004
I. Self Generated *Entrance fee	12,080.00 (4%)	14,064.00 (4%)	16,048.00 (5%)	18,048.00 (9%)	20,032.00 (15%)
II. Belizean Government Government Contributions *P.A.C.T.	12,500.00 25,000.00	12,500.00	12,500.00	12,500.00	12,500.00
Subtotal	37,500.00 (13%)	12,500.00 (4%)	12,500.00 (4%)	12,500.00 (6%)	12,500.00 (9%)
III. International Donations European Union *Turner Foundation UICN *RAMSAR McArthur Foundation Hivos Foundation *Canadian Fund	83,333.33 4,000.00 20,000.00 50,000.00 7,000.00	83,333.33 55,555.67 4,000.00 20,000.00 7,000.00	83,333.33 55,555.67 4,000.00 20,000.00 25,000.00	55,555.67 4,000.00 20,000.00 5,000.00	4,000.00 20,000.00
Subtotal	164,333.33 (59%)	219,889.00 (69%)	192,889.00 (65%)	84,555.67 (44%)	24,000.00 (17%)
IV. Community Participation Community support	66,760.00 (24%)	70,098.00 (22%)	73,602.90 (25%)	77,283.05 (40%)	81,147.20 (59%)
TOTAL INCOME CTWS * possible incomes	280,673.33	316,551.00	295,039.90	192,386.71	137,679.20
TOTAL SECURE INCOMES	223,593.33 (80%)	226,931.33 (72%)	198,436.23 (67%)	93,783.05 (49%)	97,647.20 (71%)
<b>TOTAL POSSIBLE INCOMES</b>	<b>57,080.00 (20%)</b>	<b>89,619.67 (28%)</b>	<b>96,603.67 (33%)</b>	<b>98,603.67 (51%)</b>	<b>40,032.00 (29%)</b>

Balance Analysis

Expense and Income Balance (2000 - 2004) Belizean Dollars

	2000	2001	2002	2003	2004
TOTAL EXPENSE	384,517.48	435,722.55	294,861.26	326,480.56	342,742.69
TOTAL SECURE INCOME	223,593.33	226,931.33	198,436.23	93,783.05	97,647.20
FIRST BALANCE if no other income realized	(160,924.15) (-42%)	(208,791.22) (-48%)	(96,425.02) (-33%)	(232,697.52) (-71%)	(245,095.50) (-72%)
TOTAL POSSIBLE INCOME If all income sources realized	57,080.00	89,619.67	96,603.67	98,603.67	40,032.00
SECOND BALANCE New funding sources have to be located for this deficit	(103,844.15) (-27%)	(119,171.55) (-27%)	178.64 (0%)	(134,093.85) (-41%)	(205,063.50) (-60%)
EXPENSES					
I. Basic Operational Budget:	105,022.48	123,879.55	132,671.11	144,618.28	166,494.40
Salaries	51,482.08	63,872.60	65,064.85	66,306.71	79,046.19
Transportation	21,805.40	26,710.95	32,174.26	40,384.21	45,373.98
Office expenses	8,850.00	9,430.50	10,060.73	10,746.27	11,493.46
Maintenance/Upgrade	14,245.00	13,243.50	13,568.18	13,942.83	14,366.60
Training	2,000.00	2,600.00	3,380.00	4,394.00	5,712.20
Uniforms	4,000.00	5,250.00	5,512.50	5,788.13	7,293.04
Other	2,640.00	2,772.00	2,910.60	3,056.13	3,208.94
II. Special Projects:	172,035.00	201,645.00	60,087.25	72,979.24	61,301.09
Equipment	44,875.00	42,700.00	2,615.00	17,295.38	2,883.04
Construction	0.00	12,000.00	500.00	0.00	0.00
Protection	0.00	67,050.00	22,852.50	20,908.13	21,953.53
Research and monitoring	3,900.00	4,095.00	4,299.75	4,514.74	4,740.47
Community development	65,260.00	17,400.00	1,000.00	1,000.00	2,000.00
Environmental education	50,000.00	50,000.00	20,000.00	20,000.00	20,000.00
Advocacy	7,000.00	7,350.00	7,717.50	8,103.38	8,508.54
Marketing and members	1,000.00	1,050.00	1,102.50	1,157.63	1,215.51
III. Community Participation:	66,760.00	70,098.00	73,602.90	77,283.05	81,147.20
Water patrols	16,200.00	17,010.00	17,860.50	18,753.53	19,691.20
Land patrols	7,500.00	7,875.00	8,268.75	8,682.19	9,116.30
Wildlife observation	6,750.00	7,087.50	7,441.88	7,813.97	8,204.67
Garbage campaigns	14,500.00	15,225.00	15,986.25	16,785.56	17,624.84
Linkages and public relations	1,250.00	1,312.50	1,378.13	1,447.03	1,519.38
Com. wetland working group	3,600.00	3,780.00	3,969.00	4,167.45	4,375.82
Special activities support	10,000.00	10,500.00	11,025.00	11,576.25	12,155.06
Transportation	6,000.00	6,300.00	6,615.00	6,945.75	7,293.04
Services	960.00	1,008.00	1,058.40	1,111.32	1,166.89
IV. Contingencies:	40,700.00	40,100.00	28,500.00	31,600.00	33,800.00
TOTAL EXPENSES	384,517.48	435,722.55	294,861.26	326,480.56	342,742.69
INCOMES					
Self generated	12,080.00	14,064.00	16,048.00	18,048.00	20,032.00
Belize government	37,500.00	12,500.00	12,500.00	12,500.00	12,500.00
International donations	164,333.33	219,889.00	192,889.00	84,555.67	24,000.00
Community participation	66,760.00	70,098.00	73,602.90	77,283.05	81,147.20
TOTAL INCOMES	280,673.33	316,551.00	295,039.90	192,386.71	137,679.20
<b>BALANCE</b>	<b>(103,844.15) (-27%)</b>	<b>(119,171.55) (-27%)</b>	<b>178.64 (0%)</b>	<b>(134,093.85) (-41%)</b>	<b>(205,063.50) (-60%)</b>

## IV. Writing a Long-term Financial Narrative

Even the most experienced financial analyst cannot determine the details of a site plan just by analyzing the data. Therefore, the financial projections developed in the spreadsheets must be accompanied by a written narrative of the site plan's major attributes. The purpose of the narrative is to provide an overview of the site plan and the major activities on which the financial projections are based. Specifically, the narrative should:

- link the financial and program strategies
- provide a brief history of the protected area and describe the major revenue and expense components
- discuss the assumptions that support the management plan, identifying risks and tactics for mitigating the risks.

It is not possible to capture all the financial information about your protected area in the narrative. Instead, identify the area's financial goals, how it plans to achieve the goals and the milestones that will be used to measure progress. Below are some of the main categories to include in the narrative.

### *Linking Program and Financial Strategies*

Establish the working environment for your site by summarizing the mission and objectives (review the planning methods in Section II, if necessary); then tie the mission and objective to the financial strategy. While a review of the programmatic information may seem redundant, it clarifies the connection between the area's financial and overall management strategies. When describing the financial strategy, answer the following questions to the extent that they apply:

- What is the focus of the protected area? For example, does the plan include large expenditures for land? Is it weighted towards operating expenditures or a blend of both?
- What proportion of the protected area's success is dependent on activities of others? Will these activities be reflected on your accounting records or on those of partners?
- What is the management approach to using debt to finance activities? Will activities generally be on a "pay as you go basis," or will up-front funding be required?

### *Prior Period Activity*

A brief description of prior activity enables the reader to better assess how realistic the projected activity is based on those already occurring. Examples include: significant expenditures in the protected area's history, how they were funded, and the net financial position of the site as it enters the planning period. When describing prior activity, answer the following questions to the extent that they apply:

- What is the financial history of the area? For example, how much land (\$/acres) has been acquired? How much has been spent on which operating activities? Where has revenue to support these activities come from? Does the area enter the planning period with cash surpluses or funding commitments?
- Are there any outstanding loans? How old are they and how will they be paid down?
- Does the site have any permanent sources of funds (endowments)? What percentage of revenue is derived from endowments?

*Monitoring and reporting on financial status and progress will be an ongoing necessity.*

## **Expenditures**

The discussion of expenditures should be segregated by category: Protection & Management, Compatible Use and Administration. (See Appendix 2 for a description of categories.) Within each category, summarize the major activities to be financed. This discussion can be approached from either a subprogram level or from a functional expenses level (i.e. salaries, field costs, individual parcels of land, etc.). Include any underlying assumptions about the expenses (i.e. the assumed cost per ranger for food, equipment, training, etc.). Segregate costs into recurring versus one-time costs to establish the fixed-cost base to be supported by on-going sources of funds.

Attempt to delineate between concrete and contingent expenses to provide insight into the likelihood that forecasted expenses will actually occur. In most instances, if an expense is included in the plan, it has a high probability of occurring. There may be instances, however, when you want to note that an expense is contingent on certain events; for example, that a planned research study will only occur if specific funding is secured. Whether the actual expense is listed in the plan is a judgement call. The role of the narrative is to inform readers where these judgements occur, and the benefit of discussing it within the narrative is to reduce the opportunities for surprises. When describing the major expenditures of the site's plan, answer the following questions to the extent that they apply:

- What functional expenses (staff salaries, equipment, land acquisition, etc.) will the protected area require to be successful? Are these expenses one-time or recurring costs?
- Are the expenses certain, contingent on funding or wishful? Also, are there some additional expenses, especially in land acquisition, which, while too uncertain to include at this time, could potentially come into play?

## **Revenue**

The discussion of revenue should profile the major donors for the site. For each funding source the following should be presented:

- The role of each participating organization and/or donor in either managing or funding efforts within the protected area
- What is the source of donor revenues (e.g. USAID funding is derived from a U.S. Congressional appropriation)

- A summary of projected use and limitations of funding sources (e.g. money that is limited to infrastructure that generates cash flow but cannot be used for direct salary costs)
- A summary of the probability of potential funds and timing estimates
- Contingency options for situations where expected funds do not materialize as expected
- Strategies to contact decision-makers who can assign financial resources to the site
- Other relevant information (i.e. problems, risks, assumptions).

The discussion should be divided between national and international revenue sources. You may also take this opportunity to link specific revenue sources to specific expenditures.

Monitoring and reporting on financial status and progress will be an ongoing necessity. A discussion of the expected financial management system, who is responsible for financial management and how the audit will be handled, should be included in this part of the narrative if it has not been described earlier.

## **Long-term Financial Strategy**

The primary task in this section is to inform the reader of the long-term financial strategy for the protected area. The discussion should be general in nature. Topics to address include the expected annual recurring cost base, the frequency and amount of non-recurring costs such as equipment replacement and land acquisition, and some overall characteristics of the funding strategy—at a minimum this should include a summary of the expected national versus international sources of funds. When describing the long-term financial strategy, answer the following questions to the extent that they apply:

- Will endowments or trust funds be established or increased to support long-term protection and management costs? Provide a brief justification for the target endowment size. For example, what percentage of long-term expenses will the endowment or trust fund cover?
- Is the site largely dependent on one revenue source? Is there a plan for diversifying sources? What are the risks to the diversification plan? How are these risks being addressed?



## Appendix I: Functional Expense Definitions

### **Salaries:**

Wages (base salary, overtime, 13th month bonuses, etc.), taxes, moving expenses and fringe benefits (usually a percentage which, when multiplied by the salary line, estimates the cost of insurance benefits and paid time off [vacation, sick leave, holidays, etc.]) for staff. Separate lines are provided for each of the expense types listed. In addition, separate salary lines are shown for management, field staff and administration wages.

### **Training:**

In-country courses for park rangers, protected areas personnel and extensionists. Costs would cover registration fees, travel, food, lodging and educational materials. Fellowships for selected protected areas technicians to attend special courses, or to participate in South-South exchange with other conservation NGOs and protected areas. Fellowships would include the costs of travel (local or international), food, lodging, educational materials and training fees (if required). Also, costs of planning and conducting conferences and/or courses.

### **Equipment/Materials:**

Field equipment, base radios, electrical generators, furniture for ranger stations, field supplies, carpentry/mechanical tools, materials and other non-office equipment.

### **Transportation/Vehicles:**

Four-wheel drive pickups, motorcycles, boats, tractors, horses, mules or any other mode of transportation required.

### **Construction:**

Costs associated with building new structures or land improvements including land purchase, utility access, roads, trails, transport and construction labor, fences, gates, boundary marking.

### **Field Costs:**

Vehicle maintenance, fluids and fuel; field infrastructure maintenance including buildings, fences and boundaries; photos, maps

and satellite images used for monitoring; patrol supplies; community assistance; and overflights.

### **Special Studies:**

Land tenure, ecological characterization, socioeconomic and cultural monitoring.

### **Land Acquisition—Conservation Land:**

Costs associated with land acquisition for conservation purposes. These expenses include land cost, appraisals, surveys, title opinions, legal fees, etc.

### **Institutional Support:**

Charges for telephone service, printing, postage, office supplies, office and data processing equipment that would normally be expensed under local accounting custom, office equipment operating expense, office rent and utilities, food supplies, banking fees, permits and licenses. These expenses are separated into four categories: phone, fax, printing, etc; rent, utilities, permits fees, etc.; office supplies; and office equipment.

### **Professional Services:**

Legal fees, accounting services, consulting fees and travel costs for consultants. These expenses are separated into two main categories: legal and accounting services and consultant fees.

### **Audits:**

Costs associated with program review from either a conservation or financial perspective. The audit may be performed by either internal or external staff.

## Appendix II: Program Expense Definitions

### I. Protection and Management Program

#### A. Protection Subprogram

1. *Boundary demarcation*: Surveying and posting the protected areas borders; may include costs of surveys, maps, global positioning systems, field crews, field equipment, food, travel, signs, monuments, etc.
2. *Patrols*: Continuous surveillance and control of illegal activities or other threats (e.g. fires) within the boundaries of the protected area; may include costs of rangers, field equipment, first aid supplies, food, overflights, radio systems, etc.
3. *Construction of control stations and trails*: Structures and access trails required to provide protection of area; may include costs of labor, transport and materials for trail shelters, ranger housing, trails, bridges, docks, gates, fences, etc.
4. *Logistic support to research teams*: Guides and supervision for researchers and other visitors (e.g. film crews) to remote sectors; may include costs for rangers, food, transport, etc.

#### B. Conservation Land Subprogram

1. *Land protection plan*: Identification, mapping and description of land ownership and tenure for all properties within the protected area, or properties in the buffer zone that are important for conservation or to control access; may include costs for personnel or legal assistance, registry research, legal fees, field cadastral surveys, meetings, etc.
2. *Owner contact*: Personal contact with each property owner or resident to inform them of protected area regulations and to discuss land use options; may include personnel, written materials, travel, meetings, etc.
3. *Surveys, Appraisals, Legal Fees*: Legal process related to land acquisition; may include market appraisals, land surveys, registry, legal fees, taxes, etc.

4. *Land acquisition*: Property purchase; may include actual property costs, personnel for negotiations, taxes, loan interest, boundary demarcation removal of hazardous conditions (e.g. toxic wastes), etc. List all properties separately.
5. *Conservation easements*: An agreement by the property owner to restrict certain land uses; may include legal fees, monitoring and travel. List all properties separately.
6. *Land management endowments*: Trust funds designed to provide for long-term site management; may include additions to principal, asset manager fees, legal fees, taxes, etc.

#### C. Natural Resource Management Subprogram

1. *Management of priority species and ecosystems*: Direct actions to protect or improve habitat or species; may include materials and equipment, field personnel, transport, etc.
2. *Exotic species control*: Direct actions to control spread of non-native species; may include field personnel, equipment, materials, transport, etc.
3. *Fire management*: Fire suppression or controlled burns to improve habitat; may include field personnel, fire fighting equipment, first aid supplies, transport, etc.
4. *Ecological restoration*: Direct actions to recuperate degraded habitat; may include field personnel, heavy equipment, nursery stock, field tools, transport, etc.
5. *Monitoring*: Periodic and long-term reviews to determine if protected area's management objectives are achieved; may include scientific equipment, overflights, landsat images, transport, research personnel, etc.

#### D. Research Subprogram

1. *Rapid ecological assessment*: Initial survey of a protected area's biotic resources and land tenure systems; may include landsat

images, Global Positioning System, maps, research personnel, field equipment, transport, etc.

2. *Participatory rural appraisal*: Initial consultations with local communities to jointly assess social and economic problems and priorities; may include research personnel, field equipment, written materials, transport, etc.
3. *Priority research projects*: Studies directed toward critical management issues; may include research personnel, field equipment, scientific equipment, housing, transport, etc.
4. *Ecological monitoring*: Periodic and long-term reviews of actions to determine if protected area's management objectives are achieved; may include scientific equipment, overflights, landsat images, transport, research personnel, etc.

## II. Compatible Use Program

### A. Environmental Education Subprogram

1. *Environmental education plan*: Strategic document prepared with educators and local communities that describes all environmental education programs related to protected areas; may include meetings, workshops, written materials, publications, consultants, etc.
2. *Public media campaign and materials*: Radio, newspaper, television and other media directed to general public; may include public relations consultants, interest polls, program production costs, materials, publications, etc.
3. *Primary school programs*: Activities directed to local students; may include education personnel, materials, audio-visual equipment, meetings, school outings, etc.
4. *Decision-maker education workshops*: Activities directed to public officials and private sector leaders whose support is needed for protected areas; may include management personnel, written materials, workshops, representation expenses, travel, etc.
5. *On-site interpretative signs and trails*: Site improvements and trails to provide a safe, educational and enjoyable visitor experience; may include interpretive personnel,

printed guides, maps and educational displays, trail construction, signs, benches, trash containers, etc.

### B. Ecotourism Subprogram

1. *Ecotourism plan with local community*: A community-level master plan to guide tourism development, usually involving representatives from local communities, tourism ministry and public works; may include management personnel, planning consultants, workshops, written materials, transport, etc.
2. *Visitor registers and entrance stations*: Direct or passive actions in strategic locations to monitor visitor use; may include personnel, register books and books, entrance station construction, signs, fences, gates, etc.
3. *Concession management*: Activities related to management of companies engaged in tourism within the protected area; may include management personnel, legal fees, public bids, permits control, monitoring, etc.
4. *Construction of access, facilities and utilities*: Infrastructure necessary for tourism with the protected area; may include architects, landscape architects and engineers, roads, airstrips, trails, energy generation systems, water storage and treatment, communications systems, lodging, visitor centers, workshops, maintenance personnel, transport, etc.
5. *Monitoring*: Periodic and long-term reviews to determine if tourism objectives are achieved; may include researchers, materials, etc.

### C. Forest Resources Subprogram

1. *Forest management plan*: Plan that guides the protection and permissible uses of forest and non-forest resources according to management objectives; may include foresters, hydrologists and other consultants, community meetings, overflights, biological inventories, maps, field equipment, etc.
2. *Concession management*: Activities related to management of companies engaged in forestry or other extractive uses within the protected area; may include field personnel, legal fees, public bids, permits control, monitoring, etc.

3. *Monitoring*: Periodic and long-term reviews of actions to determine if protected area's management objectives are achieved; may include scientific equipment, overflights, landsat images, transport, research personnel, etc.

#### **D. Agriculture Subprogram**

1. *Agricultural land-use plan*: Plan that guides the permissible uses of agricultural lands according to management objectives; may include soil scientists, agronomists, hydrologists and other consultants, community meetings, overflights, biological inventories, maps, field equipment, etc.
2. *Land use agreements and owner outreach*: Personal contact with local communities and individuals to guide and assist agricultural uses; may include extension personnel, nursery materials and seed stock, field equipment, transport, etc.
3. *Monitoring*: Periodic and long-term reviews of actions to determine if protected area's management objectives are achieved; may include scientific equipment, overflights, landsat images, transport, research personnel, etc.

#### **E. Community Outreach Subprogram**

1. *Community outreach plan with local communities and agencies*: A social services plan that coordinates public agency involvement based on local community needs; may include personnel, education and health materials and equipment, meetings, transport, etc.
2. *Program coordination and monitoring*: Periodic communication to assess and adjust the outreach program; may include personnel, meetings and transport.

### **III. Administration Program**

#### **A. Management and Finance Subprogram**

1. *Personnel organization and management*: Supervision of protected areas personnel, planning, and management support; may include personnel, planning workshops, office space, office supplies and equipment, computers, communications systems, transport, etc.
2. *Administration and logistic support*: Coordination and support of all protected

areas activities; may include administrative personnel, drivers, storerooms for field equipment, office space, supplies and equipment, computers, communications systems, transport, etc.

3. *Finance and accounting*: Budget management, revenue and expenditure reports; may include administrative personnel, independent auditors, office space, supplies and equipment, computers, communications systems, etc.
4. *Annual plans and budgets*: Preparation of annual operating plans and financial budgets including revenues and expenditures; may include administrative personnel, meetings, office supplies.
5. *Public relations and fund raising*: Regular communications with general public, decision-makers and organizations that support the protected area; may include public relations personnel, meetings, travel, publications and other written materials, etc.

#### **B. Operations & Maintenance Subprogram**

1. *Construction*: The planning, design and implementation of access, utilities, structures and site improvements; may include architects, landscape architects and engineers, legal fees, land acquisition, demolition, labor, materials, transport, equipment, etc.
2. *Maintenance*: Long-term operations and repair of facilities, vehicles and other infrastructure; may include maintenance personnel, workshops, tools, fuels, oils, repair parts, waste disposal systems, transport, heavy equipment, etc.
3. *Operations support*: Transportation and communications related to protected area program activities; may include drivers, boats, planes, vehicles, communications systems, field equipment, etc.

#### **C. Training Subprogram**

1. *Staff training*: Courses, workshops and orientation for protected areas personnel; may include travel, per diem, entrance fees, tuition, etc.

## Appendix III: Spreadsheet Templates



# Evaluation Form

## Long-term Financial Planning for Parks and Protected Areas

Please fill out the form below and return to:

The Nature Conservancy  
International Headquarters  
4245 North Fairfax Drive, suite 100  
Arlington, Virginia, 22203-1606  
Attention: Randall K. Curtis, Director of Conservation Finance and Policy  
or fax it to: (703) 841-4880, or email it to: rcurtis@tnc.org

Name:

Organization:

1. Was this manual helpful to you?

Yes [ ]      No [ ]

For which site(s) was it used? Who was involved in the management and financial planning process (NGOs, GOs, The Nature Conservancy, local communities, etc.)?

2. Did you encounter any problems with the software or instructions in the manual?

Yes [ ]      No [ ]

If so, what type of problems did you encounter? How were these problems resolved? Did you request technical assistance from The Nature Conservancy? How was your request handled (and by whom)?

3. Do you have any recommendations for improving the manual and long-term financial planning methodology?

4. Do you have any suggestions for follow-up activities (specific technical assistance, workshops, etc.) that would be useful to reinforce techniques developed in the manual for long-term financial planning for parks and protected areas?

5. In order to assess the potential need of technical assistance, how would you rank your organization in terms of the following criteria (mark with an X in the appropriate spaces):

Area of Expertise	Basic	Intermediate	Advanced	Observations
Financial Management Team				
Accounting Data/System				
Financial Planning				
Information Systems				
Site Management Planning				

Other Comments:

**Note:** It would be very helpful if you could return this completed evaluation form with an original or disk copy of your long-term financial plan (spreadsheets and narrative).