

Dear Friends and Colleagues:

To follow up on your interest in ecotourism and how it can be used as a conservation strategy, we would like to share with you some of the key accomplishments of our program in 2004.

This year we made significant progress in supporting tourism that generates income for conservation, reduces threats posed to biodiversity, and benefits local communities. In addition, we also formed new conservation partnerships, promoted our work at international events, and produced new publications that will serve as valuable tools for building the capacity of tourism in protected areas. Enclosed is a new brochure we produced which highlights the activities and central strategies of our program. We have also listed some of our top priorities for the coming year and the financial support we need to achieve them.

Generating income from tourism for conservation

2004 marked another successful year in advancing the use of tourism as a source of conservation finance at priority sites where The Nature Conservancy works across the globe. In Bolivia, we presented findings to the Bolivian national park service from our pilot fee program at Eduardo Avaroa Reserve which has generated over \$600,000 in new income for conservation in four years. We then made plans with them to implement tourism fees, concession programs, and community based ecotourism at protected areas across the country.

In Baja California, Mexico, we conducted an evaluation of our tourism donation program and 'Friends of Wild Baja' fund to demonstrate that voluntary donations can be another important tool for generating conservation income from tourism. In another effort, we supported the introduction of a dive fee at the Gladden Spit Marine Reserve, Belize, and provided recommendations for further development and applications at other



Spider monkey in Amoro National Park, Bolivia © Hermes Justiniano

sites. In addition, we supported work in Costa Rica in developing a new tourism fee structure for the sustainable finance of the protected area system.

Reducing threats to biodiversity

In order for ecotourism to serve as an effective conservation strategy, the impacts that tourism has on biodiversity must be monitored and controlled. One of the places we worked to reduce the threats from tourism is at Amoro National Park in Bolivia. Working with the Bolivian National Park Service, we began designing a tourism management plan and land-use zoning strategy to control the impacts of tourism related threats. This work was in part supported by one of five summer interns we had from masters programs at Duke and Yale Universities who helped in-country partners implement our strategies in Bolivia, Ecuador, and Belize.

With our Colombia colleagues, we implemented the first phase of capacity building in tourism impact management in Corales del Rosario National Park. To extend the impact of this work to multiple sites, we brought park managers from 10 other parks around the country to learn the methodology. They are now replicating the process at their own sites. In Chile,

we met with government bodies, conservation NGO partners and local tour operators to explore how we can best contribute to maximizing tourism's contribution to conservation. We also provided initial tourism assessments for our project sites at Valdivia and Nevados de Chillan. In Mexico, we supported capacity building at a national level by presenting a workshop in Chiapas to train 25 national park directors to more effectively manage visitation to their reserves.

Supporting community-based ecotourism

Another important part of our work is to promote the development of community based ecotourism business as a way of ensuring local livelihoods are based on the sustainable use of natural resources. In the Galapagos Islands, Ecuador, where overfishing is a major threat to our conservation targets, we conducted a business development workshop for fishers interested in entering the tourism sector, an economic activity compatible with the environment. We also boosted our partners' community-based ecotourism businesses from across the regions we work by presenting at the ITB Tourism Fair in Berlin, Germany, the world's largest tourism trade fair, in collaboration with the UNESCO World Heritage Center.

UNESCO World Heritage partnership

In an effort to leverage ecotourism strategies beyond the protected areas and countries where we directly work, we approached the UNESCO World Heritage Program to explore ways we might collaborate. These discussions eventually led to a Conservancy-wide agreement signed by Steve McCormick, our CEO, and the head of UNESCO that will serve as a framework for joint projects and collaboration on a range of themes including tourism, marine conservation and sustainable finance, which are currently under development.

Promoting our methodology at international events

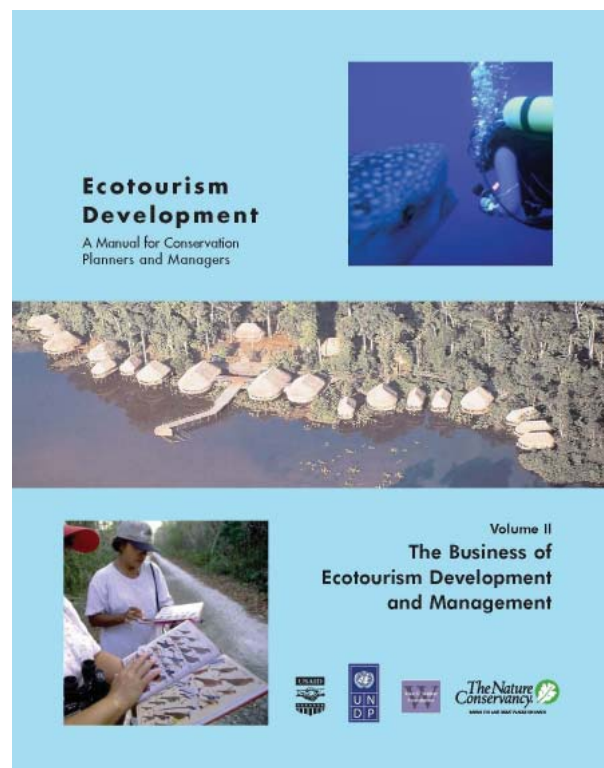
Another way in which we leverage work beyond projects supported by the Conservancy and its partners is by actively participating at international conferences and events. We presented our work at the World Tourism Organization (WTO) Policy Forum in Washington, DC, and at the World Conservation Congress (WCC) in Bangkok. At WCC, we hosted a panel on conservation finance mechanisms for protected areas, and offered a training course in the sustainable management of tourism at protected areas

which was the best attended training session of the once every four years event.

New capacity building tools

In our ongoing effort to provide the latest conservation tools and share best practices with conservation professionals, we published the second volume of the practical guide, "Ecotourism Development: A Manual for Conservation Planners and Managers - The Business of Ecotourism Development and Management". The volume provides detailed information about applying key ecotourism strategies, including visitor use zoning, income generation mechanisms, nature guiding, and sustainable infrastructure design, and it also outlines the steps involved in developing an ecotourism business. It was launched in both English and Spanish at the World Conservation Congress in Bangkok.

Since Volume I of the manual was first published in 2002, it has become the Conservancy's most frequently downloaded technical publication, serving as a valuable resource for park staff and conservation managers worldwide. In addition, the publication of our new brochure entitled "Ecotourism and Conservation" provides a valuable tool for communicating our methodology to partner organizations, tour operators, and conservation professionals worldwide.





Business planning workshop with fishers in the Galapagos, Ecuador
© Andy Drumm

Looking ahead to 2005

In the year ahead, we plan to continue our work in our three major themes of conservation finance, threat reduction, and community-based ecotourism.

Conservation Finance Mechanisms for protected area systems (\$150,000)

To help establish financial sustainability for Bolivian protected areas, we will work with the Bolivian national park service to apply entrance fees, tourism concessions, and donation programs across the protected area system. We will also work in Ecuador to evaluate the potential of tourism to contribute to biodiversity conservation as the next step towards developing tourism-based income generation mechanisms for the Condor BioReserve.

Developing tourism management capacity at protected areas (\$200,000)

In the area of threat reduction, we will be implementing tourism impact management capacity at Eduardo Avaroa Reserve, Bolivia, while building capacity system wide. We also plan to develop a South America-wide capacity building network to facilitate the replication of this training process by local partners. We will continue to provide tourism business planning support to community fishermen in the Galapagos.

The UNESCO partnership and United Nations Foundation (\$1 million)

In one of our most exciting new developments, this year we will be launching a program based on our newly signed agreement with UNESCO to apply our tried and tested ecotourism strategies at World Heritage Sites. We expect to receive a \$1 million grant for this work from the United Nations Foundation that will require raising \$1 million in matching funds. This important fundraising goal will allow us to make sure

tourism is an effectively managed asset to the conservation of these unique areas of global importance and to develop best practices in tourism management for application elsewhere.

Ecotourism Learning Network (\$75,000)

To share our work in a more systematic way with Conservancy staff and partners, we will be developing the Ecotourism Learning Network to facilitate the exchange of ideas and broader implementation of our core strategies. The learning network will use a combination of media, including newsletters, electronic forum, and workshops, to disseminate this valuable information.

Building markets for sustainable tourism (\$250,000)

Another area in which we will continue and expand our work is in developing market linkages for our growing network of local tour operators and conservation partners at priority ecotourism destinations. Without access to international tourism markets and a plan for business development, there will not be enough visitation to support even the best designed ecotourism outfitter. In a new initiative, we plan to engage the Conservancy's one million members in order to promote the tourism products of our key conservation partners. In addition to sharing strategies of ecotourism best practices from a conservation perspective, we will also provide marketing assistance that will allow their operation to flourish and thus provide benefits to both conservation and the community.

Thank you again for your interest in using ecotourism as a conservation strategy. We welcome the opportunity to further discuss our work and explore ways you can support projects of particular interest. Thank you for your support of the Conservancy and conservation. We look forward to being in touch.

Best regards,

Andy Drumm
Senior Ecotourism Specialist

John E. Terborgh
Ecotourism Specialist

Jessica Davis
Administrative Assistant

**Special thanks to the Alex C. Walker
Foundation for its support.**