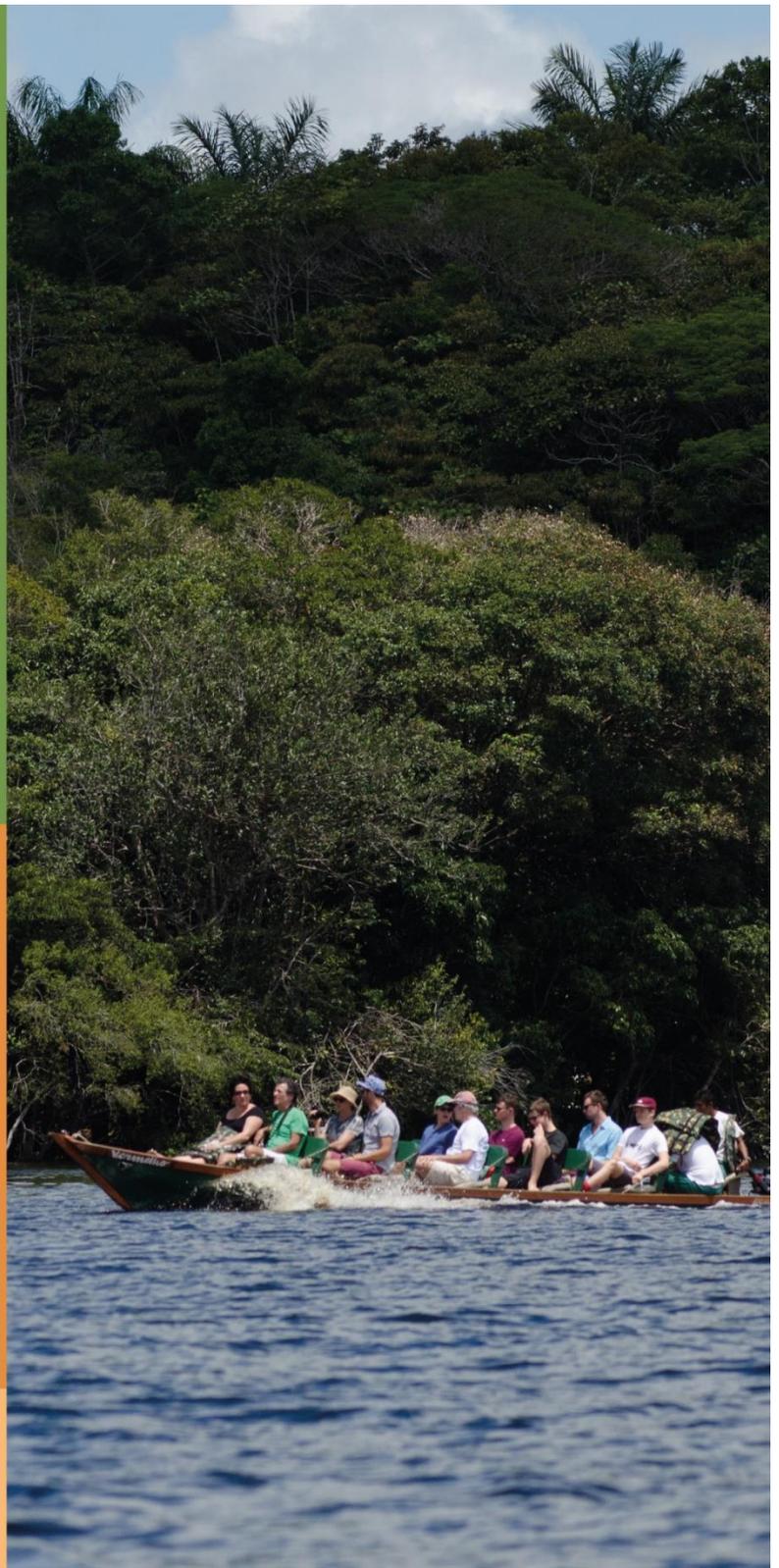


Executive summary

Market and Economic Tourism Analysis on Financial sustainability of Protected Areas in the Northern Landscape of the Amazon Biome



IAPA: Integración de
las Áreas Protegidas
del Bioma Amazónico

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Executive summary of the consulting project entitled "Market and Economic Tourism Analysis on Financial sustainability of Protected Areas in the Northern Landscape of the Amazon Biome"

The Northern Landscape of the Amazon Biome is an initiative led by the Trinational Program for Preservation and Sustainable Development¹ ("Programa Trinacional de Conservación y Desarrollo Sostenible" in Spanish) that integrates protected border areas in Ecuador (Cuyabeno Wildlife Reserve, or "Reserva de Producción de Fauna Cuyabeno" in Spanish), Peru (Güeppi-Sekime National Park; and Huimeki and Airo-Pai Communal Reserves, or "Parque Nacional Güeppi-Sekime" and "Reservas Comunales Huimeki y Airo-Pai" in Spanish), and Colombia (La Playa National Natural Park, or "Parque Nacional Natural La Playa" in Spanish).

The consulting project entitled "Market and Economic Tourism Analysis on Financial Sustainability of Protected Areas in the Northern Landscape of the Amazon Biome" was carried out as part of the project "Integration of Protected Areas in the Amazon Biome" ("Integración de las Áreas Protegidas del Bioma Amazónico", or IAPA, in Spanish), which was sponsored by the European Union and set up alongside the Food and Agriculture Organization of the United Nations (FAO), the International Union for Conservation of Nature (IUCN) South America, the United Nations (UN) Environment, the Latin American Technical Cooperation Network on National Parks, other Protected Areas and Wildlife (REDPARQUES), and the World Wildlife Fund (WWF)². The general goal of this consulting project was to conduct market research and a study on economic viability regarding the financial sustainability of protected areas and nearby settlements within the Northern Landscape based on the economic activity of sustainable tourism.

The results of this consulting project integrate the vision of local actors to put forward a collaborative proposal regarding the tourism development model in the region. To accomplish this, 61 people were consulted through semi-structured interviews, and 81 people took part in five collaborative workshops in the protected areas of Cuyabeno and Airo Pai. As for La Playa National Natural Park, at the request of the authorities in charge, semi-structured interviews were used as the methodology for collecting information, since the current objectives of this protected area are solely preservation and research. Additionally, the site was not visited because tourism is not included in the agreements signed with indigenous communities and the protected area.

¹ The Program was made official after the signing of a Memorandum of Understanding (MoU) between the Environment Ministries and the Chancellor's Offices of Ecuador, Peru and Colombia, a document that reaffirms their commitment on working in coordination and recognizes the Trinational Corridor ("Corridor Trinacional" in Spanish) as a preservation initiative in border areas.

² The project is part of the Northern Landscape Action Plan ("Plan de Acción del Paisaje Norte" in Spanish), Line of Action 2. Sustainable Productive Activities; Activity 2.1. Review, feasibility study, and reinforcement of productive activities in the Northern Landscape ("Revisión, análisis de factibilidad y fortalecimiento de las actividades productivas del Paisaje Norte" in Spanish) (Varillas, G. 2016)

Diagnosis

The geopolitical position of the Northern Landscape has historically decreased its competitiveness, which has particularly affected its capacity to enter international tourism markets, known for their greater spending power. Nowadays, the region has been going through a severe and chronic security problem, intensified by the presence of irregular groups, illegal activities, and social conflicts. These elements affect international tourism markets, since the countries that tourists come from inform their citizens about these issues, discouraging them from entering conflictive territories, which is essential for tourism mobility.

Tourism as an economic activity in the Northern Landscape attracts approximately 15,900 tourists a year, generating economic benefits from tourism operations that amount up to approximately USD 5,914,800.

The calculated value of the economic benefit allocates the incomes according to the composition of the destination market, the referential price of "all included" tours and an average stay of 4 days.

Willingness to pay	% of the market	Demand of the destination (15.900 visitors)	Current price per day	Average stay (4 days)	Currently projected incomes from tourism operation (USD)
High	10%	1.590	150	4	954.000
Medium	50%	7.950	100	4	3.180.000
Low	40%	6.360	70	4	1.780.800
TOTAL	100%	15.900			5.914.800

TABLE 1. ECONOMIC BENEFITS FROM TOURISM OPERATION IN THE NORTHERN LANDSCAPE OF THE AMAZON BIOME

The destination encompasses products mainly related to three types of tourism: nature tourism, adventure tourism, and ecotourism and in a smaller proportion, avitourism, recreational fishing (exclusively in Airo Pai) and cultural tourism. Figure 1 shows the profile of the typical public of this destination.

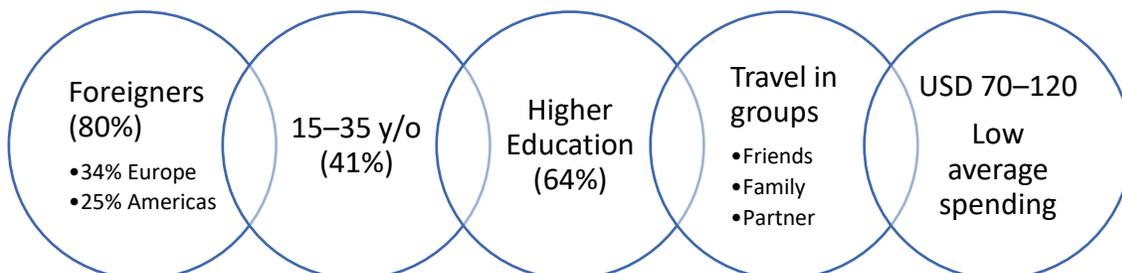


FIGURE 1. PROFILE OF TOURISTS VISITING THE NORTHERN LANDSCAPE OF THE AMAZON BIOME

The Northern Landscape of the Amazon Biome is handled by Ecuadorian³ tourism operators based in Quito, Lago Agrio and Coca. The tourism operation coordinates the logistics as a whole, which is a complex and expensive process, especially when it comes to the lower Cuyabeno and the area of Lagartococha. The acquisition of products from the communities includes specific support services and limited products (banana and cassava) from indigenous land.

As for the tourism management models in the communities of Cuyabeno and Airo Pai, they comply with the requirements of individual and family initiatives, or with those of specific groups. These actors provide specific services, for which they are paid a daily fee. This business model is not enough for capitalizing the enterprises, providing social benefits for the employees or the community, setting up a reserve fund for renovations and equipment maintenance, and managing infrastructure and biodiversity control. In the few cases (2) where initiatives were found to be developed by groups from different families within the same community, it was observed that they work in shifts, which creates limitations regarding the quality of the services due to the lack of specialization in these activities.

Strategic proposal for sustainable tourism

This proposal is aimed at improving the existing products and directing them at specialized markets to increase revenues and the distribution of economic benefits, as a strategy for preserving the Northern Landscape of the Amazon Biome.

The identified strategic goals are:

1. Reinforce the tourism component of each protected area that forms the Northern Landscape of the Amazon Biome.
2. Outline and implement a binational route called Northern Landscape of the Amazon Biome – Lagartococha, integrating the Cuyabeno Wildlife Reserve and the Airo Pai Communal Reserve.

³ One (1) Peruvian company was found to be interested in working in the area of Lagartococha.

Strategic Guideline 2. Develop a plan for sustainable tourism and tourism organization

- Cuyabeno
 - Apply management tools for sustainable tourism.
- Airo Pai
 - Organize sustainable tourism.
- La Paya
 - Identify its tourism profile and develop a plan for ecotourism.

Strategic Guideline 3. Strengthen and invest in sustainable tourism and implement a Binational Route in the Northern Landscape of the Amazon Biome

- Trinational Program
 - Coordinate the actors involved based on the value chain.
 - Promote the destination along with national and local actors.
- Cuyabeno and Airo Pai
 - Set up the Lagartococha Binational Route.
 - Improve the expertise of local actors:
 - Promote tourism business plans and additional activities for the communities.
 - Improve expertise through technical assistance.
 - Obtain Fluvial and Lacustrine Tourism Operation Permits ("Permisos de Operación Turística Fluviales y Lacustres" in Spanish).

Strategic Guideline 4. Provide supervision and follow-up on the management of a sustainable destination

- Trinational Program
 - Share experiences and lessons.
- Protected Areas:
 - Monitor the impact of tourism.

As part of the proposal, a schedule and a referential budget were prepared with a 5-year projection in mind.

Strategic Guideline	2018	2019	2020	2021	2022	Five-year period
Strategic Guideline 1. Strengthen the administrative system	18.100	37.900	35.400	33.400	33.400	158.200

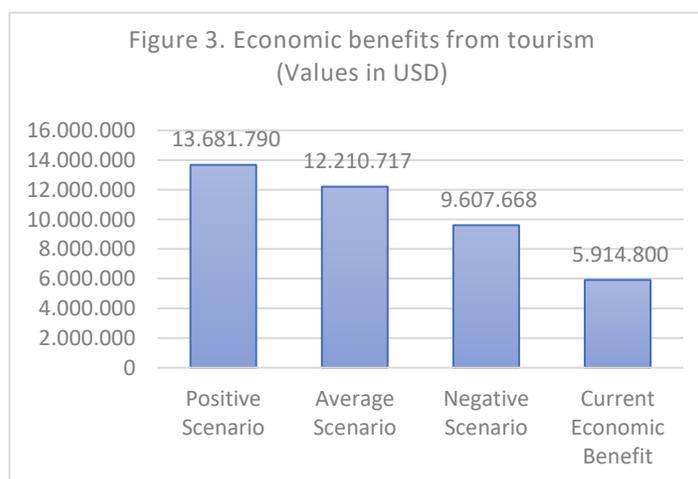
Strategic Guideline	2018	2019	2020	2021	2022	Five-year period
and enforce the current regulation						
Strategic Guideline 2. Develop a plan for sustainable tourism and tourism organization	-	50.000	35.000	18.000	23.000	126.000
Strategic Guideline 3. Strengthen and invest in sustainable tourism and implement a Binational Route in the Northern Landscape of the Amazon Biome	21.200	83.000	559.500	609.500	239.500	1.512.700
Strategic Guideline 4. Provide supervision and follow-up on the management of a sustainable destination	-	33.500	19.000	25.500	19.500	97.500
Annual Budget	39.300	204.400	648.900	686.400	315.400	1.894.400

TABLE 2. STRATEGIC GUIDELINES AND REFERENTIAL BUDGET REGARDING THE NORTHERN LANDSCAPE OF THE AMAZON BIOME

Taking into account the proposed strategy for the Northern Landscape (Cuyabeno and Airo Pai), the viability of applying the following tools for financial sustainability was analyzed:

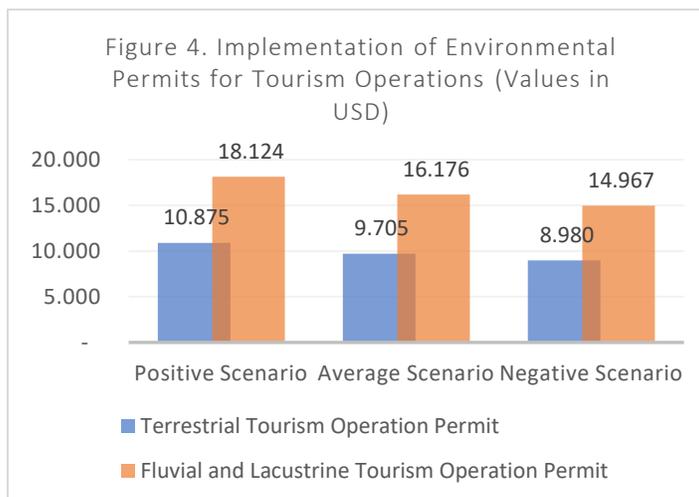
- Avoided costs for the protected areas through the promotion of community development***

This mechanism is aimed at removing the pressure on wildlife caused by local communities, thus facilitating tourism development.



As Figure 3 shows, the economic benefits brought to the destination are positive in every scenario, as well as the financial results regarding the initial investment.

The application of this mechanism includes the use of legal tools such as Agreements with Communities and Authorizations ("Convenios con Comunalidades y Autorizaciones" in Spanish).



- ***Economic income for the protected areas***

The only financial mechanism with legal and technical basis allowing it to take place in the short term in the protected areas of the Northern Landscape is the implementation of Environmental Tourism Operations Permits ("Permisos Ambientales de Operaciones Turísticas" in Spanish) in the Cuyabeno Wildlife Reserve. Considering the characteristics of the Cuyabeno Wildlife Reserve and the tourism operation, law enforcement and the implementation of Environmental Permits for Fluvial and Lacustrine Operations is recommended ("Permisos Ambientales de Operaciones Fluviales y Lacustres" in Spanish).

The financial analysis of the mechanism employed as suggested shows positive results. However, the income earned by the State is limited, as Figure 4 shows.

Recommendations

To develop sustainable tourism in the destination, and considering all the key actors involved, the following recommendations are offered:

1. Trinational Program Office ("Secretaría del Programa Trinacional" in Spanish)
The strategy presented in this document requires a strong leadership role by the Trinational Program Office as an **articulation and management** entity. The strength of the initiative consists of connecting public and private actors whose investments can be aligned with the proposed Strategy for Sustainable Tourism.
2. **Cuyabeno Wildlife Reserve**

This protected area has significant experience in relation to tourism. Nevertheless, its products require **innovation and improvement**, key elements for optimizing their prices. The information gathered through biological monitoring should be used to arrange itineraries and develop the facilities associated with the products, such as observation sites and towers, bridges and trails in the forest canopy.

As for the positioning strategies of the destination, every opportunity to spread information praising the tropical forest and its living cultures should be seized.

This protected area provides important opportunities for financial sustainability mechanisms when it comes to Fluvial and Lacustrine, Terrestrial, and Supplementary Environmental Permits ("Permisos Ambientales Terrestres, Lacustres y Fluviales y Complementarios" in Spanish), since it has the necessary regulations and the governmental platform.

3. Airo Pai Communal Reserve

The development project for the area of Lagartococha, which is part of the Airo Pai Communal Reserve, requires broad-ranging organization. To accomplish this, a **minimal organization plan** is recommended, one that establishes and formalizes the tourist sites, the allowed activities and the number of passengers per day. Another priority is to train local actors. To do this, products related to nature tourism, ecotourism and ethno-tourism should be targeted towards the community of Puerto Estrella, and those related only to recreational fishing should be targeted towards the Pioneer Fishermen Association of Aguarico ("Asociación de Pescadores Pioneros del Aguarico" in Spanish).

As an emerging destination, opening the area of Lagartococha without restrictions for tourism operation is a coherent procedure that follows the strategy of promoting the destination. Current conditions for the tours require heavy investments in logistics (transportation, staff, supplies, and equipment) from tourism operators, since the destination lacks proper facilities and trained personnel.

By implementing the Strategy for Sustainable Tourism and making the suggested investments, the goal is to improve local capacities to offer tourism packages at competitive prices for the operators that also bring economic benefits for service providers and the community.

4. La Playa National Natural Park

The difficult situation of Colombia regarding the management of the Amazon territory and the multiple conflicts in the country limit the opportunities for tourism

development regarding local, regional or international markets. Despite this, Colombians show their ability to promote **development and entrepreneurship** by generating income from legal sources. That is the case of Puerto Leguizamo, a community surrounded by natural and cultural resources that are highly valued by initiatives aimed at the preservation and revitalization of indigenous cultures.

The options for short-term tourism in Puerto Leguizamo in relation to the La Playa National Natural Park are focused on daily tours, along with the possibility of wildlife watching, especially birds and dolphins. These products should be concentrated on the local population and professionals visiting the place, which may raise awareness about the protected area and limit threats. There are opportunities for community integration through guiding activities, food preparation, and handicraft production.



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