



PART 2

COST OF CONSERVATION

PHOTO BY: DAN WATTS, LEWA WILDLIFE CONSERVANCY

The first article on the cost of conservation in the preceding issue of SWARA focused on the legal requirements of reserves that have black rhinos and the additional upgrading and operating costs of conservancies that take on the additional obligations of holding black rhinos.

Long-standing rhino conservancies such as Lewa, Ol Pejeta and Ol Jogi have also had to upgrade their rhino focused resources, at significant additional cost, in the face of intense poaching pressure.

This article demonstrates a variety of financial models that are being employed to cover the cost of the conservation of rhinos while making a significant contribution to the local communities.

THE LEWA CONSERVANCY

one of Kenya's pioneering wildlife sanctuaries, established in 1983 to save the last of northern

Kenya's black rhino. Today, acting as a catalyst and model for community-centric conservation, many endangered species are protected within and beyond its boundaries, with a wide range of development programmes initiated in its neighbouring communities.

The award-winning model recognises that conservation and development are inextricably linked, and as such, makes equal investment across these programmes enabling the conservancy to establish a robust donor community over a long period of time.

Lewa's enviable reputation in the conservation community goes a long way to securing grant support from funding organisations. Its reputation attracts a strong tourist base, and today, tourism supports close to a third of its running costs.

In 2015, the conservancy's income was \$4.5

Camel Safari in the Lewa conservancy.

1983

Year Lewa Wildlife Conservancy was established.



FELIX PATTON is a rhino ecologist, who writes about the species from Africa and Europe. He has an MSc in Conservation Biology and a PhD based on research on individual rhino identification and social behaviour. He is a frequent contributor to SWARA.

LEWA'S ENVIABLE REPUTATION IN THE CONSERVATION COMMUNITY GOES A LONG WAY TO SECURING GRANT SUPPORT FROM FUNDING ORGANISATIONS.



PHOTO BY: NEIL THOMAS, LEWA WILDLIFE CONSERVANCY

million, of which \$2.1 million was from donations to specific initiatives such as the Lewa Education, Community Healthcare, Anti-Poaching and Research Programmes, \$1.6 million support to core programmes and \$0.8 million from conservation fees from tourism and other lodge activities.

Lewa boasts five lodges and up to 5,000 visitors annually which creates up to 30 per cent of income. Many visitors become donors -- 10 of which currently give more than US\$100,000 per annum and a further 50 giving between \$10,000 and \$99,000.

It is also home to the Safaricom Marathon, a unique sporting event which attracts hundreds of runners from across the world raising, in 2015, \$640,000, funds that have not only supported programmes on Lewa, but other country-wide community and conservation efforts.

Fundraising and sustainability remain a key concern and there is a continuing need to improve fundraising. Additionally, in conjunction

LEFT: Runners tackling the Safaricom Marathon.

TOP RIGHT: Elephants walk by a Lewa House cottage.

MIDDLE RIGHT: A house on Ol Pejeta's Mt Kenya Wildlife Estate.

BOTTOM RIGHT: A Northern White Rhino in Ol Pejeta.



PHOTO BY: LEWA WILDLIFE CONSERVANCY



PHOTO BY: ALASTAIR CLARK



PHOTO BY: KATHRYN ANDERSON

with The Nature Conservancy and Lewa USA, there is a plan to establish a conservation endowment fund to protect Lewa from declines in the economy and decreased income from tourism and philanthropy.

SERA WILDLIFE CONSERVANCY

Although in its early stages of development, it is being guided by the Lewa model.

To fund the day-to-day operations of Ol Pejeta Conservancy (OPC) costs between \$6 million and \$7 million annually, all of which is obtained from commercial activities -- 80 per cent from some 70,000 visitors and 20 per cent from agriculture, mainly some 7,500 cattle. Fundraising is the main source of income for community programmes.

OPC plans to expand its involvement in conservation which will require additional financing by 2020 of \$11 million.

Tourism developments will increase visitor numbers to 115,000 with 65 per cent of the tourists staying overnight. Each visitor is targeted



PHOTO BY: STEVE MANN



PHOTO BY: JAMIE GAYMER

community) projects over and above the day-to-day operations.

A reserve fund, the Mount Kenya Wildlife Estate, has been established based on the proceeds from a real estate investment providing a maximum of 100 homes as either a holiday base or long-term residence. Income from sale/rental is planned to raise a \$6 million reserve fund to cover 12 months of operations. Prudent fund management should provide annual funding for some community projects, critical capital expenditures and revenue generating projects which will pay back into the fund.

to increase expenditure by 30 per cent on 'extra' activities such as visiting the last three Northern White Rhinos alive in the world today, lion tracking, night game drives and walking in the wilderness.

Agriculture developments will add value to the cattle enterprise mainly from an on-site abattoir and by reducing the time-to-slaughter weight [so more are available for sale each year] without compromising on quality. Arable profitability will increase with a rotational system with legumes and other crops.

Additional fund raising through donations and grants will cover targeted conservation (and

TOP: Horse riding in Ol Jogi Ranch .

BELOW: Rhinos in Ol Jogi Ranch.

OL JOGI RANCH

Established some 60 years ago, Ol Jogi Ranch increased the emphasis on wildlife conservation in 1978 and two years later black rhinos were introduced in a limited area. In 1989 white rhinos were brought in. In 2005, after significant investment in the security infrastructure, rhinos were introduced to the greater reserve. Ol Jogi now comprises a fully operational 58,000-acre wildlife sanctuary.

The conservancy was privately funded, with core operating costs subsidized by a working cattle business which successfully exhibited the cohabitation between cattle and wildlife; with the cattle being used as a biological tool to increase the ecological carrying capacity for wildlife.

Ol Jogi is set amongst a multitude of different communities and, by way of appreciating the role they play, invests in their development through a number of projects including water, cattle grazing, healthcare and education.

More recently, the escalation of security costs made the initial economic model unsustainable. In 2013, the property opened up to niche

ADDITIONAL FUND RAISING THROUGH DONATIONS AND GRANTS WILL COVER TARGETED CONSERVATION (AND COMMUNITY) PROJECTS OVER AND ABOVE THE DAY-TO-DAY OPERATIONS.



PHOTOS BY: BORANA WILDLIFE CONSERVANCY

TOP: Cycling in Borana Wildlife Conservancy.

BELOW: Laragai House in Borana Wildlife Conservancy.



tourism to subsidize conservation costs. The tourism enterprise offers a unique luxury model with exclusive use of the entire property whilst maintaining “low-impact” on the ecosystem. The rate structure from \$1,600 per person per night is supported by the unique level of luxury and the exclusivity offered.

The conservation enterprise operates as “not-for-profit” with all revenues being reinvested into conservation. Ol Jogi is striving towards an economically sustainable private sector model. In the meantime the conservancy is seeking additional assistance from the donor community whilst attempting to streamline their business model to achieve the goal of economic sustainability.

BORANA WILDLIFE CONSERVANCY

It became one of Kenya’s newest rhino

sanctuaries in 2013 with the introduction of 21 black rhino after which, in 2014, the fence adjoining Borana and the Lewa Wildlife Conservancy was dropped to enable free movement of rhinos across the wider landscape.

Additional finance was required to cover the costs of holding black rhinos and sustain the overall operations of the conservancy. A hybrid corporate structure was developed positioning all conservation and land management operations within a not-for-profit vehicle with economic exploitation rights vested in a separate for-profit commercial corporation.

Three super-premium residential property development concessions were traded for a collective value of more than \$10 million that was used to capitalise a conservation trust to secure the wider operations of the conservancy.

Additionally each concession generates an inflation-adjusted annuity for the conservancy of \$100,000 per annum. The tourism brand, along with integrated livestock operations and a small conservation agriculture project, generates revenues of more than \$1.5 million per annum and is entirely financially self-sustaining.

The aim of the financial model for Borana is sustainability. Partners help underwrite three-ninths of the annual budget with the rest derived from the commercial activities like tourism and livestock. The management continues to maintain

2013

Year Borana Wildlife Conservancy became one of Kenya’s newest rhino sanctuaries.



PHOTO BY: BORANA WILDLIFE CONSERVANCY

Elephant rescue on Borana Wildlife Conservancy.

a positive relationship with donors and the conservation community to assist with special or unforeseen projects as well as the need to not compromise its conservation efforts in periods of poor revenue.

RUMA NATIONAL PARK

As a National Park, Ruma receives its income in the form of a budget allocation from Kenya Wildlife Service (KWS) headquarters. To adhere to the budget and make scarce resources go further, especially with increasing costs due to holding rhinos, Ruma management strengthened the park administration and finances by, amongst others, the establishment of vote book control mechanisms and resource sharing between departments.

The Park offered the potential to improve financial flows by diversifying its tourism offer. Four new tourist accommodation sites – three eco lodges and one banda (hut) -- were approved for lease to tourist investors which added to an existing KWS guest house.

Income generating opportunities included walking safaris, night game drives, hiring out tents and renting out idle houses. Ruma could

also use its rare population of the endangered Roan Antelope for fund raising initiatives such as ‘walk, cycle and run’ to conserve the species.

As a part of the KWS estate, Ruma benefits from national financing projects. A uniform commercial formula for all tourism contracts was introduced to double returns to KWS over time. Also KWS started an Endowment Fund, legalised in 2008, to sustain its projects and act as a cushion when tourism was low and government revenues were inadequate. The Fund is aimed at world renowned philanthropists and conservationists with hopes to raise \$100 million by 2020.

When covering the cost of conservation, the overall picture is a variety of financial models that differ in many aspects, but there is a consistent fundamental which is to use rhino conservation as a catalyst to provide significant improvements to the economy of the surrounding communities. This includes, but is not restricted to, better employment prospects, better health and education prospects and extended opportunities for local produce.

These far reaching benefits will be discussed in a future edition of SWARA. ●

