

# The Travel Foundation



Caring for the places we love to visit

# Financing Sustainable Tourism Projects

- Chris James, Chairman of the Steering Committee, Travel Foundation Tobago
- The Travel Foundation is a unique, UK based charity working to promote sustainable tourism worldwide

# Financing Sustainable Tourism Projects

- Travel Foundation Tobago Steering Group established with initial funding from the Travel Foundation's UK head office
- The Steering Group brings together the local “stakeholders” in tourism: the farmers, fishermen, hoteliers – and the local tourism authorities
- Before our group was brought together, these various stakeholders had never effectively and regularly talked to each other

# Financing Sustainable Tourism Projects

- First lesson: involve the local stakeholders



# Financing Sustainable Tourism Projects

- What are the objectives of your project?
- Have you considered the commercial aspects?
- If your project has no direct commercial benefits to anyone locally, it is not likely to last after your funding runs out
- It is also less likely to get off the ground in the first place

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- Second lesson: design your project to yield a commercial benefit
- That way, you will have the best chance of participation by the beneficiaries, and the best chance of your project becoming self-sustaining
- The project will thus become longer term than your funding , and its beneficiaries will not be dependant on external bodies

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For example:

- Tobago's First Historical Café
- The "Adopt a Farmer" programme
- The Youth Centre



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- The third lesson: the importance of regional collaboration for financial sustainability
- For example, if materials need to be imported or can be exported, think of the Caribbean market first

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## Possible sources of grant funding:

### 1) Inter American Development Bank (IADB)

- The IADB's Small Grants Facility funds agribusiness projects
- EG: the Travel Foundation Tobago's Adopt a Farmer programme

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## 2) Japan Special Fund Poverty Reduction Program (JPO)

The Government of Japan, through its Embassy in Trinidad, offers two types of grant funding:

- a. The Community Based Program (CBP) - up to US\$150,000.
- b. The Loan Enhancement Program (LEP) - from US\$150,000 to US\$2,000,000.

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## 3. United Nations Development Fund

- United Nations Development Programme (UNDP) offers a Global Environment Facility Small Grants Programme (GEF/SGP), focusing on:
  - ◆ biodiversity conservation
  - ◆ reduction of climate change
  - ◆ degradation of the quality of international waters
  - ◆ prevention of land degradation
  - ◆ Elimination of the use of Persistent Organic Pollutants (POPs)

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## 3. United Nations Development Fund – continued:

NGOs or CBOs can apply for:

- **The Social Development Small Grants Programme (SD/SGP)**
  - ◆ A planning grant of up to TT\$12,000
  - ◆ A project grant of up to TT\$150,000
  
- **The Global Environment Facility Small Grants Programme (GEF/SGP)**
  - ◆ A planning grant of up to TT\$12,000
  - ◆ A project grant of up to TT\$ 300,000

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## 4. PROINVEST

- Pro€Invest is a partnership programme by the **European Commission** on behalf of the Africa, Caribbean and Pacific (ACP) countries
- Budget of 110 million EURO
- Pro€Invest provides co-financing both to ACP intermediary organizations for their institutional strengthening and to ACP/EU companies for technical assistance

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## 5. TOURISM CARES FOR TOMORROW

- The US equivalent of the Travel Foundation UK - a non-profit organization
- It exists to preserve, conserve and promote the responsible use of our world's natural, cultural and historic treasures and to support education and research to help secure the positive future of travel and tourism worldwide
- charitable grants to tourism-related nonprofit organizations worldwide
- Grants typically \$10,000 to \$20,000

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- Don't only think about grant funding:
- Be creative – think about loans
  - ◆ “revolving loans” are used by the Travel Foundation – the loan is repaid into the TF “pot” and used to make new loans to new projects
  - ◆ Thus the same “seed money” spawns many new projects
  - ◆ This is possible because the projects themselves generate a return (back to the Second Lesson!)

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To sum up our key lessons, learned from experience:

- Involve the local stakeholders in your project from the start
- Design projects to yield a commercial benefit
- Think locally and regionally in terms of suppliers and partners
- Look carefully at all the grant funding options: one is right for you
- Be creative – make the money do more good with revolving loans

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Thank you for listening

