



INSTRUMENT NAME: 1.4 DEVELOPMENT RIGHTS AND LEASES

Pondscape-specific definition: Pond developers raise finance by selling or leasing the right to commercial development (e.g. restaurants, shops, etc) within or nearby the NBS. The land/buildings being leased are on the same or neighbouring sites to the NBS and benefit directly from the NBS (or from people visiting the NBS).

CATEGORY	Income instruments			
ALSO-KNOWN-AS				
RELATED INSTRUMENTS	Other revenue raising instruments; User fees			
APPROPRIATE FOR: Who can use this type of financing instrument?	Pondscape developer	NGOs and non-profits	Local/city/regional govt. and agencies	National govt. and public agencies
SOURCE OF FINANCE: Who provides the finance?	Private companies			
PAYMENT FORM: What form is the payment?	Cash (payment for lease)			
IN RETURN FOR WHAT? What is the NBS project obliged to deliver in return?	The right to develop commercial operations on/nearby the NBS site (potentially including building or building sites).			
RECIPIENT REQUIREMENTS: What requirements must recipients meet to receive finance?	Any large-scale pond developer with the right to exclude/offer development rights (e.g. public or private)			
PROJECT REQUIREMENTS: What requirements must the pondscape project meet?	The NBS project must be commercially attractive to business developers, e.g., have many visitors, or develop productive land for farming etc.			
OTHER REQUIREMENTS: What additional requirements are attached to the financing?	To guarantee that proceeds from leases/land sales are used for NBS, they should be earmarked to avoid competition from other policy priorities.			
SPEED: How quickly do recipients receive money?	Fast (<4months) – Medium(5-12months) – Slow (12months+)			
FUNDING TIMELINE: When does the recipient receive the funding?	Lease: Ongoing revenue; received regularly (weekly/monthly/annually, as per lease agreement).			
NBS TYPE: What types of NBS is the financing for?	Pondscape <u>creation</u>		Pondscape <u>restoration</u>	
SCALES: What scale of financing?	Small (<€10k)	Medium (€10k-€99k)	Large (€100k-€999k)	Very large (€1million+)
COMPLEXITY: How complex is applying for the finance	Simple		Medium	Complex
EXIST NOW IN EU?	Yes		No	
REFERENCES:	Baroni, L., Nicholls, G., and Whiteoak, K. (2019). Grow green: approaches to financing nature-based solutions in cities. Available online at: http://growgreenproject.eu/wp-content/uploads/2019/03/Working-Document_Financing-NBS-in-cities.pdf			



Instrument: 1.4 Development rights and leases

Example name: 1.4.1 SANPark concessions for tourism enterprises

Example description: Three percent of South Africa’s land surface is covered by national parks, which are home to endangered wildlife and scenic landscapes. The management of the parks is funded to 80% through own revenue stream, such as the leases for tourism enterprises who offer restaurants, lodges for stay overs, or gift shops.

NBS DESCRIPTION	
LOCATION	South Africa
NBS TYPE	Creation Restoration Management
ECOSYSTEM TYPE	National parks with multiple ecosystem types
NBS BENEFITS	Biodiversity; Eco-tourism
NBS DESCRIPTION	Parks deliver biodiversity conservation, and have cultural, historical, and economic significance.
SCALE (SIZE)	SANParks administers nineteen parks covering 37.511,13 km2
NBS PERFORMANCE CRITERIA	Performance criteria relate to multiple separate management plans with different objectives, include animal population numbers, area sizes of restored land patches, implemented educational projects, water consumption, climate change adaptation, etc.
NBS PERFORMANCE	Generally, the number on medium-term targets from the 5-Year Strategic Plan 2019/20 – 2023/24 report progress towards the diverse objectives across a wide range of indicators.
FINANCING DESCRIPTION	
SOURCE OF FINANCING	Businesses from the tourism sector, particularly safari and eco-tourism
RECIPIENT	SANPark, a public agency under the Department of Environmental Affairs responsible for the management of South Africa’s national park.
SCALE (FINANCING)	Very large (>€10 million for all leases combined)
TIMELINE	Long term right to use (with accompanying payment), i.e. approximately 20 years
FINANCING REQUIREMENTS	Leases can only be charged as the parks provide highly profitable business opportunities within the tourism sector and because SANParks has the power to exclude enterprises from these opportunities.
FINANCING PERFORMANCE	Indicators assessing the total financial sustainability of SANParks (including revenue streams beyond development rights and leases): Percentage Own Revenue Generated (incl. concessions/leases): 80%
TRANSACTION COSTS	Not reported
REFERENCE	Saparoti, N. (2006) Managing National Parks. The World Bank - Public policy for the Private Sector. Available here: https://openknowledge.worldbank.org/handle/10986/11185 SANParks (2021) 5-Year Strategic Plan 2019/20 – 2023/24 & Annual Performance Plan 2019/20. Available here: https://www.sanparks.org/assets/docs/about/annual_performance_plan_2019-2020.pdf

