



Ecotourism

An Exciting Entrepreneurial Opportunity

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- **Widely accepted definition from The International Ecotourism Society (TIES)**
- **“Responsible travel to natural areas that conserves the environment and improves the lives of the local people”**
- **Distinct activity class**
- **Should not be confused with other activity classes such as adventure travel, and wilderness use**

- Building on this definition, it is clear that an ecotourism venture:
 - Minimises impact
 - Builds environmental and cultural awareness and respect
 - Provides positive experiences for both visitors and hosts
 - Provides direct financial benefits for conservation
 - Provides financial benefits and empowerment for local people

Eco-tourist Profile

- Age: 35 to 54
- Gender: 50% Male; 50% female
- Education: 82% college graduates
- Hold strong environmental attitudes
- Are personal and reflective
- Have high levels of dedication to the activity
- Trip Duration: 8 to 14 days
- Trip Motivation: Enjoy scenery/nature, have new experiences

- **Ecotourism policy 1998 principles**
 - **Involve local community in tourism activities**
 - **Identify and attempt to minimise likely conflicts between use of resources for tourism and livelihood of local inhabitants**
 - **The form and scale of tourism development should be in harmony with the environment and socio-cultural characteristics of the local community**
 - **Should be part of overall area development strategy**
- **Policy has implications for scale of the ecotourism venture**

Role of Government

- The government can play a major in
 - Infrastructure development
 - Security and enforcement
 - Monitoring of impacts, evaluation of quality
 - Allocation of access
 - Set limits for acceptable change
 - Provide information
 - Resolve conflicts

- From a conservation and social development perspective, smaller projects favoured
- Revenues from smaller projects may not generate enough surpluses after meeting higher costs of operations
- A viable model appears to be:
 - Setting up chains to harness economies of scale and establish a brand
 - Focusing on the premium segment

- Ecotourism encompasses both conservation and social development
- The private sector, government, donor agencies and NGOs have a role to play in its development
- Development aid creates the right incentives for conservation and an enabling environment for private sector investment

- **Must train employees to upgrade their ability to communicate with and manage clients in sensitive natural and cultural settings**
- **Must contribute to conservation of the region**
- **Must provide local employment**
- **Must prevent cultural and environmental impacts of its customers**

- **Government, Donors, NGOs, and the private sector have to play a role in financing the venture**
- **Donors favour minimum use of resources while the private sector the maximum possible use**
- **This dichotomy is to be managed**

- Donors / NGOs should fund creation of infrastructure, local capacity, and offer incentives for conservation
- Private sector should invest in operational facilities
- This calls for a hybrid funding model involving grant funding, public-private partnerships, and conventional financing to develop the venture
- Innovatively use emerging financing options
 - Carbon credits to fund conservation efforts
 - Leverage the growing trend of Travellers' Philanthropy

- The Adventure Capitalist is a potential source of funding for the venture
- They are backed by NGOs and philanthropic foundations and investors
- Support projects that advance one of the core conservation goals of the NGO
- Require lower rates of return
- Other requirements such as time frame and nature of exits similar to mainstream VCs