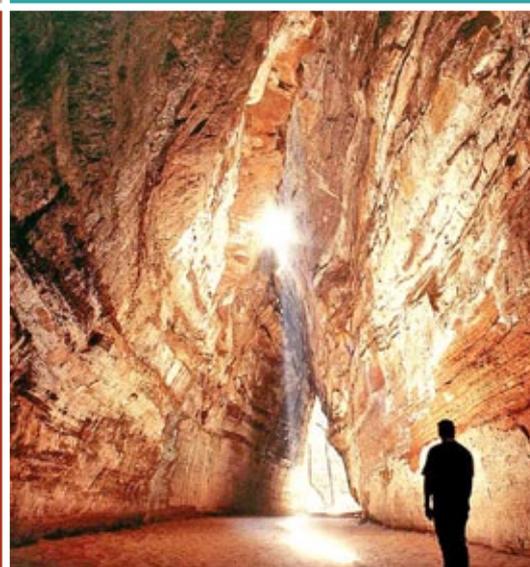


*Protected Areas
are a source
of wealth
for Brazil.*



ANNUAL REPORT
2013



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ONLINE

Visit the website:
www.semeia.org.br/relatorio

Commitment

MAINTAINING A SYSTEM OF PROTECTED AREAS¹ IS A BIG CHALLENGE – not just in Brazil, but also throughout the world.

Semeia's mission is precisely linked to this challenge: to transform protected areas (PAs) into a source of pride for all Brazilians. This will only happen when the benefits of conservation are experienced first-hand. Brazil's PAs occupy 150 million hectares of precious space on the planet. Within this space, there are 1,824 federal, state and local protected areas, separated into 12 categories and ready to share their wealth and opportunities for leisure, income and employment, in addition to preserving biodiversity.

In our first round of activities (2011-2014), we concentrated primarily on parks, the second type of PA, which have the greatest number of protected hectares – 33.5 million. This number represents 22% of the total protected hectares in Brazil. We want to contribute to the implementation of innovative management models in these areas; models that bring together civil society, private sector partners and government representatives in relationships with integrity, guaranteeing the conservation and public use of these spaces. The parks cannot fulfill their social role, the motivating factor for their creation, without offering education, environmental interpretation, research and tourism opportunities.

Thus, one of the challenges of our work is to foster arrangements that reduce the numerous restrictions that prevent the general public from experiencing these places. We seek to identify and create the means for transforming the wealth of the PAs into tangible assets for the population.

In 2013, we moved forward in organizing the Lund Route Public-Private Partnership Project (PPP), the first project of its kind in a Brazilian PA. Together with the state government of Minas Gerais, several public consultations were held, for the community and private sector, in order to present the project and to hear from these stakeholders. The initiative, which must be submitted for bidding later this year, was an important reference for expanding our relationships with other states and cities, with the goal of expanding the reach of our activities.

In the last year we also began structuring a pillar that focuses on producing knowledge, thus creating a basis for various studies to be published in 2014. As a part of this pillar, we conducted a study of the best international practices for partnerships between the public sector, civil society and the private sector. We believe it is essential to understand how other countries around the world are creating solutions for tourism and conservation in protected areas.

As part of the Engage Pillar, we strengthened our team. This was motivated by the desire to share our content and initiatives more expansively, by the intention to create transparent processes and tools and by the desire to share experiences with our target audience. One of the ensuing activities of note is a webcast that we air each trimester to report on the progress of our projects and activities.

We ended 2013 with the certainty that this ideal is not ours alone and we are increasingly convinced that in 2014 we must engage a greater number of people and institutions in this challenge to promote public use of Brazilian parks.

This is why we consider it essential to increase, specifically, the involvement of civil society and the private sector in the administration of these areas. The adoption of management models based on regulations established by the agencies responsible for the PAs together with decentralized execution of regulations, in partnership with private partners, is what

to a better Brazil

will make it possible to create value and the feeling that these lands belong to the people. In this way, the PAs will become a source of pride for all Brazilians.

In various countries of the world, including in those with smaller economies than Brazil, the participation of the private sector and civil society in the management of these areas has contributed to generating value, transforming conservation into a tangible source of wealth, jobs and opportunities. For example, it is estimated that for each dollar generated by concessions, through tourism, in New Zealand's Tongariro National Park, 43 cents enters and circulates in the economy of the surrounding region. In 2012, the areas currently under the management of the National Park Service (NPS), in the United States, received more than 280 million visitors. These visitors spent US\$ 14.7 billion in the parks, generating over two hundred thousand jobs, directly and indirectly.

PAs conservation preserves other relationships that impact Brazilians' quality of life. One of these is the direct influence that these areas have on the Brazil's hydroelectric energy matrix. Currently, 72% of the electric energy generated in the country comes from water resources and one third of the hydroelectric plants in operation, construction or planned have water catchment areas in PAs or in rivers whose headwaters or main tributaries are near or downstream from a protected area. Although less than half of the hydroelectric plants are directly related to a PA, those that are produce 80% of Brazil's electricity².

Additionally, there are several studies that show that contact with nature helps to improve people's health, to reduce stress and mental fatigue, to increase social cohesion within the neighborhoods where they are located and even reduces rates of crime and violence.

We strongly believe in the immense benefits that the parks can generate for society and therefore support transforming the way these areas are managed. We cannot allow fear to stop us from rethinking and reinventing the practices and models that were suited to the old reality, but no longer reflect the needs of the contemporary world.

In 1933, the daring of American President Franklin D. Roosevelt led to the reorganization of the American National Park System, transforming it into, what is today, a grand attraction for tourists from around the world. Roosevelt unified the management of public parks and monuments owned by the federal government around the National Park Service (NPS), believing that integrated management would catalyze the potential of these areas to attract different profiles of visitors and maximize results for the government through the synergy of purposes. The same movement of integration occurred in other countries such as Italy and Canada.

So, we ask the question: isn't it time to look at the changes that have taken place in the contemporary world and to seek inspiration in what has or has not worked for other sectors and countries in order to give a more innovative character to the Brazilian system of PA management – one befitting a Brazil that is "first in the world" for natural resources?

Board of Directors and Executive Board

1 Protected Areas are defined in Brazil by law #9.985/2000 as "territorial space and its environmental resources, including jurisdictional waters, with relevant natural features, and legally established by the Government, with the goals of conservation and limits set under a special administrative authority, to which are applied guaranties that are adequate for protection."

2 "Contribuição das Unidades de Conservação Brasileiras para a Economia Nacional" (in English: Contribution of Brazilian Protected Areas to the National Economy), written by Rodrigo Medeiros and Carlos Eduardo Young.

Mission

To transform protected areas into a source of pride for all Brazilians.

Vision

To become a benchmark in the articulation of public and private sectors so that the development and implementation of innovative and sustainable management models for protected areas may flourish.

Values

- Integrity
- Audacity
- Excellence
- Valuing Biodiversity
- Valuing People

Where we are headed

Working collaboratively so that protected areas (PAs) generate value for Brazil and Brazilians, uniting conservation and development.

*Iguazu National
Park, Paraná State*



Innovate Pillar

To create and systematize knowledge on Semeia's core themes.

Engage Pillar

To increase the amount of members in the Semeia community, sharing knowledge and establishing pertinent relationships with strategic segments.

Test Pillar

To encourage the participation of the private sector and civil society in Protected Areas (PAs) management.

Institutional Pillar

To design and implement a financial sustainability plan for Semeia that will ensure its longevity.



Diego Quevedo | <https://www.flickr.com/photos/ddq/2442495606>

Innovate Pillar

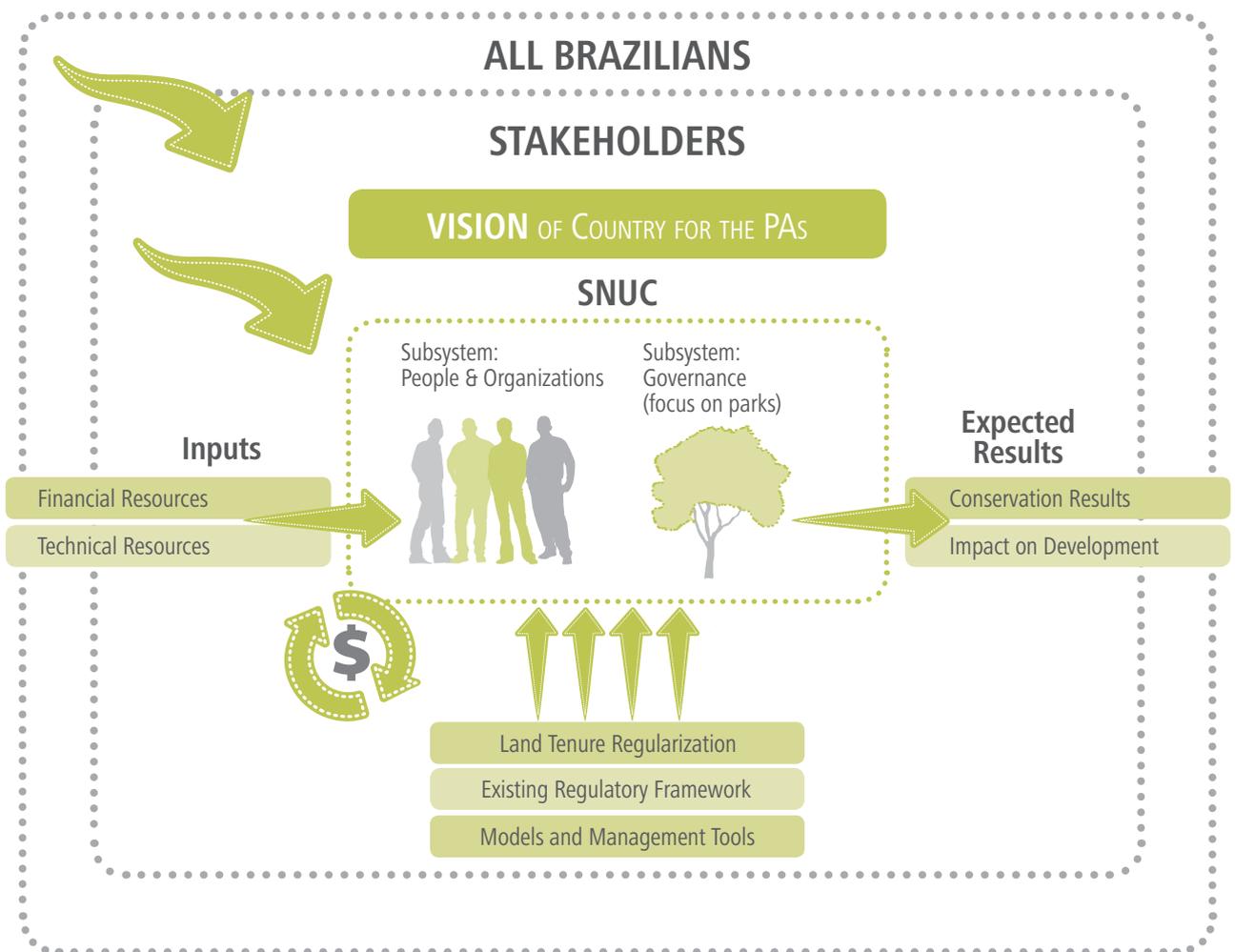
To create and systematize knowledge on Semeia's core themes

In the case of Brazil, Semeia's first challenge is to fully understand how the country's national system of protected areas (SNUC, in Portuguese) functions as a system that receives inputs, has internal gears and should deliver public goods and services to all Brazilians: conservation and development.

We want to understand the workings of this system in order to propose solutions and initiatives that make it stronger and more efficient in delivering wealth to Brazilians.

What are the resources that feed the system, currently? How is it administrated? What are its deliveries? What affects its proper functioning? What things can be enhanced to ensure that the SNUC generate value for society and that the PAs reach their environmental and social economics objectives that justify their establishment?

These are some of the questions for which we seek answers in the various initiatives enacted for this pillar.



"The performance of Semeia stands out for its construction and development of awareness. I don't think there's any other organization like Semeia that is working on this issue of public-private partnerships, development of notions of what is done outside of Brazil, benchmarks, so that we Brazilians don't think we have to reinvent the wheel. It has already been invented, it is beautifully crafted out there, and what this all shows us is how many opportunities are being wasted. Therefore, I believe that the role of Semeia is to alert the society, bringing and showing good examples of how to best manage these native areas, those areas that are open to visitors, so that the state and society will recognize their value."

Roberto Klabin, SOS Mata Atlântica Foundation

Situation of Public Use of Brazilian Protected Areas

Since 2012, we have been conducting surveys with PAs managers in order to define and better understand the situation of public use of protected areas in Brazil. We have been putting together a “diagnosis” of what would contribute to establishing public policies and strategies designed to improve the management of these areas, from the point of view of the PAs managers.

The 2013 edition of the survey involved areas of integral protection and sustainable use, which are distributed throughout the country. We contacted 201 managers in five geographical regions of Brazil distributed between 21 states and the federal district.

The study was structured around four central topics:

- Visitation
- Revenue Generation
- Public Policies
- Working Conditions

The topics of “Visitation” and “Revenue Generation” address the managers’ perceptions of the image of Brazil’s PAs, the volume of visitors they receive, the possibility of charging for entry, the existence of services for public use and the generation of revenue in PAs.

The area of “Public Policy” seeks to assess the managers’ opinions about the priorities and challenges PAs face in increasing public use, such as the amount of financial resources and the legal instruments available for this purpose.

The managers’ perceptions of the infrastructure and their work environments, as well as perspectives and opportunities for professional growth were compiled in the topic “Work Conditions”. Although this is not directly linked to public use, we recognize that this topic influences how day-to-day activities are conducted in the PAs.

On the following pages, we share some of our results. To understand in more detail, we recommend reading the research report. It contains the entire analysis and is available on our website: [www.semeia.org.br].

*Chapada dos Veadeiros
National Park,
Goiás State*



Visitation

"Protected Areas have a positive image in Brazilian society". This is the belief of 70% of the managers interviewed for the study.

However, this positive image is not reflected by a significant number of visits to these sites:

Managers reported that 23% of parks received no visitors in 2012.

Although 67% of respondents affirmed that the surrounding population does not understand benefits of the visitation, 41% of managers believe there are initiatives changing this perception.

Revenue Generation

This topic identified an overview similar to that found in the previous survey, conducted in 2012: 80% of PA respondents affirmed that no revenue was generated by charging for entrance in the 12 months preceding the survey. Only a minority of the PAs (11% in 2013) charged an entrance fee.

According to those interviewed, 60% of parks report there are no services that support public use, such as food concessions, shops, tour guides, adventure activities and equipment rentals.

Public Policies

The responses to questions about the priorities of PAs for increasing public use of the areas were greatly concentrated in three areas: infrastructure and services for public use, structuring attractions and recruiting/training personnel. This triad is, according to respondents, of fundamental importance for making public use of the PAs viable.

Priorities for expanding public use of PAs, from the point of view of respondents

Priority for increasing public use of PAs	Parks	Other PAs that allow public use	Total*
Creation and improvement of public services and infrastructure (w/exception of attractions)	48%	34%	42%
Structuring attractions	29%	24%	26%
Recruitment and training of personnel (including in the surroundings of the PA)	17%	12%	15%
Creation, revision and adaptation of the management plan and other studies about the PA	8%	6%	7%
Raising awareness of the PA	5%	9%	7%
Creation and expansion of partnerships/agreements/concessions between the public and private sectors	11%	0%	6%
Actions for visitation structuring	2%	7%	4%
Planning actions that encourage tourism involving the PA	3%	6%	4%
Environmental education and raising the consciousness of visitors and the surrounding population	0%	8%	4%
Improvement of access to the PA	4%	1%	3%

Source: Studies conducted by Semeia

* Refers to the total number of PAs that mentioned this alternative as one of the priority items for the expansion of public use. Since this is an open-ended question and can contain multiple responses, the sum of the percentages in the "total" column will not necessarily equal 100%.

Perception of respondents about the challenge of obtaining and the use of public and private resources for the promotion of public use

Main challenge	Mentioned*
Excessive red tape for accessing funds allocated for PAs (tickets, environmental offset, etc.)	18%
Greater use of existing means (Ecological Tax on Circulation of Goods and Services – ICMS, environmental offset, etc.)	12%
Lack of priority/political will	11%
Lack of personnel	8%
Lack of partnerships with the private sector and of procedures for establishing partnerships	5%
Bureaucracy in government/public sector	5%
Effective administration of PAs (visitor support services, control instruments, etc.)	5%
Creation/Simplification of legislation and/or operational instruments for effective legislation	5%
Need for personnel training in order to formulate projects that can be financed and for fundraising	4%
Insufficient resources available / lack of priority in defining use of resources available	4%
Deficiency in creating projects, public use plans, etc.	4%
Lack of effective public policies	3%

Source: Studies conducted by Semeia

* Since this is an open-ended question and can contain multiple responses, the sum of the percentages will not necessarily equal 100%.

Working Conditions

A considerable number of respondents (70%) confirm that they have worked for more than two years at their PA and more than half of them have worked in the same location for more than five years.

Most of the managers surveyed are already familiar with the processes, procedures, opportunities and challenges related to the PA and the management agencies with which they are associated. This shows, among other things, that the managers have a good level of understanding about the problems with which they are faced.

The idea of professional fulfillment is understood by the vast majority of managers: 84% say that their work provides them with this feeling. On the other hand, the level of satisfaction with the amount of financial resources available for the realization of their activities is significantly lower. When asking managers if they "have the necessary resources to carry out their activities", 60% of them disagreed partially or fully.

The high level of fulfillment reported by respondents, while considering the various challenges mentioned, must be seriously examined by the agencies responsible for the PAs management in Brazil. Appreciation of these managers, who work at the day-to-day management of each PA, will strengthen these important allies and aid in the development of strategic actions in these protected areas, including assessing the potential for the best public use of Brazilian PAs, when permitted and appropriate.

Looking at other countries

Acquiring knowledge also means learning about the experiences of other countries in order to understand which of their experiences can be applied in Brazil.

Below, we share some data from concession models used in the United States. This information is outlined and compiled in the study "Exploring Concession Models in US National Parks", produced by Semeia in partnership with Deb Collins, a consultant for the company C Squared.

There are **575 CURRENT CONCESSION CONTRACTS** in 401 American National Parks and National Monuments. Each year, they generate 1 billion dollars in gross revenue. The six largest concessionaires are responsible for 85% of this revenue through the 60 contracts that they own.

	Yosemite	Yellowstone	Grand Teton
Size of Park	747,956 acres	2,221,766 acres	310,000 acres
2012 Visitation	3,853,404	3,447,729	2,705,256
Wilderness*	94%	90%	N/A**
Area dedicated for public use	Less than 1%	Less than 1%	Less than 1%
Volume of concession revenue in the park	~\$ 140 million	~\$230 million	~\$25 million
Geographic disbursement of concessions	One primary destination (95% of visitation) with a few remote secondary locations. Most people park their vehicle in Yosemite Valley and view the main attractions (Yosemite Falls, Half Dome, El Cap).	Two circular routes forming a figure-8 with six different mini-destinations. This is a "driving" park, with most visitors driving viewing the park from their vehicle. Very dispersed concessions.	A linear route that serves as the main connector from Jackson, Wyoming (second most popular entrance into Yellowstone) to Yellowstone National Park. Most visitation is actually people viewing road-side attractions in Grand Teton and continuing on to Yellowstone.
Necessary operations financial feasibility	Yosemite services are open year round. Profitability very different during peak and off-season. Some venues not a profitable venture on own (Badger Pass, Mountaineering School, Free Shuttle Service), but are offset by having many other profitable venues.	Seasonal operation, not open year-round. Every concession service is profitable during peak.	Seasonal operation, not open year-round. Every concession service is profitable during peak.
Value or benefit of having competition	_____	Allows for multiple players to operate a business.	Allows for multiple players to operate a business.
Park Model	One major concessioner	Two major concessioners on different sides of the park + multiple smaller concessioners.	Multiple concessioners (big and small).
Total number of concession contracts in the park	3	58	26
Number of NPS*** staff needed at the park to monitor and manage the concessioners.	5 (4 concession specialists, 1 sanitarian).	N/A**	N/A**
How frequent are the monitoring audits?	Each facility formally monitored twice annually with ongoing informal monitoring.	Each facility formally monitored twice annually with ongoing informal monitoring.	Each facility formally monitored twice annually with ongoing informal monitoring.

* The term refers to large areas that maintain their natural characteristics intact, free of permanent dwellings and with minimal human influence (§ Wilderness Act, 1964).

** Information not available. ***National Park Service (NPS).

Small, medium and large concessionaires can play different roles and coexist in the same park. **GIVING OPPORTUNITIES TO SMALLER CONCESSIONS BETTER ALLOW FOR INCLUDING LOCALS IN THE TOURISM VALUE CHAIN**, which benefits the surrounding community. Large concessionaires already have access to more robust financing which implies that they have more resources available for investing in the PA. In this case, involvement of the surrounding community also happens through the anchoring company.

SMALLER SCALE CONTRACTS tend to be with smaller concessioners, with most having only a single contract. These concessioners tend to be owned and managed by local entrepreneurs near the park they operate in. The services they provide also tend to be more labor-intensive, such as guided services for hiking, climbing, saddle trips, etc.

LARGER SCALE CONTRACTS require greater financial capabilities to carry out capital investments and broader scope of services. These contracts tend to be with companies that have multiple NPS contracts in many parks. Contracts that are awarded for more than the 10-year term tend to be for larger contracts with large capital requirements. For example, Xanterra recently won a 20-year contract to provide lodging in Yellowstone, because the contract required nearly \$135 million to be invested in the aging facilities.

CONTRACTUAL CLAUSES DRAFTED WITH CLARITY AND PRECISION are essential for ensuring that all those involved in the partnership have their specific needs met and together can achieve the goals envisioned for the park:

PRIVATE SECTOR	PUBLIC AGENCY
<ul style="list-style-type: none"> - Financial Risk, Security, Stability - Scope of Authorized Services - Pricing of Products & Services - Repayment of investments at end of contract - Length of term suitable to achieve return on investment 	<ul style="list-style-type: none"> - Conservation & Environmental Protection - Investment expected to improve and protect facilities - Rent provided to support government function - Standards of service - Standards of facility care and upkeep - Length of term suitable to encourage investment

The importance of cooperatives and community associations

The success of any sustainable model in a protected area goes beyond the concessionaire and the government. Other participants have a fundamental role as well, such as associations, cooperatives and community interest groups.

Commonly in the United States, cooperatives are non-concession operations that, with the permission of the NPS, sell products that are part of the services of the contracted concessionaire. Such practice has caused significant cuts in the concessionaire's revenue because:

These cooperatives are allowed to promote their products within the park, using NPS publications, while the concessionaires do not have permission to do this.

The initial intention was to establish a mechanism for donations to the park and to have an institution that would help to offer educational programs for visitors. However, the language employed in the designation of these arrangements and institutions was not clear enough, thus the interpretation of what a cooperative association has permission to do at a park is left to the discretion of the superintendent of the protected area.

The money generated by these cooperative associations goes directly to the park that they support. Thus, the superintendent of the park is encouraged to permit cooperatives raise more and more money.

The National Park Service, the American government agency responsible for the administration of the national parks, **HAS MADE INVESTMENT IN TRAINING THEIR PROFESSIONALS ABOUT THE MARKET AND BUSINESS A PRIORITY ACTION**, going beyond the idea of being experts only in nature conservation. It is important to note that the NPS works with two statutory objectives of equal importance:

- To protect the environment and to preserve the natural and cultural resources of the United States;
- To offer leisure activities for the American population by means of tourism and visitation to national parks.



THERE IS NO “ONE SIZE FITS ALL” SOLUTION to determining which are the best suited concession model. Each park with its specific qualities requires a critical look at its characteristics within the context it is part of. Therefore, the following should be considered:

- The size of the park;
- The attributes of the surrounding population;
- The scope of concessionaire operations within the park;
- Economic-financial viability of necessary operations;
- The value and the benefit of having competition within the park itself.

Factors that influence the effectiveness of a concessions program:

- Choosing the right model for the protected area in question;
- Drawing up contracts in great detail and with clauses that do not contradict the specific needs of parties involved;
- Adopting well-defined evaluation criteria and consistently applying it;
- Anticipating and allowing for making adjustments according to the needs of visitors.

Semeia believes that making some assumptions is very important in order to be able to place concessions in the areas that have the greatest tourism potential:

- create concessions with a focus on conservation and development, such that tourism is a tool that creates cash flow for the private partner;
- grant the space and not specific activities, giving the private partner the freedom to be creative in offering what the consumer needs;
- guarantee concession of the space clearly defines what cannot be done and details all the limits imposed in the management plan;
- give the private partner the freedom to create the package of goods and services they deem best suited to the profile of visitors;
- give the private agent the freedom to use the park’s branding during the concession period, permitting them to get sponsorships that generate additional income for the project.

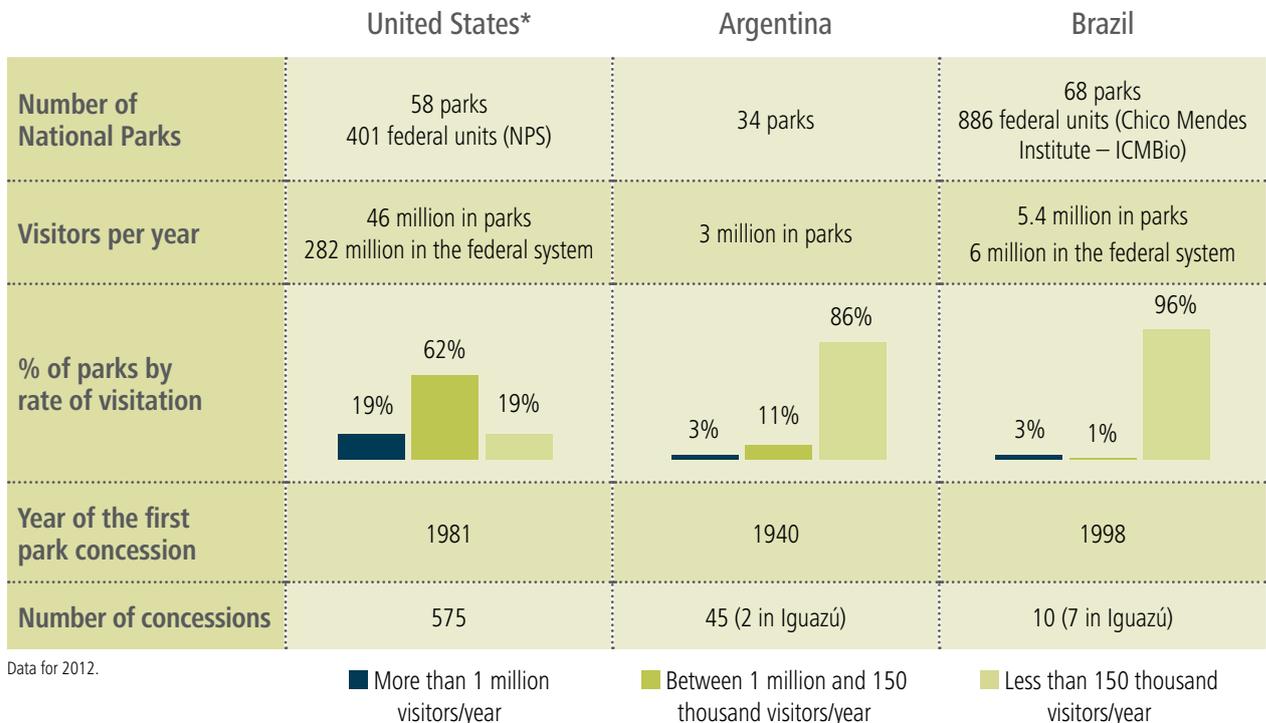


Krix Apolinário | <https://www.flickr.com/photos/krixapolinario/5520089398>

Serra da Capivara
National Park,
Piauí State

In Brazil, the government has never seen the national parks as strategic in the sustainable development of the country.

As a result, the economic potential of Brazil's PAs is not taken advantage of:



Data for 2012.

* Numbers related to the United States apply only to the PAs of the National Park Service (NPS).

Source: Presentation by Roberto Klabin, 2013 LIDE Sustainability Conference (Encontro LIDE Sustentabilidade)

Other data and information worth sharing:

Some states are innovating in order to improve the State PA System. Rio de Janeiro deserves recognition because of decree #43946, published on 11/22/2012. This is a law that calls for financial contributions to be made for ecosystem services, provided by means of the state protected areas, by the electric concessions responsible for the pipelines of power generation plants and the transmission lines that run through the borders of the state PAs.

2013 Goals | Impacts & Lessons Learned

In 2013, the goal of this pillar was to produce and systematize knowledge about three core themes:

- a. Public policy and legislation for protected areas (PAs)
- b. Management of the PA system as a whole
- c. Case studies of partnerships between government and businesses in PAs

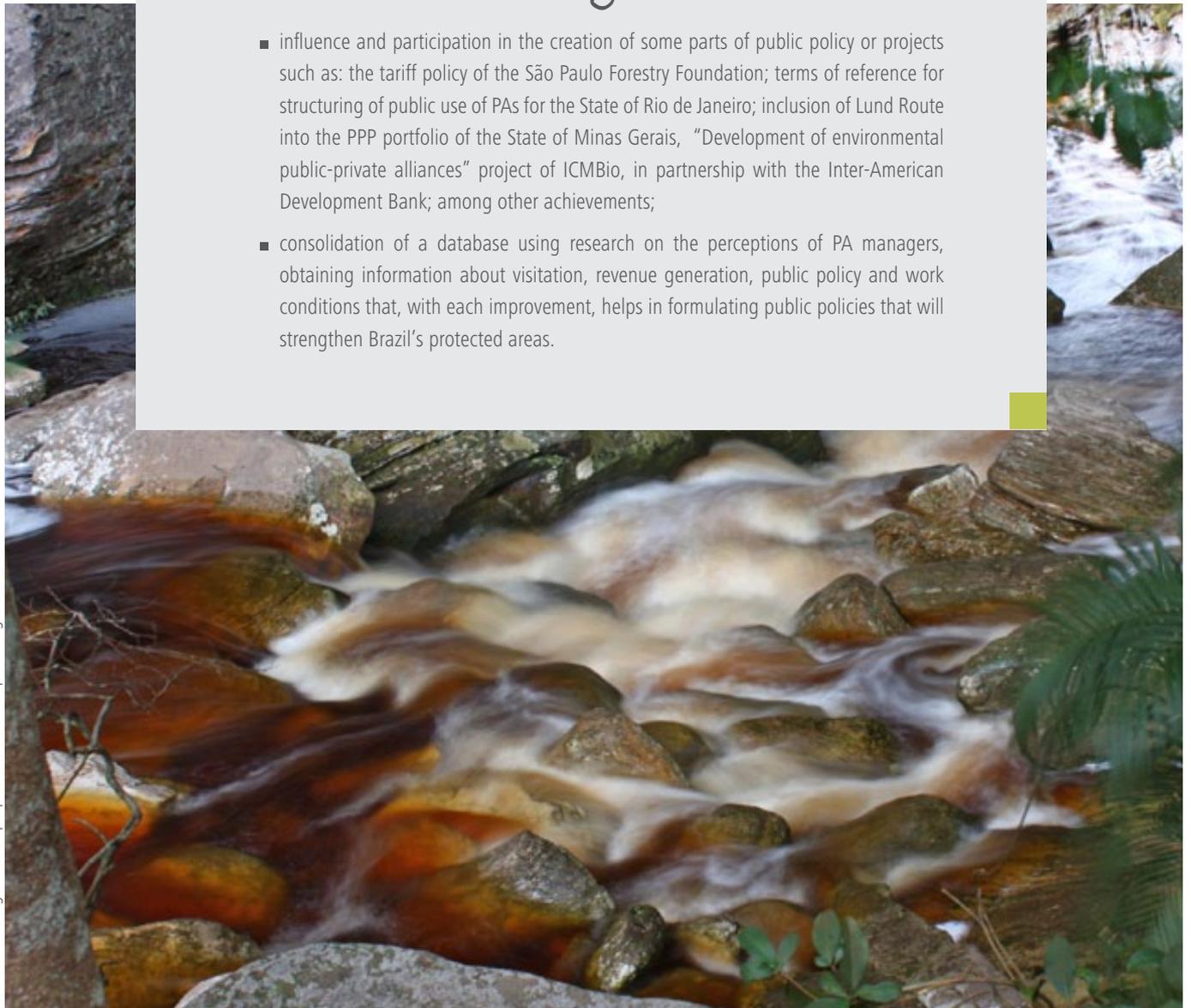
In addition, we hoped to take the annual survey of PA managers and transform the acquired knowledge into six publications.

THE YEAR OF 2013 WAS A YEAR FOR GATHERING A LOT OF INTERNAL KNOWLEDGE, and the resulting publications will be edited in 2014.

With this knowledge we achieved:

- influence and participation in the creation of some parts of public policy or projects such as: the tariff policy of the São Paulo Forestry Foundation; terms of reference for structuring of public use of PAs for the State of Rio de Janeiro; inclusion of Lund Route into the PPP portfolio of the State of Minas Gerais, "Development of environmental public-private alliances" project of ICMBio, in partnership with the Inter-American Development Bank; among other achievements;
- consolidation of a database using research on the perceptions of PA managers, obtaining information about visitation, revenue generation, public policy and work conditions that, with each improvement, helps in formulating public policies that will strengthen Brazil's protected areas.

*Ibitipoca
State Park,
Minas Gerais
State*



Engage Pillar

Disseminating knowledge and establishing relevant relationships with strategic segments

We want to be seen as an institution that promotes and expands discussion about ideas in the vanguard regarding protected areas, so that we can attract and engage the right audiences.



"The course was a landmark in my understanding about the future of our PAs, whose management model is misguided and therefore needs to be restructured. Private initiative is essential for this new model where the parks are transformed into true public ventures. I learned that benchmarking is crucial. It is possible find creative, innovative and shared solutions to making this thing work, without recreating the wheel. If it were possible, I would say to all managers, public use teams and medium- and high-level technicians and administrators at the agencies that manage Brazil's PAs, that they should have experiences like in this course; to step outside of their comfort zone, where the resistance and the culture of "no" against new management models still reign".

**Adriano Lopes de Melo,
Rio de Janeiro (RJ)**



Scholarship Program

Offering access to knowledge and experiences that maximize the performance of managers and professionals connected to PAs is fundamental to improving the system.

Our scholarship program invests in training people, each year sending at least two Brazilians to study at Colorado State University, in the United States. Since 2011, seven Brazilian professionals have benefited from courses in the area of management, planning and tourism in protected areas.

Following this training, they shared the main lessons learned during their experience.

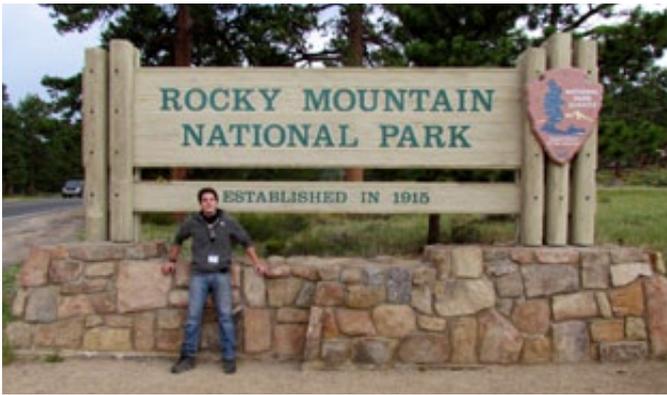
"I'm not a PA manager, but I manage projects that work to support the establishment of protected areas. The course was important for the experience of living in protected areas, learning about the different types of services and for the sharing of experiences and knowledge with other participants. I had never experienced this type of course before. My previous experiences were of a more academic nature and this course has provided experience that went beyond the classroom into innumerable campgrounds, where physical exertion also was important and healthy. The work was very hands-on and all participants took part".

Érika Polverari Farias, Rio de Janeiro (RJ)



"I develop projects to create and manage protected areas and in recent years have prepared many management plans. The knowledge acquired in this course has allowed me to broaden my understanding of protected area management and to include in my projects the management principles learned during the course, especially those related to public use, monitoring and integration of PAs with society. The lessons were very intense, especially on the topics of management of public use of PAs, monitoring and management of fauna and flora, training of staff in protected areas, the importance of bringing society closer to protected areas, either through visitation or environmental education, and how public-private partnerships function".

Angela Pellin, Niterói (RJ)



"The opportunity to learn about various management models, as well as mechanisms for reducing negative impacts, different types of structures, high levels of visitation and quality tourism, all in alignment with conservation strategies, made me realize that, if we can bring the public sector, the private sector and society into alignment, yes it is possible to open our PAs for visitation, to preserve nature and transform the culture, bringing society much closer to the environment. Tourism is not the enemy. There are many players and models of public-private partnerships that we can incorporate in the sustainable development process of a PA. With good planning and interest, it is possible to find solutions for infrastructure, tourism programs, the welfare of surrounding communities and expanding the number of visitors, increasing the protection for his natural heritage and contributing to the financial sustainability of the region and the country".

Arthur Trauczynski, Curitiba (PR)



"I understand the importance of establishing, in Brazil, a democratic, participative and dynamic process for the management of protected areas. The bureaucratic nature of our public management is also reflected in the management of PAs, which has led to the establishment of a hierarchical and unyielding structure which tends to sacralize natural areas, not through ideology or principles, but through incapacity and inefficiency in running a public use system. Learning from other countries doesn't mean copying models, but rather learning about new possibilities and adopting them to the Brazilian reality, in order to create an innovative concept for public use and participation that is not limited only to leisure and contemplation, but that can teach values and awakening the feeling of belonging".

Ana Flavia Peccatiello, Saquarema (RJ)

“An important fact I learned during the course was that some countries in Latin America, like Chile, Argentina and Costa Rica, have nature conservation systems that are efficient and well structured. Yet, just like Brazil, the majority of Latin countries still have a long way to go. The fragility of the environmental agencies in their public administration, the lack of continuity in the PA management programs and standardized management planning, along with other factors, keep the parks closed to the public, susceptible to pressures of their buffer zones and to uses quite often incompatible with their conservation purposes. I’d like to note that the material obtained during the course about the ROVAP System (Recreation Opportunity Spectrum in Protected Areas) assisted the Rio de Janeiro State Environmental Institute (INEA-RJ) in developing and conducting a project to bolster public use of state parks”.

João Emilio Rodrigues, Rio Claro (RJ)



“We need to demystify some ideas still in vogue in Brazil. Contrary to what one might think, concessions and authorizations for services do not cover operating costs nor finance the parks in the United States. Although they generate revenue for companies, the main objective in having this type intervention is to provide essential or specialized services for users of the park and thereby provide a positive experience for visitors. The logic of the system is that, with the quality of products and services offered, the number of visitors and the amount of money spent within the PA increases, as such activating the entire production chain inside and around these parks. The resources from the taxes of these consumers then become part of the revenue for federal agencies, and are converted into investment for the parks”.

Philippe Fauguet, Brasília (DF)

Semeia Annual Event

The goal of this event is to recognize people and share awareness about generating value in protected areas. With this objective, we hosted another edition of our annual meeting, which was attended by representatives from all sectors of society.

We believe that the only possible way for us to do this work is to win people's hearts, working collaboratively. In order to do this, it is essential to bring together strategic players and inspire debate about alternative models for managing our protected areas.



Guilherme Passos, Semeia



Francisco Gaetani, Ministry of the Environment



Marcos Siqueira, State Department for Economic Development of Minas Gerais

Ana Luísa Da Riva, Semeia



Roberto Trauczynski, Cataratas S.A.

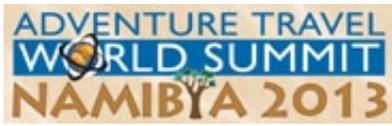


Pedro Passos, Semeia



Adventure Travel World Summit

In October 2013, we were with 650 representatives from various countries who came together in Namibia to discover, learn, be inspired and invest in creating a more sustainable adventure tourism industry.



ATTA/Garth Reckers



ATTA/Cameron L. Martindell



LIDE Sustainability Conference

Also in October 2013, we participated in the LIDE Sustainability Conference. Through sharing information about protected areas in Brazil and in a few other countries, we had the opportunity to collaborate in the production of material presented by Roberto Klabin, during the conference.

Founded in 2003, LIDE (Group of Business Leaders) is a private organization that brings together businessmen from eleven countries and four continents. There are currently 1,300 member companies (Brazilian and international), representing 49% of Brazil's private sector GDP.

2013 Goals | Impacts & Lessons Learned

OUR GOAL IN 2013 was to create a CRM (Customer Relationship Management) that allowed us to improve interaction with our target audiences. In September, we opted to add to this goal monthly monitoring of metrics related to our web page, social networking, annual report, and newsletter.

In the second semester we launched our trimestral teleconference for presenting results, a process created to guarantee transparency in our actions.

We also took the results of our projects and the accumulated internal knowledge and shared it outside of Brazil by presenting a class for the course International Mobile Seminar on Tourism and Protected Areas at Colorado State University (CSU). This experience confirmed our perception that the theme of protected areas management is universally relevant.

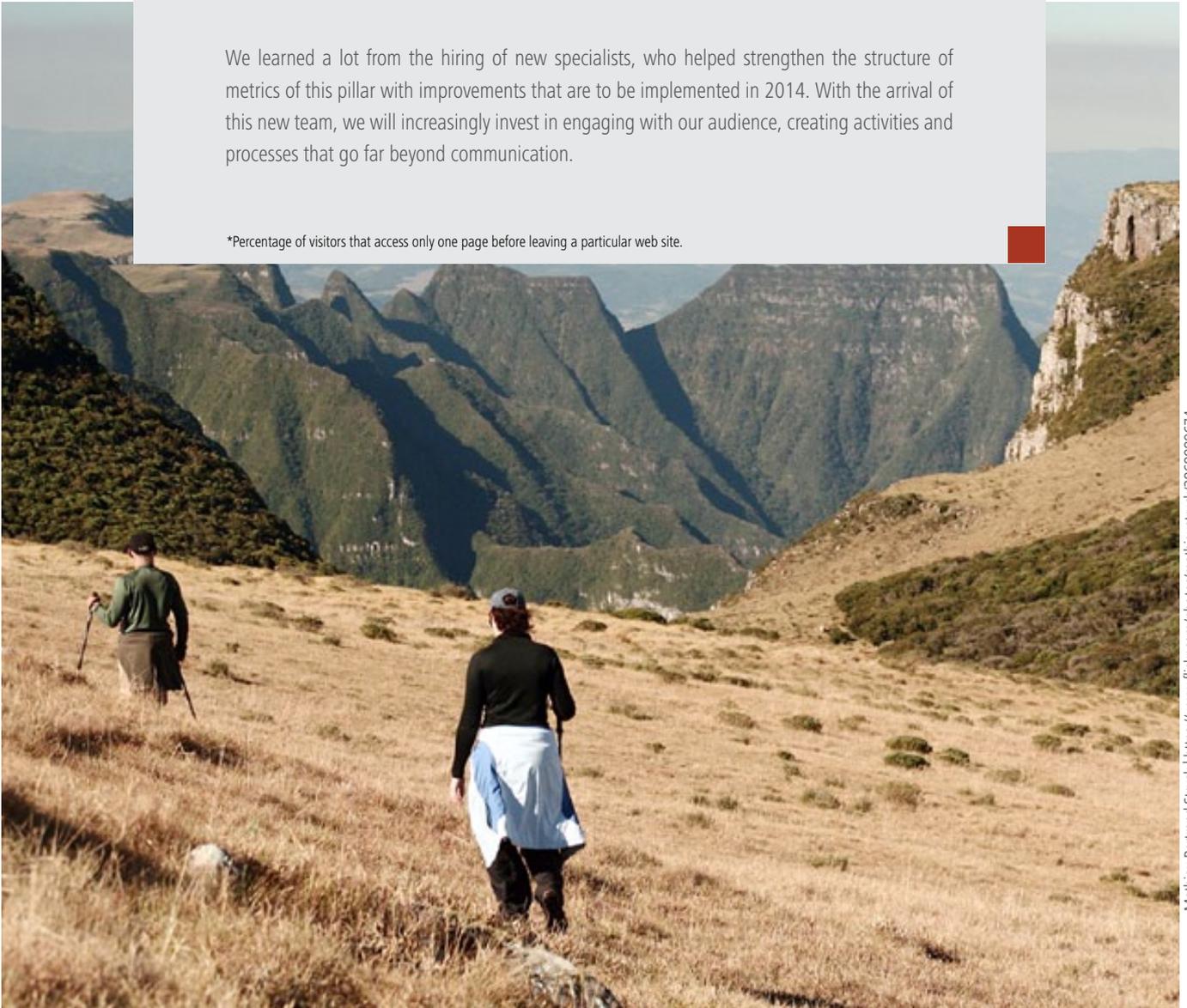
We concluded the year reaching our expected results:

we have achieved a good open rate for our newsletters and a good number of visitors on the site as well as for downloads of our annual report. In 2014, we want to improve the average length of a visit to the site, lower the rejection rate* and increase the click rate.

We learned a lot from the hiring of new specialists, who helped strengthen the structure of metrics of this pillar with improvements that are to be implemented in 2014. With the arrival of this new team, we will increasingly invest in engaging with our audience, creating activities and processes that go far beyond communication.

*Percentage of visitors that access only one page before leaving a particular web site.

São Joaquim
National Park,
Santa Catarina
State



Test Pillar

Encourage the participation of the private sector and civil society in PAs management

We believe that we can and must play a role that encourages the realization of partnerships between the public and the private sector (businesses and nonprofit organizations) in PAs management.

Working with the private sector

Sparking the interest of entrepreneurs and private sector companies in bidding for concessions in parks is a big challenge.

This is a nascent, almost non-existent market in Brazil, where risks and responsibilities still need to be clearly defined.

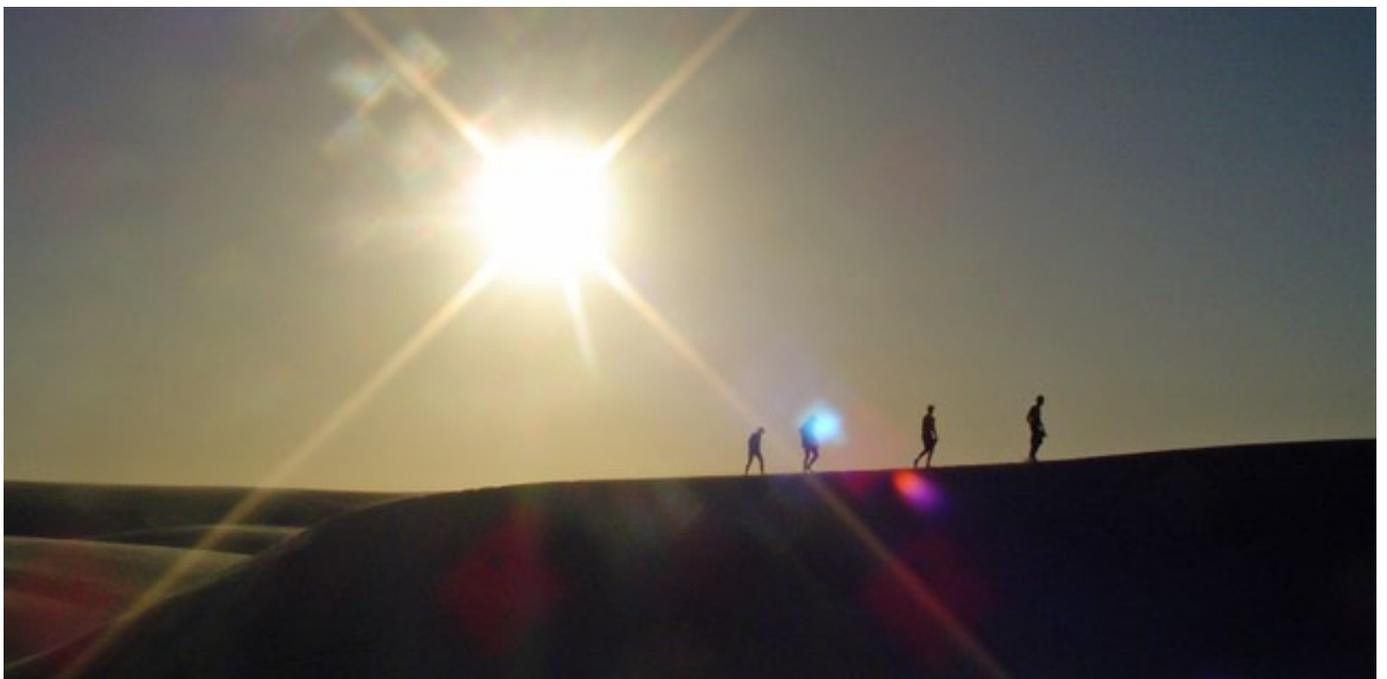
Throughout 2013, in routine exchanges with the private sector, we identified essential elements for encouraging the establishment of partnerships between the public and private sectors (business and non-business enterprises), which may help the PAs to fulfill their conservation, social and environmental development objectives.

“The market for park concessions in Brazil can and should be an important factor for attracting investors from the private sector, including international investors. The number of protected areas in the country with the potential for business development in the sectors of tourism and leisure is very large, when compared to other countries. Leisure activities in nature are a growing trend and there are many private ventures in this sector in other countries, because investors have already seen the compatibility between getting a return on their investments and promoting improvements in the quality of life and generating income for surrounding communities.

The great challenge for Brazil is to create a regulatory environment that offers predictability and security both for investors and for communities in the regions of the parks. Investors are only attracted if government agencies move forward in a professional manner in their respective programs for public-private partnership, because the private sector can accelerate the efficient use of Brazilian parks and make them available for the leisure of communities, for attracting tourists and for generating wealth.”

Helmut Bossert and Valter Faria, Valor Partners

Lençóis Maranhenses
National Park,
Maranhão State



A good partnership is one where everybody wins, where the interests of the parties are simultaneously provided for, in the best possible way.

Mutual trust between the parties is essential. Thus the public agent needs to show commitment and vehemently offer guarantees. The private agent, in turn, must commit to conservation and to engagement of the surrounding communities.

It is necessary to anticipate risks and define responsibilities linked to each of them, as well as to institute guarantee mechanisms for all the parties involved.

“A challenge being faced is the creation of facilitating mechanisms so that the partnership with parks can blossom in Brazil. Among the facilitating mechanisms are funds to support the structuring of projects, investment funds for participation in order to support new operators, such as attractive lines of credit that permit the leveraging of project, etc. The Brazilian Development Bank (BNDES), the IDB and the IFC have a fund that supports the structuring of PPP projects in Brazil. This fund’s focus is not on structuring PPP projects in parks, but having something similar for leveraging this agenda in Brazil would be fantastic.”

Ana Luisa Da Riva, Semeia

“The search for partnership with the private sector is an attempt to increase the institutional capacity of the government to manage social inclusion simultaneously with environmental protection. The attraction of private investment and the consolidation of the two, through the mechanism of public-private partnership, will generate incredible results for environmental conservation and socioeconomic development in the region of the Lund Route.”

Marcos Siqueira, PPP Unit of the State Department for Economic Development of Minas Gerais

Peter Lund Caves Route: PPP and Public Consultation

After a year and a half of work by the Government of the State of Minas Gerais, the bidding process for the Rota Lund (the Lund Route Cave Circuit) was submitted for public consultation, from August to November of 2013.

Public Consultation for the Lund Route

Beginning in August 2013, public consultation for the Peter Lund Cave Route Project achieved high levels of public mobilization. More than 200 people attended meetings held in the towns of Cordisburgo, Lagoa Santa and Sete Lagoas, during the 60 days of open consultations.

The project foresees the exploration, through an administrative concession, of a territory totaling 2,428 hectares, composed of three PAs in Minas Gerais: the Sumidouro State Park, Gruta Rei do Mato Monument and the Peter Lund Natural Monument.



About the Lund Route

The three PAs that comprise the Lund Route feature, as main attractions for tourists, the most important and visited of Brazil's caves: the Lapinha Cave, the Maquiné Cave and the Rei do Mato Cave. In addition, the Sumidouro State Park is home to 52 caves and approximately 170 historic and pre-historic archeological sites. Also of note in this park is the Poço Azul (Blue Pool), a phenomena on the banks of the Velhas River that forms a pool of magnificent blue color that delights the eyes of visitors. In 2012, the Peter Lund Caves Route received 98 thousand visitors, a number that grew at an average annual rate of 4% from 2005 to 2011. Estimates show that, with the private sector partnership, the destination could receive up to 210 thousand visitors in 2018, a conservative estimate of 5% annual growth.

*Maquiné Cave –
Peter Lund Cave Route,
Minas Gerais State*

Marcos Amend



In the city of São Paulo, public consultation was also held, for a day, and included participation of the private sector. Five representatives of large companies and a university professor had the opportunity to learn about the project and share opinions on the bidding process.

Semeia and the pioneering spirit of the Lund Route Project were the theme of a case study conducted by Insper (Institute of Education and Research), in the second half of 2013. Our work became part of the course program and of the discussions about impact investment that were promoted by the institution.

“In the context of Insper’s impact investment initiative, we had the opportunity to be in contact with the Semeia Institute and analyze in detail the public-private sector Lund Route partnership project (PPP). Our objective was to examine an innovative PPP that was in alignment with our quest to find opportunities for impact investors — that is, investors who care about social and environmental results in addition to profit. The Lund Route fit perfectly in this context. This is a PPP with a pioneering contractual arrangement, where the concessionaire’s compensation is based on, among other factors, their performance in several environmental indicators. We had the opportunity to visit the project site and develop a case study, which was then presented in a class for the impact investments course at Insper and which had often been quoted in our presentations as an innovative example of a PPP. We highlighted the role of the Semeia Institute not only in making this project viable, but also for allowing our group to analyze a case of great importance for the country”.

Sérgio Lazzarini, Associate Professor at Insper

In 2014, Semeia intends to invest in the creation of a baseline for the project, and in structuring a monitoring framework and evaluation of socioeconomic and environmental impacts of the PPP that allow for comparing the development of the Lund Route with a control group. In this way, it will be possible to grasp the impact on development and conservation that an innovative model can bring to the Route, and the surrounding provinces.

Rei do Mato
State Monument,
Minas Gerais State

Photo: Government of Minas Gerais Archive



“Man is still seen as a threat and, if one generalizes this idea, society becomes a threat as well. For this reason, no one feels welcomed or even that they have a right to this heritage. I believe the pride of having the country that we have, to be part of a nation with a patrimony of this size, has to be integrated in society in the environmental equation, resignifying the PAs as being for the society, especially those defined as parks.

Ecomotion lives to promote sports experiences in nature. We believe that the world will be better when more people have a healthier life that is integrated with nature. There are innumerable ramifications of this vision. In our projects, we always search for locales that are rich in natural beauty and Brazilian culture. We provide the opportunity to generate economic impact in a local economy that is nature friendly: tourism, gastronomy and content production”.

Tiago Guimarães, Ecomotion

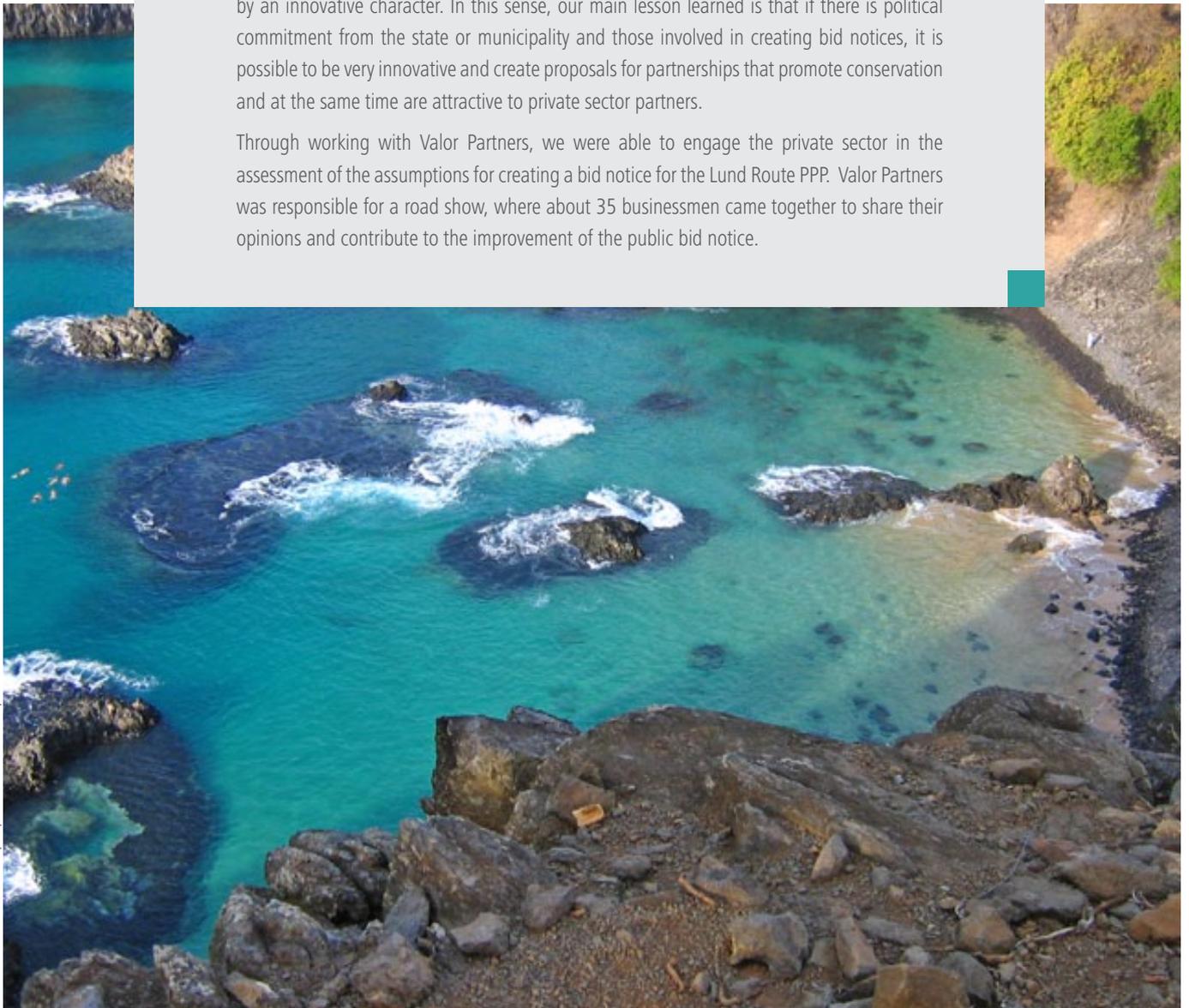
2013 Goals | Impacts & Lessons Learned

OUR GOAL FOR THIS PILLAR IN 2013 was the creation of a bid notice for the Lund Route and to create incentive for the participation of private groups in the public consultation phase.

The goals of this pillar were fully achieved. We were able to finalize a bidding process marked by an innovative character. In this sense, our main lesson learned is that if there is political commitment from the state or municipality and those involved in creating bid notices, it is possible to be very innovative and create proposals for partnerships that promote conservation and at the same time are attractive to private sector partners.

Through working with Valor Partners, we were able to engage the private sector in the assessment of the assumptions for creating a bid notice for the Lund Route PPP. Valor Partners was responsible for a road show, where about 35 businessmen came together to share their opinions and contribute to the improvement of the public bid notice.

Fernando de Noronha National Marine Park, Pernambuco State



Institutional Pillar

Design and implement a financial sustainability plan for Semeia that will ensure its longevity.

We believe in the pursuit of financial sustainability as a factor in strengthening the institution. Towards both, Semeia has invested in administrative improvements and in examining how to draw more supporters to the cause and mobilize more resources for the projects it creates.

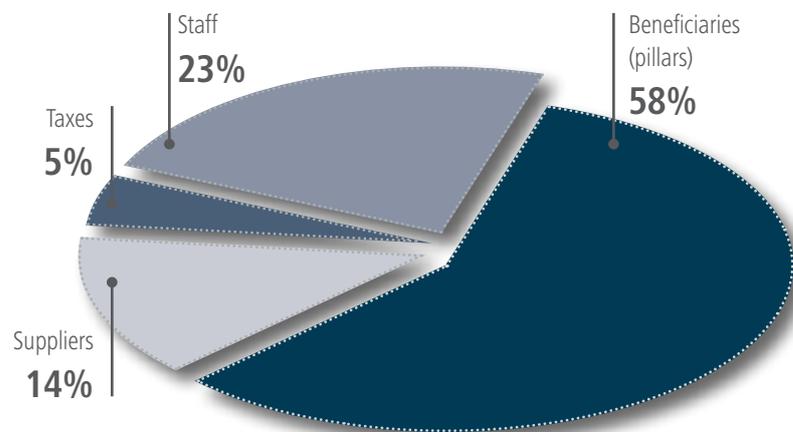
Economic and Financial Results

With the intention of offer greater understanding and transparency about how our resources are distributed among stakeholders, we present the chart of the value added statement (VAS), below.

The results indicate that Semeia has increased its tax contributions and also increased significantly the amount of resources destined for final projects implemented by Semeia itself, with support from specialized consultants.

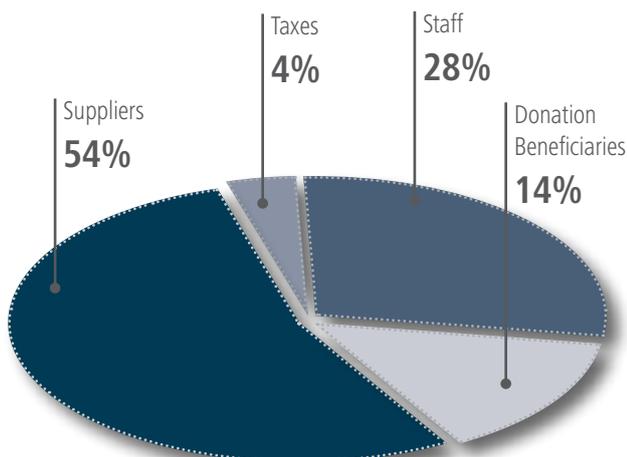
Value Added Statement

2013

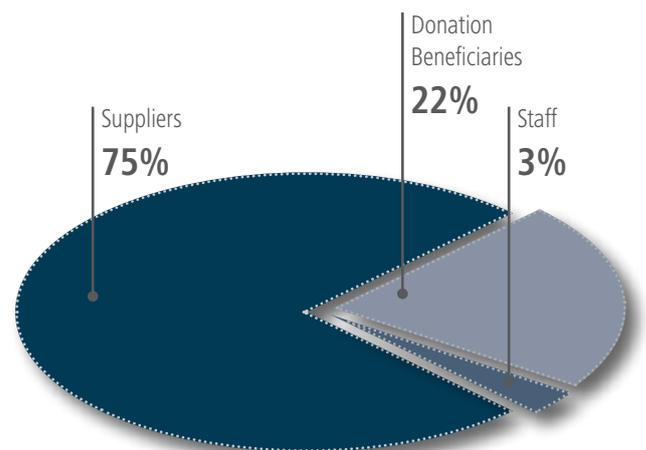


Value Added Statement

2012



2011



Auditor's Report

We have audited the financial statements of the Semeia Institute ("entity") CNPJ # 10,621,023/0001 under paragraph-77. These financial statements are comprised of the balance sheet for December 31, 2013 and related statements of income, changes in equity and cash flow, as of that date, as well as a summary of the main accounting practices and other explanatory notes.

Responsibility of Management for Internet Statements:

The administration of the entity is responsible for the preparation and adequate presentation of these financial statements in accordance with accounting practices used in Brazil and by internal controls that it determines necessary in order to permit the preparation of financial statements that are free from material misstatement, regardless whether they are caused by fraud or error.

Responsibility of Independent Auditors

Our responsibility is to give an opinion of these financial statements based on our audit, conducted in accordance with Brazilian and international standards of auditing. These standards require the fulfillment of ethical requirements by the auditors and that the audit be planned and performed with the objective of obtaining reasonable assurance that the financial statements are free from material misstatement.

An audit involves performing procedures selected for obtaining evidence about the values and disclosures in the financial statements.

The procedures selected depend on the auditor's judgment, including the assessment of risks and material misstatement in the financial statements, regardless whether they are caused by fraud or error. In this risk assessment, the auditor considers internal controls relevant to the preparation and adequate presentation of the entity's financial statements in order to plan audit procedures that are appropriate for the circumstances, but not for the objective of expressing an opinion about the effectiveness of the internal controls of the entity.

An audit also includes evaluating the appropriateness of accounting practices used and the reasonableness of accounting estimates made by management, as well as the evaluation of the presentation of the financial statements, taken as a whole.

We believe that the audit evidence obtained is sufficient and appropriate for giving an assessment.

Assessment

We believe that the aforementioned financial statements adequately present, in all relevant respects, the finances and the financial position of the entity on December 31, 2013; the performance of its operations and the cash flow for the year that ended on that date, in accordance with the adopted accounting practices of Brazil.



Carminato Associados Auditoria Contab Ltda.
CRC 2SP 021740/O-7
Edson Funes Carminato
Associate Accountant CRC 1SP 137.295/O-4

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Caio Dias

Communications

Edilaine de Abreu

Joice Tolentino



Special Thanks

Akiko Okusighe

Claudio Gastal

Diogo Canteras

Francisco Gaetani

Ike Gevaerd

Marcos Amend

Oliver Hillel

Renata Loew Weiss

Roberto Trauczynski

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Vinícius Lummertz

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Graphic Layout Production

TemArt Comunicação

Printing

AlphaGraphics

*Cristalino
State Park,
Mato Grosso State*



Carol Da Riva

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- 2 Iguazu National Park
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