



*Protected Areas
are a source of
wealth for Brazil*

"Brazil's Protected Areas (PAs) need the private sector's wholehearted support, and for that to happen, our federal, state, and local governments must provide adequate incentives and institutional security. The most visionary governments, joined with good entrepreneurs, will lead the way, setting a great example for our country."

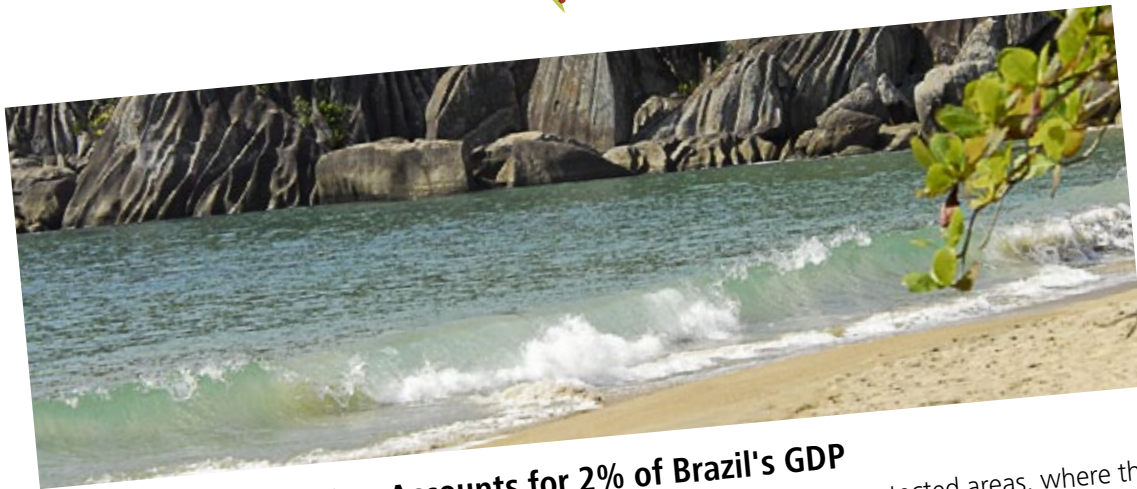
Guilherme Passos, Semeia Advisory Board Member

Our Dream



Latest News

April 2050



Protected-Area Tourism Accounts for 2% of Brazil's GDP

April 17, 2050 | 6:00 a.m. - Tourism-related economic development in 40 protected areas, where the government has partners from the private sector, reaches 2% of the Brazilian Gross Domestic Product (GDP).

Government Seeks Private Partners in Over 30 Protected Areas



April 16, 2050 | 09:00 p.m. - The committee constituted by the Ministries of Economy, Planning, Tourism and Environment announces today its plan for the areas to be subject of concession. The underlying concept is to double the supply of services and products in protected areas. "We will grant concessions to consortiums in each Protected Area. Concessions for individual products and services will no longer be granted. Only then can we convince people around the world to value outdoor living in Brazil. We expect them to be amazed," says the Secretary of Tourism.

2050 Census: Of Brazil's 60 Richest Cities, 10 Are Located Near Protected Areas

April 16, 2050 | 3:30 p.m. - Until 2010, the cities in Protected Areas' (PAs) buffer zones had the country's lowest quality of life. Since 2020 census data testified a significant evolution in social and economic indexes, fostered by tourism development in such regions.

At the end of this report, you will find a brief glossary on what we mean by:
Management Excellence;
Consumer Orientation;
Public-Private Partnership (PPP);
Protected Areas (PAs).

Any questions? Please email us at:
comunicacao@semeia.org.br
or contact us through the Instituto Semeia fanpage on Facebook.

Opening Message

“ The future belongs to those who believe
in the beauty of their dreams. ”
Eleanor Roosevelt

Humankind Learned to Walk by Pursuing Dreams.

And the dream of the Passos family was to guarantee that future generations could know the wonders of Brazil's Protected Areas (PAs). And so, born of dedication, love, belief, and much hard work, Instituto Semeia came into this world. And it is Semeia's dream to honor what is Brazilian.

To make that dream come true, our PAs must benefit all people -- from the world over. They must reconcile the best practices of conservation with development opportunities -- jobs, education, and leisure.

The dream is possible, but the road is long.

In New Zealand, public protected areas cover about one third of all territory. How did that country turn nature and adventure tourism into its greatest showcase? How is it that Brazil, ranked 7th among the world's economies and a leader in natural beauty, has so underutilized the fantastic tourism potential of its PAs?

Lacking resources and management tools, our PAs are sometimes viewed as obstacles to progress, instead of as a motor for national development.

The next 50 years will see even greater challenges: the world population will boom, people will demand more meat-based protein, the global commodities market will expand. All these factors will pressure Brazil to plow, to cut, to dig. Our landscape may be irretrievably transformed.

Semeia believes that for the PAs only one path exists: a nationwide commitment to expert management. This is not the government's task: it is Brazil's task. And so we welcome the private sector's dynamic, enthusiastic participation. Not only that, Semeia will scour the world searching for successful models that can be adapted to our Brazilian reality.

How is it that South Africa's SANParks acquires 75% of its revenues from private sector partnerships? The SANParks "Commercialization as a Conservation Strategy" demonstrates how professional management and marketing can reduce the need for government funds and direct private capital to infrastructure and conservation. Studies show that every concessionaire dollar entering a park attracts three more dollars from other sources.

In Brazil, a recent example of ministerial teamwork may signal a step forward in national conservation-partnership efforts. The Environment Ministry and the Planning, Budget and Administration Ministry recently published a "Manifestation of Interest" aiming to structure the National Program of Public-Private Partnerships (PPPs), as they relate to PAs. Certainly, PPPs are neither the only option nor the best option for all kinds of PAs. But when it's appropriate, the PPP model can lead to efficiency benefits: it allows the government to dictate guidelines, to monitor and inspect agreements, and to set goals, while it lets the private sector play the role of a goods and services operator. Semeia believes that benchmarks from other industries and countries must be identified in order to create a socially inclusive model for managing PAs, in which the private sector is a key player.

A joint mobilization is essential. Even now, many dedicated individuals (both well-known and anonymous) have been working to promote the cause of Brazilian conservation. Semeia honors their excellence and dedication and wants to join with them, to expand this group to provide a wake-up call for society, especially for the private sector. Even those who are not environmental activists must know that PAs make an essential contribution to the development of our people and country.

We believe we can contribute to such an agenda.

In 2011, we designed Semeia's Strategic Map, which set priorities, processes, results, and implemented some management tools. In order to foster innovative management models for PAs, we decided to focus our efforts on an articulation between the public and the private spheres.

We know that we have a long way to go and that many obstacles must be overcome. We have been generating knowledge, testing and articulating, driven by the desire to impact conservation and development in PAs, with management models that include private partners. In the words of our National Anthem, we see Brazil as "a giant by its own nature," and this guides our journey.

Pedro Luiz Barreiros Passos*
President of the Board of Directors

Ana Luísa Da Riva
Executive Director

* Pedro Passos is a founder of Natura, one of Brazil's leading cosmetics manufacturers as well as a benchmark for corporate sustainability.



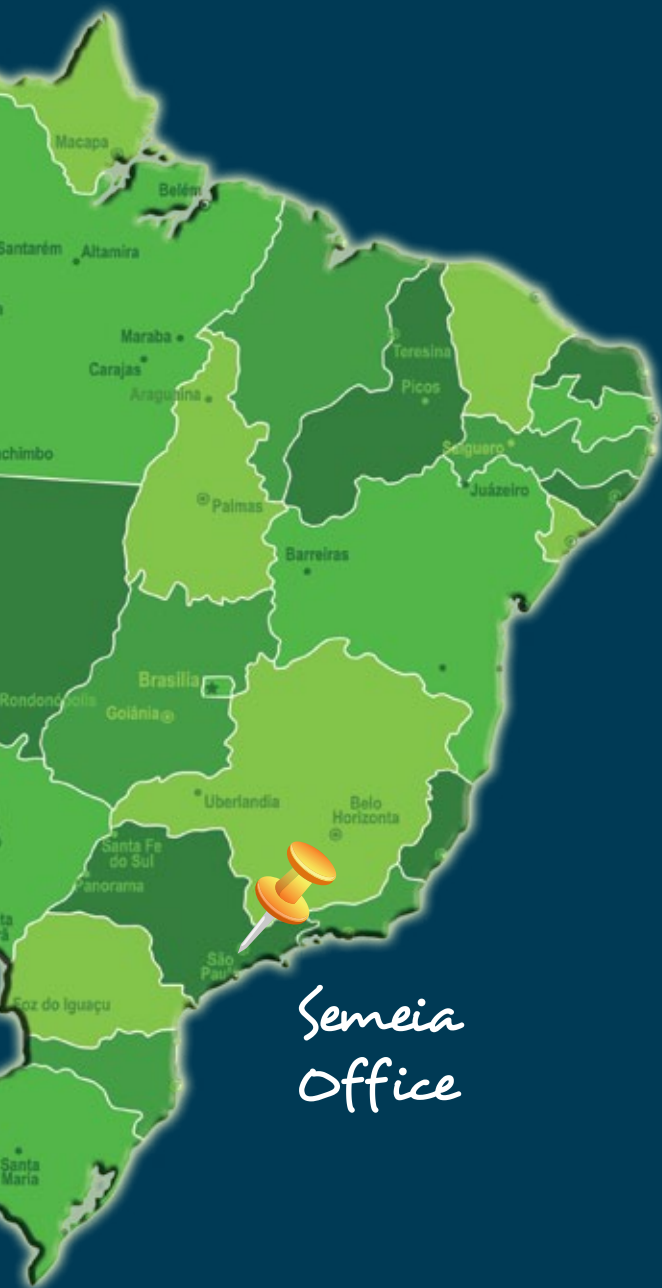
Instituto Semeia: About Us

Mission

Our mission is that Brazil's Protected Areas become 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.



We are a nonprofit organization committed to public policies and long-term contribution.

We have no ties to or preference for any political parties whatsoever.

Our scope of operation is Brazil's Protected Areas (PAs). During this first triennium (2011-2013), we are particularly focused on areas that allow public use. We believe in tourism to leverage the conciliation of conservation and development.

In addition, we believe that it is necessary to seek ethical and responsible partners in the private sector, who, renowned for their business practices and technical and financial strength and expertise, can bring management excellence to the public arena, becoming partners with the government in PA conservation and in the generation of economic and social benefits for society as a whole.

We are a catalyst, joining efforts, people, and domestic and international corporations, for, together, these will contribute to the vigor of Brazil's PAs. Semeia neither runs nor manages any businesses at the PAs.

We add value:

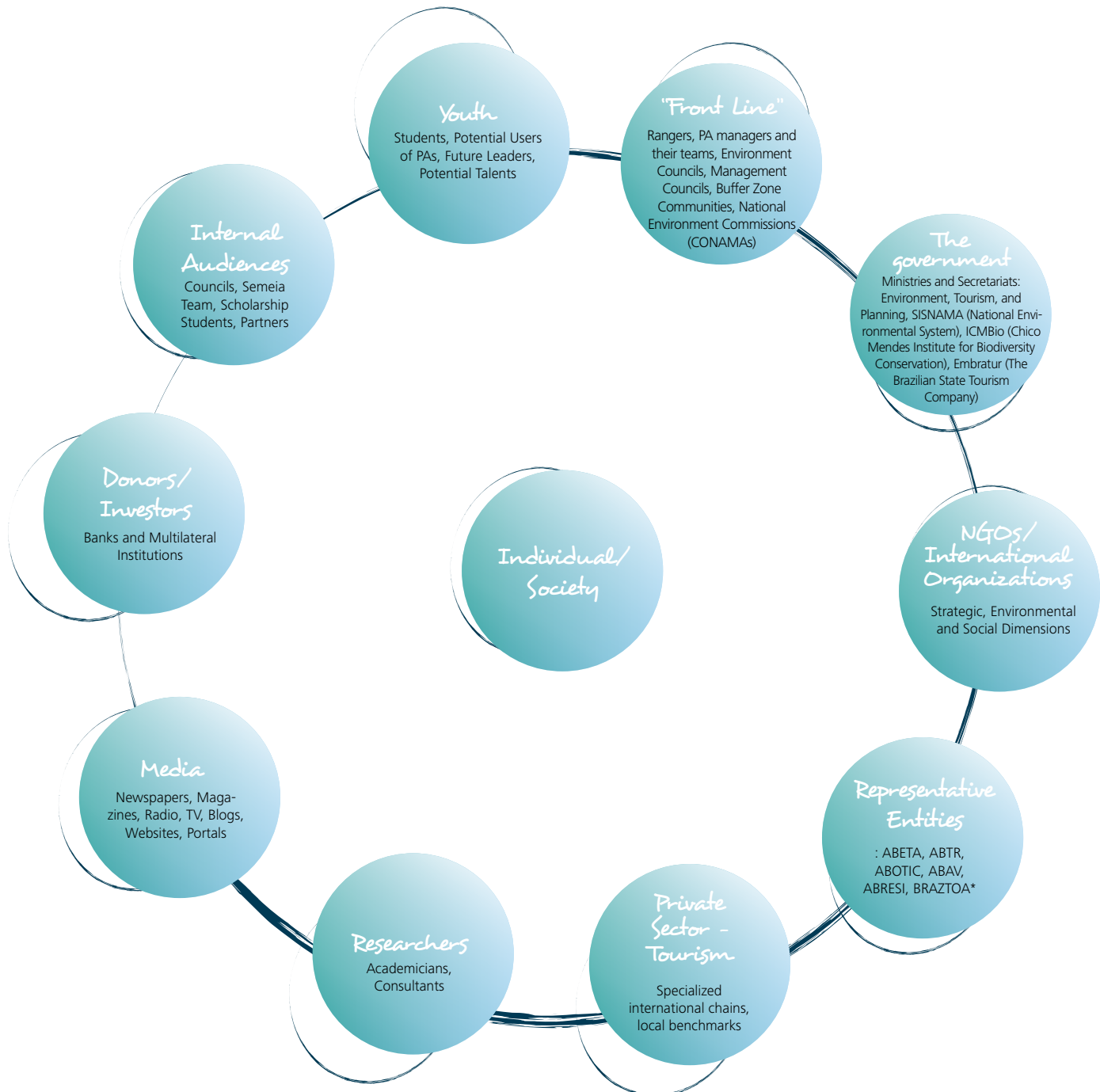
- By working with the public and private sectors, civil society, and academia to develop innovative solutions for PA management;
- By bringing in management benchmarks from other industries and countries;
- By identifying local and international standards of excellence in this field.



Learn more about Semeia.
www.semeia.org.br

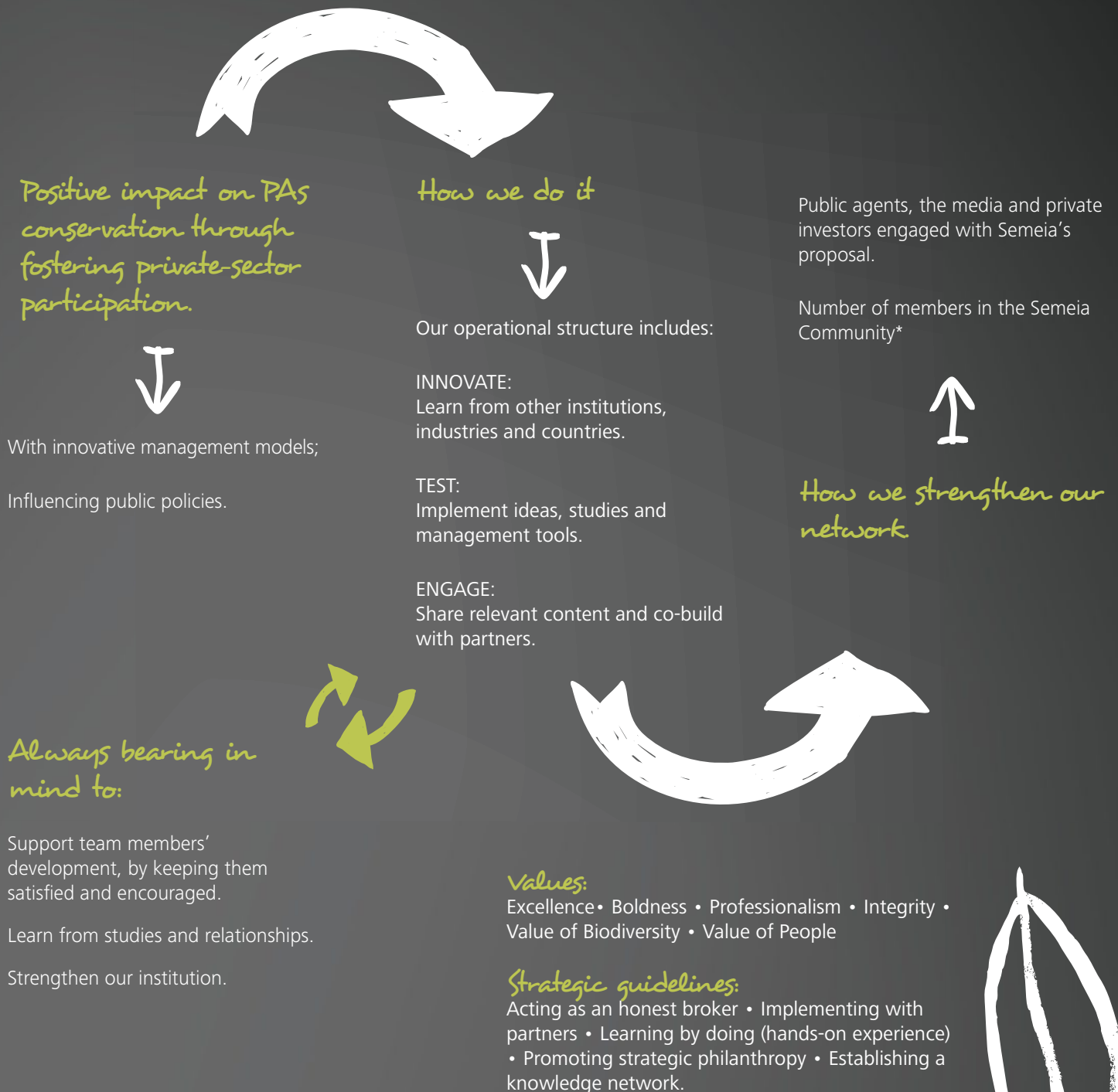
We will gather agents of change and encourage them to transform the country. We will pursue a dream: to turn our protected areas into a source of development opportunities for Brazilians and to make those areas objects of national pride, to be enjoyed and conserved.

Agents of change:



*ABETA (The Brazilian Eco- and Adventure-Tourism Agency), ABAV (The Brazilian Travel Agencies Association), ABRESI (The Brazilian Gastronomy, Accommodation, and Tourism Association), BRAZTOA (The Brazilian Association of Tourism Operators).

Semeia Strategic Map



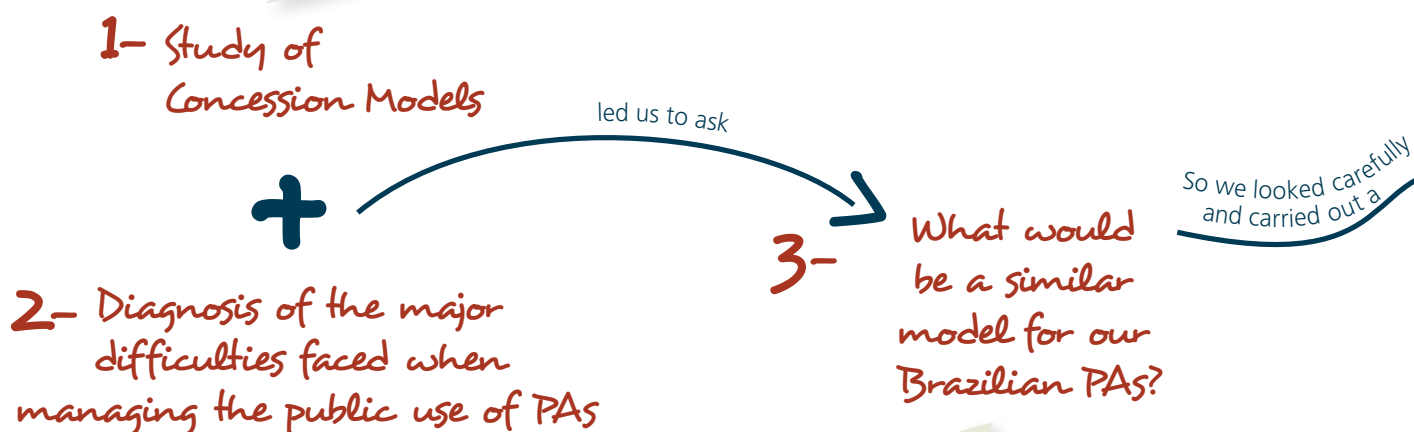
* Those in the "Semeia Community" identify with Semeia and follow up on its projects. Joining is easy: just e-mail us.

Our Achievements – 2011

INNOVATE: LEARNING FROM OTHER INSTITUTIONS, INDUSTRIES AND COUNTRIES.

The idea for Public-Private Partnerships (PPPs) was inspired by a project implemented in the healthcare sector in Bahia State, Brazil: the management of a public hospital was granted to a concession that focused, with resounding success, on enhancing the amount and quality of services provided to users.

In Brazil, a PPP is a type of concession that operates through a partnership between a private player and the government. The government defines “what” and the private entity carries out “how” – as efficiently as possible.



- Low number of people visiting Protected Areas;
- Tourist products of little appeal;
- Private sector finds competitive bids unattractive;
- Public administration manages an unwieldy number of contracts;
- Public-sector employee job descriptions are too broad: the private sector could better perform many public-sector operational tasks. In the end, public-sector employees focus inadequately on conservation monitoring and enforcement;
- Difficult at all levels to implement PAs effectively. Land-title problems in most areas;
- Surrounding communities suspicious of the protected areas, which are seen as places that constrain development.

Extending the concept of Public-Private Partnership (PPPs) to PAs is new in Brazil, and so this option should be reviewed on a case-by-case basis.

A PPP has a very particular design. For example, it assumes government will sign a contract with only one entity (which may be a company or a consortium of companies). In other words, this design differs from the current model of scattered concessions. For its part, Semeia advocates partnerships that have participatory processes that include and respect the local communities.

The study answered the following questions:

- *Is it possible to consider a PPP in PAs?*
- *Can the government's private-sector counterpart receive funds from the Environmental Compensation tool?*
- *Can the government establish the indemnification to be paid for land regulation and work with a private-sector counterpart in implementing land expropriation in PAs?*

Although these questions have yet to be definitively tested, our expert legal advisor has shown us that the answer to each question is yes. So, with this study, our objective is to engage with the offices of both State and Federal Attorneys-General so that we can discuss challenges and opportunities and move on towards bolder and more innovative management models that might be appropriate for our PAs.

4- Legal Study: the regulatory framework for Public-Private Partnerships (PPP) in PAs

Which called our attention to the fact that

5- The great innovation is to grant a concession with conservation and development performance goals

In a PPP, the private partner is rewarded in accordance with its success in meeting government-established goals, which could include trail conservation, hiring and training conservation agents (e.g., forest rangers), local job creation, watershed recovery, sightseeing promotion, achieving the projected number of visitors, supporting scientific research, etc.

Under this agreement, a totally new concept

in Brazil, public use of the PA would generate financial resources, providing the private partner with the means to bear certain conservation costs and thus to achieve the pre-set goals. However, it must be pointed out that these projects require companies with technical and financial strength. Furthermore, the terms of agreement could be as long as 35 years, a period much greater than that allowed in other types of concessions.

Our Achievements – 2011

INNOVATE: LEARNING FROM OTHER INSTITUTIONS, INDUSTRIES AND COUNTRIES.

Decision-Making Model

After validating the Model with governments and tourism entrepreneurs, we intend to make it available on Semeia's website and to take it to other states in Brazil.

Environment

Taken individually, it may include the government and society.

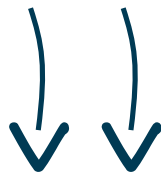
Government and Society

Businessman

one that operates tourism assets and services

And we moved on:

1- How can we identify the parks that have a higher potential for public use?



2- To answer this question, we developed the "Decision-Making Model".

3- The major players to be engaged in a partnership project between the public and private sectors.

Based on that, we identified

The Model aims to determine:

- Which PAs have the best features to develop a partnership project between the public and private sectors;
- For which type of tourism a certain PA has a higher calling, when compared to other PAs.

The result was a set of 24 criteria with the most important elements for each one of them in different types of tourism. The integrated analysis of such criteria allows us to pinpoint the PA which has the best win-win-win ratio for all three players in the concession.

and we wondered

4- What would make each player interested in the concession?

On our website:
Learn more about the
Decision-Making Model.
www.semeia.org.br

We also considered that

5- Depending on the type of tourism, the importance of each criterion may vary.

For example: a PA whose inadequate road infrastructure is offset by a breathtaking scenic beauty, is likely to have the highest potential for a more exclusive tourism rather than for tourism that demand easy access.

As a result

6- The model innovates by considering the private sector viewpoint.

This tool can be quite useful for:

- The private sector to learn more about each PA opportunity;
- Developing a strategy for concessions performed by the executive agencies.

The Model criteria, when reviewed separately, can also address questions such as:

- Which PA surroundings have the worst social indicators?
- Which surroundings enjoy the best service conditions?
- Within a 200-km (125-mile) radius, which PA surroundings have the highest income concentration?

Designed by Semeia and implemented with the Brazilian Biodiversity Fund (Funbio) and E2 Consultoria.

For helping us test our Model in 2011, special thanks to the following state governments : Minas Gerais (IEF and PPP Unit), Rio de Janeiro (INEA) and São Paulo (Fundação Florestal).

Our Achievements – 2011

INNOVATE: LEARNING FROM OTHER INSTITUTIONS, INDUSTRIES AND COUNTRIES.

Preliminary Study on the Economic-Financial Feasibility of PPPs

- How can tourism reduce the need for public funding while improving environmental conservation in PAs?

This study assumes that because the concessionaire and the government share the same conservation goals, and because the concessionaire has been awarded concession rights, it must bear some of the conservation costs.

After selecting the PAs for further study, we went on to

1- The optimal conservation scenario,

The above forecast was compared to

2- The current situation

Our research pointed out, in general, available funds well below those needed for an optimal conservation scenario.

Building that scenario was the first step of the "Preliminary Study on the Economic-Financial Feasibility of PPPs."

The optimal scenario considered the ideal amount of current investments and expenditures for a given PA (or group of PAs). For that purpose, we wondered:

1 - If the entire management plan for a PA were implemented, how much investment would it be necessary?

2 - What will the maintenance costs be after implementation?

and combined w

For each good or service to be granted in a concession, we estimated the necessary investments, current expenditures and income perspectives. Factoring the resulting numbers into our review of the concession as a whole enabled us to visualize the project's potential Internal Rate of Return. Depending on the range of goods and services to be granted in the concession, this rate may either increase or decrease.

Activities developed internationally and sometimes not yet present in Brazilian PAs were also taken into account: bungee jumping, ballooning, jet boating, "planasubbing," among other activities. The closer we get to the optimal conservation scenario, the higher the number of tourist activities to be granted concessions. The PA officially established environmental sensitivity will determine the amount of acceptable tourism.

3- Analysis of goods and services that may be outsourced

allows assessing the possibility of

4- Reducing the need for public funding while improving environmental conservation in PAs through tourism.

The Feasibility Study can be applied either to one PA or a group of PAs.

It answers the following questions:

- Under which conditions is the PA tourist-development conservation project economically feasible?
- Under which project conditions can the private partner assume the PA conservation duties?
- Taking the financial-economic results into account, would a PPP be the appropriate concession model?

On our website:
More information about
the Study.
www.semeia.org.br

Designed by Semeia and implemented with the Brazilian Eco- and Adventure Tourism Agency (ABETA), the Brazilian Biodiversity Fund (Funbio) and E2 Consultoria.

For helping us test our Model in 2011, special thanks to the following state governments: Minas Gerais State (IEF and PPP Units), where the study was applied on 'Rota Lund'*; Rio de Janeiro State, where the study was first conducted at the Tiririca PE and Três Picos PE. We expect to have news for São Paulo, pretty soon!

*Rota Lund is a route connecting three state PA cave complexes: Gruta da Lapinha, Gruta Rei do Mato and Gruta Maquiné. Starting in Belo Horizonte, Rota Lund goes through Lagoa Santa and Sete Lagoas up to Cordisburgo. Semeia donated this study to the Minas Gerais State (IEF and PPP Unit).

Our Achievements – 2011

INNOVATE: LEARNING FROM OTHER INSTITUTIONS, INDUSTRIES AND COUNTRIES.

Identifying Positive Business Environments in Protected Areas

We started structuring a project that aims at facilitating and guiding private investments to strengthen the conservation and development in protected areas. The project will focus initially on parks and their surroundings.

Expected benefits:

- To influence public policies in order to strengthen cooperation between the public and private sectors for the PA management;
- To make relevant information and analyses available;
- To identify private-investment opportunities in parks and their surroundings;
- To reorient destructive economic and social processes towards harmonious conservation development.

The project has two analysis modules:

Comparative Module: a set of indicators enabling the assessment and comparison of different parks in the “Business Environment” category.

Informative Module: relevant information to encourage PA-management partnerships between public and private sectors.

The project is now in the Pilot Phase (to review the parks' public-use business environment):

- a) Which PA best carries out its economic and social duties at different conservation levels?
- b) Which PA has greater impact on the development?



Our Achievements – 2011

TEST: IMPLEMENTING IDEAS, STUDIES AND MANAGEMENT TOOLS.

On a visit to the United States in 2011, we introduced Semeia to several players, including the two largest concessionaires in American parks: Xanterra and Delaware North Companies.

In testing our ideas, we learned:

- Americans want to learn about investment opportunities in Brazil and are open to different kinds of arrangements;
- They want a reliable local partner, with ample knowledge of the Brazilian reality;
- Is there a demand? One of the most important factors in the investment decision is determining the existence of a viable target public represented by the “average-income-per-available-room” indicator;
- A large U.S. park, with international appeal, defines its target public as anyone who can get there on just one tank of gas. In the case of this park, that means 35 million people;
- Government red tape is considered the biggest working challenge.

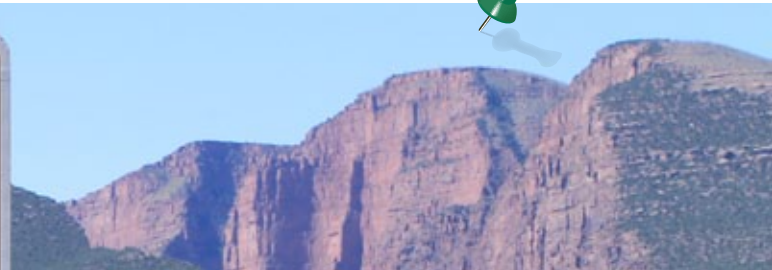
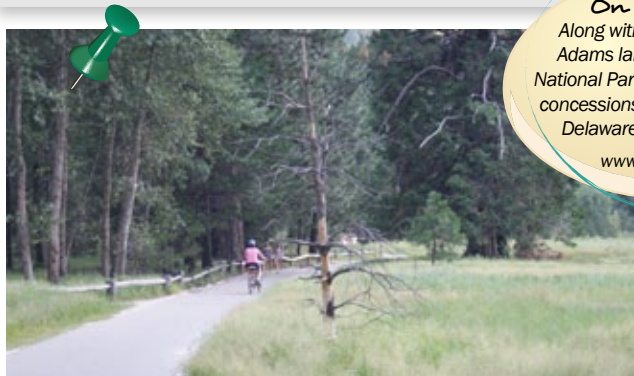
We also studied other models, such as those from New Zealand, Argentina and South Africa. We expect to bring together national and international cutting-edge companies interested in investing in Brazilian PAs.



On our website:

Along with magnificent Ansel Adams landscapes, Yosemite National Park offers well-appointed concessions, all under the care of Delaware North Companies.

www.semeia.org.br

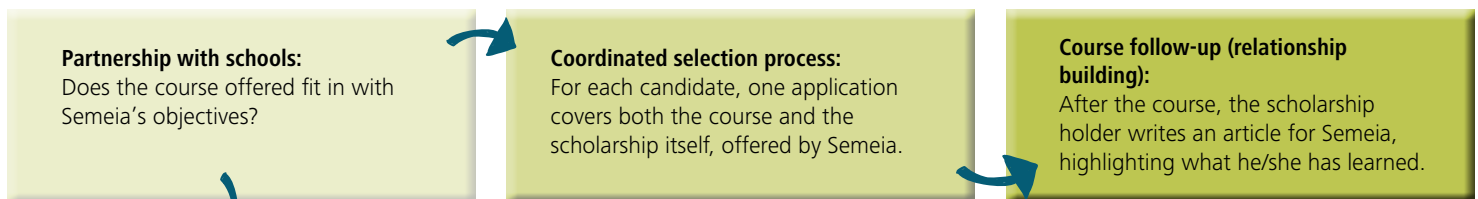


Our Achievements – 2011

ENGAGE: SHARING RELEVANT CONTENT AND CO-BUILD WITH PARTNERS.

Scholarship Program

Scholarship Program Phases



Scholarships granted in 2011:

- Colorado State University (CSU), *XI Curso Corto Intensivo de Manejo de Áreas Silvestres Protegidas* (takes place in USA but taught in Spanish)
- Instituto de Pesquisas Ecológicas (IPE), *Curso de Ferramenta de Ação Participativa* (takes place in Brazil)

"The course was interesting, and of great importance for those working in participatory management."

*Juliana Salomon Pires,
Semeia-IPE 2011
Scholarship Student*

"I have grown a lot during this process with Semeia, from the beginning of the course until now. The talks, debates, errors, reflections, readings - I feel myself inside a dynamic orbit of professional development."

*Adriano Melo,
Semeia-CSU 2011
Scholarship Student*

"During the course, I had the chance to get to know different management systems and the various activities promoted in protected areas."

*Érika Farias,
Semeia-CSU 2011
Scholarship Student*

Online videos

The priorities are:

- Public policy development: contributing to establish processes that lead PA public management to excellence;
- Studying and evaluating public-private partnerships in other economic areas;
- Survey of world tourism benchmark projects in parks and Protected Areas;
- Strengthening mutual conservation-development benefits in PAs.

Semeia's Website

In 2011, we released our Portuguese-language website and have been structuring it to provide quality materials and reports. Also, new content can also be found on Semeia's Facebook page (Portuguese only). Enjoy and follow our activities!

On our website:
Register on the site and
receive our newsletter.
www.semeia.org.br
(Portuguese only)

Watch Semeia
videos on YouTube .
www.semeia.org.br
(portuguese only)

Our glossary

Management Excellence

"Whether operating in the public, private or third sector, management excellence occurs in organizations that take part in society and create value for it."

Pedro Passos,
President of Semeia's Council

Management excellence requires that each person or organization focus on what they do best and that cannot be delegated. The government must focus on establishing guidelines, monitoring and enforcing concession contracts on goods and services for the PAs. Private partners with expertise, as well as technical and financial strength must implement activities. For example, wouldn't it be more effective if infrastructure projects in PAs were built directly by private partners, following government-defined guidelines? After all, the government often pays much more for supplies and materials than private companies pay, and, additionally, by designating public servants to tangential activities, may divert its attention from areas in which official action is more needed.

On our website:
Semeia, by Pedro Passos -
Excellence in managing PAs
requires public and private
partnerships.
www.semeia.org.br
(Portuguese only)

Consumer Orientation

Today, the most important strategic dimension in companies is customer relationship management. A single sale, without the consumer returning or referring the company to friends, generates little profit. Moreover, the same product or service, no matter how good, will never please everyone. Therefore, companies first select their target audiences so that they can increase transaction prospects. The next step is to identify what these people need, so as to define (1) what will be offered, (2) how it will be offered, (3) which quality level and price will be set, (4) how to make people aware of it and (5) which logistics to use. Because of ever-changing societal conditions and fierce competition, this process must be extremely dynamic.

Public-Private Partnerships in Brazil (PPP)

Limited public funds make PPPs a useful outsourcing method for increasing the quality and efficiency of public services. However, PPP is not another term for privatization. Rather, it is an opportunity for the government to play a more strategic role. The four main contributions of a PPP scheme are:

- To provide additional capital;
- To provide alternative management and implementation features;
- To add value to consumers and society in general;
- To improve needs identification and resources optimization.

The extent of the concept of Public-Private Partnerships (PPPs) for Protected Areas is something innovative and unheard of in Brazil.

On our website:
Celso Toledo demystifies
Public-Private Partnerships
in Protected Areas.
www.semeia.org.br
(Portuguese only)

Protected Areas (PAs)

PAs are territories and environmental assets whose protection is guaranteed in the national conservation strategy. Each PA exemplifies a specific ecosystem biodiversity that must be preserved for future generations. PAs are sites of rare beauty. Some of these areas, such as the Fernando de Noronha beaches, Iguaçu Falls, the groundwater dunes of Lençóis Maranhenses, are world famous abroad; others, found along the rivers and forests of the Amazon region, in the hidden corners of the Caatinga (the Brazilian drylands),

in the Cerrado (the country's savannah) and other Brazilian biomes, are practically unknown, even in Brazil. Altogether, Brazil's PAs constitute an environmental asset covering almost 74 million hectares, an area greater than that of the Netherlands and Belgium combined.

PAs should be dream destinations for leisure and tourism, exciting the imagination of the global community. They should be a source of national pride and regional development.

Board of Directors

Pedro Luiz Barreiros Passos
President of the Board of Directors

Marcia Ruggiero Passos

Guilherme Ruggiero Passos

Patrícia Ruggiero Passos

Our Team



Ana Luísa Da Riva
Executive Director

Renata Loew Weiss
*Communication and
Education Coordinator*

Anna Carolina Lobo
Project Coordinator

Isabella Santana
Administrative and Financial Assistant

*We work with a small team.
We value partnerships, seeking to
accomplish our projects with the
collaboration of other institutions.*

Full version of the 2011 Semeia Report:

This is the English-language version of Semeia's Portuguese-language summarized report. In the full version (Portuguese only), you can find such relevant information as our financial figures, the methodology used in developing this report, which follows Global Reporting Initiative (GRI) guidelines, Application Level C, as well as a table that shows how and where the GRI disclosures and indicators are addressed.

Any questions? Please email us at:
comunicacao@semeia.org.br
or contact us through the Instituto
Semeia fanpage on Facebook.

*Many thanks to all that contributed
in preparing this Report*

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