

To: Board of Management

From: John Tracogna
Chief Executive Officer

Subject: **GIANT PANDA UPDATE**

Date: 2010-11-23

Summary:

This report outlines the purpose of the Giant Panda Conservation, Scientific Research, and Education Program, the current status and proposed next steps. The Toronto Zoo, Calgary Zoo, and Granby Zoo (consortium) are in negotiations with the Chinese Association of Zoological Gardens to bring a breeding pair of giant pandas to Canada. The Toronto Zoo seeks to issue a Request for Proposal (RFP) to identify a partner(s) to design, build, and finance the giant panda exhibit and program. This arrangement would negate the need for significant City of Toronto funding for the giant panda initiative, while providing a legacy capital facility to be used by the Zoo for other species long after the giant pandas have returned to China.

Recommendations:

It is recommended that:

- 1. The \$2,030.0 thousand for the Giant Panda design be deleted from the 2011-2020 Capital Works Program.**
- 2. The Chief Executive Officer (CEO) be authorized to undertake a Public/Private Partnership process (RFP) to seek one or more partners to design, build and finance a Giant Panda Exhibit and Conservation, Scientific Research and Education Program;**
- 3. The Toronto Zoo Development Division implement a strategy to secure funding from the donor community, corporate sponsorships, senior orders of government, and eligible grant programs to support the project;**
- 4. In the event that a Public/Private Partnership RFP is not successful:**
 - a) the CEO pursue alternative plans to fund and build a Giant Panda Exhibit and Conservation, Scientific Research and Education program;**
 - b) a repayable loan of \$850.0 thousand be requested from the City for the design of the Giant Panda Exhibit;**

5. The CEO report back to the Board of Management on the outcome of the RFP process and/or recommend viable alternative option(s) for the Giant Panda Exhibit and Conservation, Scientific Research, and Education Program.

Financial Impact:

The objective of the Public/Private Partnership process (Request For Proposals) is to seek a partner to provide the up-front investment for the Giant Panda Exhibit and Conservation, Scientific Research and Education Program and minimize costs to both the Toronto Zoo and City of Toronto. Consequently the \$2,030.0 thousand funding previously requested for the design of the exhibit can be eliminated from the Capital Works Program.

Background:

As one of the world's most endangered species, giant pandas serve as a flagship species for conservation efforts worldwide. Threats to giant pandas are primarily due to habitat loss, fragmentation of habitats, climate change, and disease. The Toronto Zoo, working together with other zoos and wildlife organizations, has contributed to the conservation and protection of pandas in the wild for several decades. It would be a tremendous honour for the Toronto Zoo to play a more active part in the conservation, and breeding of this highly endangered species.

Over the past ten months, the Toronto Zoo has been collaborating with the Calgary Zoo, the Granby Zoo (consortium), the Canadian government and Chinese authorities/institutions to bring giant pandas to Canada for a cooperative conservation, scientific research and education program. This national project being developed amongst the three zoos is intended to build Canadian capacity in areas of veterinary medicine, reproduction, nutrition, bamboo research, conservation biology and behaviour studies. In addition, there is potential to establish a giant panda reserve in China that could be adopted by Canada for research and habitat protection.

At the meeting of the Board of Management on 2010-08-24, the Board was advised that the consortium proposal to bring giant pandas to Canada was entering a new phase of negotiations. The Board approved the recommendation to send a Toronto Zoo delegation to join the Calgary Zoo and the Granby Zoo in China to participate in the giant panda discussions. This visit also overlapped with the special celebrations of the 40th anniversary of relations between Canada and China on 2010-10-13.

Comments/Discussion:

Giant Pandas and the Toronto Zoo

The Canadian zoos have been preparing a draft proposal "A Strategy to Develop a Cooperative Canada/China Conservation and Scientific Program for Giant Pandas and other Endangered Species and Habitats of China". The consortium proposal is focused, first and foremost on conservation, scientific research, and education programs for giant pandas over the long term.

The Convention on International Trade in Endangered Species (CITES) lists Giant Pandas as “Appendix 1”. This listing means that both a CITES Export Permit issued by the exporting country (China) and a CITES Import Permit issued by the importing country (Canada) are both required before international movement occurs. The granting of these permits is subject to strict requirements. One of these criteria is that all net profits resulting from the panda’s presence in a zoo must be used for conservation of giant pandas and their habitat. If the acquisition proceeds, it is proposed that a Toronto Zoo Giant Panda Conservation Endowment Fund be established to support the activities of conservation, research, and education.

The Chinese authorities will only consider placing giant pandas with zoos that have the expertise, conservation and research programs, and facilities to provide excellent care for the giant pandas. In this regard, the Toronto Zoo is well qualified. The Zoo has established a credible reputation as a conservation and research organization with diverse staff strengths, including expertise in reproduction, veterinary medicine, behaviour and nutrition. The Zoo is a leader in many conservation breeding programs including cheetah, Puerto Rican crested toad, black-footed ferret and the Vancouver Island marmot, all reputed to be sensitive/endangered species and difficult to breed.

The Toronto Zoo has been a long-standing member of the AZA Giant Panda Species Survival Plan (SSP) and the Giant Panda Conservation Foundation (GPCF). The members of these associations work collectively to improve the captive management of giant pandas and the protection of populations in the wild. The Toronto Zoo has participated directly in panda projects, for example, conducting reproductive studies at the Chengdu Panda Breeding Centre in China.

Over the years, the Toronto Zoo has developed many cooperative programs with universities, colleges, government agencies and NGO's. Therefore, the Zoo is in a strong position to organize collaborative programs and studies with our partners to support panda conservation efforts. For example, Parks Canada is interested in assisting with the management of nature reserves for giant panda. This would be an excellent partner for the Toronto Zoo.

Recent surveys estimate there are less than 2,500 mature giant pandas in the wild (source: IUCN Red Data Book). Conservation work over the last two decades has focused on bringing more habitat under legal protection. There are now about 63 giant panda reserves in China, compared to 13 reserves 20 years ago. In the early 1990's, the captive population had a low reproductive rate and high infant mortality. Today, special nursing and rotation techniques have greatly improved the survivability of cubs. There has been a marked increase in new births resulting in 300 giant pandas in captivity worldwide with 87% living in China. The new goal is to have 500 giant pandas in captivity to maintain genetic diversity. Captive breeding of healthy giant pandas has a number of potential conservation benefits including: raising awareness and financial support for re-introduction efforts into the wild, and stabilizing giant panda habitats. By mobilizing people, institutions, and supporting international collaboration to save species such as giant pandas, zoo's are playing a leading role to preserve the world's rich bio-diversity - plants, landscapes, and animals.

Status of Negotiations

Negotiations between the Chinese Association of Zoological Gardens (CAZG) and the consortium are currently in progress and it would be premature to speculate on the details at this time. The areas of negotiation include but are not limited to: conservation fees, duration/timing at each respective zoo, breeding scenarios, transportation, legal/insurance, technical staff training, conservation programs, identification of breeding pair of healthy giant pandas from captive programs, etc. Negotiations to date have been positive and progressive which should lead in due course to a final Agreement between all parties.

Giant Panda Project Funding

The Giant Panda Exhibit and associated programming is a key component of the Eurasia zoogeographic area of the Toronto Zoo (Appendix 1). Eurasia is approved for re-development as part of the Capital Works Program and is consistent with the Toronto Zoo's Five Year Strategic Plan (2009-2014). It has always been anticipated that funding both operating and capital costs of the giant panda project would be raised from the donor community, corporate sponsors, senior orders of governments, eligible grant programs, concessions/retail, and admission fees. The Toronto Zoo is fortunate to be situated in Canada's largest population and business base. Among the diversity of ethnic populations and businesses in the Toronto Region, there are over 450,000 residents of Chinese origin who live in close proximity to the Toronto Zoo, many of whom have a great affinity for the giant panda.

Over the last few years, Zoo staff have visited the four other zoos in the United States with pandas, including the National Zoo in Washington, the San Diego Zoo, Zoo Atlanta and the Memphis Zoo, to benchmark their giant panda programs and facilities. As well, while in China the consortium visited the panda facilities at the Beijing Zoo, the Chengdu Panda Research Base and at Ocean Park in Hong Kong. Based on information collected from these visits and newly published manuals on giant panda care standards, Zoo staff have developed a preliminary draft investment concept plan for the Toronto Zoo's giant panda exhibit situated as part of the Eurasia re-development plan. Due to the consortium approach, new AZA Giant Panda design standards and new insights gained from other visits to giant panda facilities, it is estimated that the total cost of the exhibit and associated amenities would be approximately \$8-10.0 Million. This represents a significant reduction in cost from the original giant panda proposal that was in excess of \$16.0 Million for a longer term exhibit of the pandas by the Toronto Zoo alone.

To design, build, and finance the giant panda project using minimal City funding, which has been the objective from the outset, and to achieve a potential shorter construction timeline tied to giant pandas arriving from China, it is proposed that the Toronto Zoo seek one or more private sector partners to secure the investment required. Under such an arrangement, the Toronto Zoo would outline its needs (i.e. a capital investment for the design and construction of a giant panda area with visitor amenities) and proceed with a Request for Proposal. Interested proponents would respond with their terms, i.e. the required revenue stream, marketing exposure etc. in return for the investment. This type of approach, called a Public/Private Partnership (PPP), and

is also referred to as a Public Interest Partnership (PIP), was outlined in a report to the Board in February 2010 in the context of financing future partnership projects such as a potential biogas facility on the Toronto Zoo site.

The advantage of a PPP is that the Zoo would obtain a giant panda legacy capital facility which will have an adaptive re-use for other species long after giant pandas have returned to China. Although each PPP that the City of Toronto has recently undertaken is structured somewhat differently, the PPP does provide a framework for the Toronto Zoo to advance key capital projects such as giant pandas with the private sector while sharing the risks/benefits. The Toronto Zoo would ensure, working with the private partner(s), that the facility meets the animal management needs of the giant panda and provides an excellent visitor experience, consistent with the planning approach for all our animal habitat projects at the Zoo.

However, should there not be a positive response to the Request for Proposals for a Public Private Partnership, funds raised by the Development Division will be used for the construction of the Giant Panda Conservation, Scientific Research, and Education Program. In this eventuality, we would recommend that the Board request a repayable loan (of 850.0 thousand) from the City to fund the design portion of the giant panda exhibit and which could be used to support the fundraising program.

John Tracogna
Chief Executive Officer

List of Attachments:

1. Canadian Wilderness & Eurasia Master Plan

Canadian Wilderness & Eurasia Master Plan

