



# MPA

Issue Briefs for the Caribbean  
*Lessons learned for building and sustaining effective marine protected areas*



## SUSTAINABLE FINANCING

*Analyze your arrangement, expand your reach and build a diversified revenue stream to support management and conservation objectives*

### WHAT IS THE ISSUE?

Building and sustaining effectively managed MPAs requires dedicated, long-term financial support. Yet many if not most sites, particularly in the tropics, remain woefully underfunded and as a result struggle to meet management and conservation goals. Faced with persistent budget shortfalls, declining resource health, and heightened expectations from the public and government, a growing number of MPAs around the world are pioneering new revenue generating methods. In turn, **an emerging consensus recognizes that for any MPA to achieve financial sustainability, its management structure must include financial and business planning, analysis and progressive fundraising approaches.** Across the Wider Caribbean, the need for innovative fundraising holds particular relevance as developing states work to build robust MPA networks and provide the necessary budget resources that strengthen institutional capacity and enable active management.

Funding for most MPAs comes from a combination of government budgets,

international donors, private foundations, NGOs or local communities. At many sites the collection of tourism user fees further bolsters management capacity and may even represent the primary source of funds. Unfortunately, these traditional sources are often insufficient and unstable, which limits management capacity and creates uncertainty about future revenue. **Achieving long-term financial sustainability therefore requires MPA managers to move beyond conventional fundraising.** A range of different approaches show tremendous potential to enhance management effectiveness through diversified revenue streams, improved administrative efficiency, establishment of market and conservation incentives, and increased benefit sharing with local communities. **A growing body of sustainable financing literature, case studies and financial modeling tools are available to interested parties, though not all are equally and directly applicable.** Careful analysis of local social, institutional and legal realities must be made when considering application of any financing tools.

Traditional funding sources	<b>Government sources</b> <ul style="list-style-type: none"> <li>• Direct allocation</li> <li>• Bonds and taxes</li> <li>• Lotteries, stamps and license plates</li> <li>• Concessions</li> <li>• Real estate tax surcharges</li> <li>• Debt relief</li> </ul>	<b>Grant revenue</b> <ul style="list-style-type: none"> <li>• Bilateral and multilateral donors</li> <li>• Private foundations</li> <li>• Non-governmental organizations</li> <li>• Conservation trust funds</li> </ul>	<b>Tourism revenue</b> <ul style="list-style-type: none"> <li>• Protected area entry fees</li> <li>• Diving or yachting fees</li> <li>• Airport passenger or cruise ship fees</li> <li>• Hotel taxes</li> <li>• Voluntary donations</li> <li>• Merchandise sales</li> <li>• Concessions</li> </ul>
	<b>Fishing revenue</b> <ul style="list-style-type: none"> <li>• License and permit sales</li> <li>• Quotas</li> <li>• Catch levies</li> <li>• Fines</li> </ul>	<b>Energy and mining</b> <ul style="list-style-type: none"> <li>• Oil spill funds</li> <li>• Right of way pipelines</li> <li>• Royalties</li> </ul>	<b>Private sector contributions</b> <ul style="list-style-type: none"> <li>• Corporate donations</li> <li>• Local business donations</li> </ul>
Innovative approaches	Private sector investments promoting biodiversity conservation	National conservation trusts linked to the Caribbean Biodiversity Fund	Payment for ecosystem services
	Debt for nature swaps	Carbon offsets	Biodiversity prospecting
	Fish levies through eco-labeling or certification	Fishing access payments	Alternative livelihoods that enhance local tax revenue
Regional examples	Merchandise stores at the Roatan Marine Park, Honduras	Diver tags at the Bonaire Marine Park	Cruise ship passenger head tax in the Cozumel Reefs National Marine Park, Mexico

*Adapted from Spergel and Moye, 2004; Gallegos et al., 2005; and CBD, 2012.*

## WHAT LESSONS MAY APPLY TO MY MARINE PROTECTED AREA?

**Learn about sustainable financing concepts and practices.** The relatively new yet evolving field of sustainable financing is ripe for exploration by enterprising policymakers, managers, NGOs and stakeholder groups. The Convention on Biological Diversity (CBD) -- [see Protected Areas and CBD](#) -- highlights six key steps to develop and maintain a sustainable finance plan:

- Determine your funding needs and shortfalls
- Review the efficiency and effectiveness of your current administrative system in achieving management goals
- Assess the socioeconomic costs and benefits of management
- Identify real and potential funding sources.
- Develop a business and finance plan that delivers a combination of reduced costs

through improved management efficiency and/or increased revenue from new or potential funding sources

- Map out implementation steps and methods for monitoring progress.



*Innovative financing at the Roatan Marine Park, Honduras.*

**Adopt business and financial planning practices.** Successful management requires a clear understanding of the financial needs and expenses of a MPA, combined with knowledge of how to optimize resources and draw upon a diverse portfolio of funding opportunities. Business and financial planning helps managers set strategic fundraising objectives and then design a long-term road map to effective management through improved financial sustainability. Business plans also enable clear communication about funding gaps, needs and priorities to both existing and potential donors. Perhaps most importantly, business plans serve as a benchmark to monitor and evaluate management activities, demonstrate accountability and transparent use of funds and attract support from a range of sources. A growing number of MPAs are filling this needed competency by hiring individuals that possess a business background. ([See the Roatan Marine Park in Honduras.](#))

**Create a diverse and durable revenue portfolio.** Like any sound investment portfolio, MPA revenue should come from a diverse suite of revenue streams. Reliance on one or a small number of sources increases the risk associated with changes in economic cycles or funder capacity. For example, MPAs dependent primarily or exclusively on visitor fees may suffer during global economic downturns that affect the tourism sector. Likewise, shifts in government priorities often affect the availability of funds that support biodiversity conservation. As such, managers need to diversify MPA financial portfolios in order to bolster revenue, reduce variability and risk, or weather the instability of one or more funding sources. Also keep in mind that many innovative methods take time to set up. Start exploring options early and adopt new approaches as they present themselves, or create them as needed. ([See the Caribbean Biodiversity Fund.](#))

**Design and refine supportive policy frameworks.** Enabling legislation builds a foundation for MPA governance and management by establishing institutional authority, management capacity and the ability to devise agreements with stakeholder groups and communities. A close review of the legal framework that guides MPA development may reveal gaps or, worse yet, policies and programs that conflict with stated resource conservation goals. For example, inclusion of a mechanism or provision for MPA authorities to set fees, retain revenues or determine new market and conservation based revenue sources is a proven success factor. Conversely, certain types of fisheries subsidies or development schemes may cause environmental degradation, thereby increasing MPA management costs and negatively impacting local stakeholders. Regularly reviewing and refining the legal framework helps to reconcile intergovernmental conflicts, ensure the most appropriate governance structure and open the door to innovative fundraising. ([See the Belize Marine Protected Areas Network.](#))

**Align conservation goals with international agreements and regional initiatives.** Subsequent to formal MPA declarations, governments generally assume responsibility to provide some level of revenue that builds institutional capacity and enables management. Such commitments, if met, are further strengthened when countries sign on to supporting international agreements, conventions and regional initiatives. For example, the CBD Program of Work, Cartagena Convention and associated SPAW Protocol, Ramsar and CITES all support biodiversity conservation and the establishment of MPA networks. As proof of concept, countries that joined the Caribbean Challenge initiative now stand to reap long-term benefits from the newly established Caribbean Biodiversity Fund

and associated national conservation trusts and sustainable financing workshops. ([See the Caribbean Challenge Initiative.](#))

**Ensure widespread benefit sharing from resource protection.** Governments, international donors and private foundations increasingly recognize the link between biodiversity conservation and the creation of socioeconomic development opportunities that promote sustainable enterprise, reduce poverty and build alternative livelihoods. This is especially true in the developing world where

incipient MPA networks are gaining a strong yet still limited foothold. As such, managers must ensure, particularly where resource access has been limited, that revenues from activities in and around MPAs contribute to the well being of local communities. Funding requests can then be based on the benefits that well managed coastal and marine resources provide to local and national economies. ([See the Belize Managed Access Fisheries Program.](#))

## WHERE CAN I FIND MORE INFORMATION?

■ Emerton, L., Bishop, J. and Thomas, L. 2006.

[“Sustainable Financing of Protected Areas: A Global Review of Challenges and Options.”](#)

IUCN, Gland, Switzerland and Cambridge, UK. x + 97pp.

■ Erdmann, M. and Peter R Merrill, Idham Arsyad and Meity Mongdong. 2003.

[“Developing a Diversified Portfolio of Sustainable Financing Options for Bunaken National Marine Park.”](#) Vth World Parks Congress: Sustainable Finance Stream, Durban, South Africa.

■ Gallegos, Viviana Lujan, Anu Vaahtera and Esther Wolfs. 2005.

[“Sustainable Financing for Marine Protected Areas: Lessons from Indonesian MPAs - Case Studies: Komodo and Ujung Kulon National Parks.”](#) Environmental & Resource Management (ERM), VM, Vrije Universiteit Amsterdam.

■ Spergel, B. and Moye, M. 2004. [“Financing Marine Conservation: A Menu of Options.”](#)

Building Conservation Capital for the Future. Center for Conservation Finance. World Wide Fund for Nature. Washington, D.C.

■ Tlaiye, Laura. 2012. [“Expanding Financing for Biodiversity Conservation: Experiences from Latin America and the Caribbean.”](#) International Bank for Reconstruction and Development/The World Bank.

## PRACTICAL TOOLS

■ World Wide Fund for Nature. 2009. [“Guide to Conservation Finance: Sustainable Financing for the Planet. World Wide Fund for Nature.”](#)

The MPA cost model provides a framework that captures both the costs of providing ongoing conservation programs as well as the current and potential revenue and funding sources to cover these costs :

▶ Conservation and Community Investment Forum (CCIF). 2008. [“CCIF MPA financial and management tool manual and MPA cost model”](#).

▶ Conservation and Community Investment Forum (CCIF). 2008. [“MPA cost model.”](#)