Historical use of economic instruments and other finance solutions for coral reef management

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Monaco, December 4, 2018
Partial List of Finance Solutions

- Placing “Finance” in context
- Government Financing
- Donor Financing / Philanthropy
- Business Planning for Coral Reefs
- Protected Areas Tourism Fees
- Conservation Trust Funds
- Fisheries Fees, Licenses, and Quotas
- Green Taxes
- Biodiversity Offsets
- Eco-Certification
- Debt-for-Nature Swaps
- Public Private Partnerships
Placing “Finance” in context – governance and regulation

- National and local governance determines threats, costs, and opportunities
- Management needs and costs are largely determined by outside threats
- Marine Protected Areas / No Take Zones
- Fishing gear rules
- Environmental and Social Impact Assessment
- Pollution Regulations
- Damage Assessments and Compensation
- Enforcement!!!
Government Financing

- National Budgets
  - Clear indicators and results
  - Engagement of local managers
  - Timing of budget planning

- Subsidies – conversion to sustainable production

- Subsidy Reform – reducing harmful impacts and unintended consequences
  - Agricultural runoff
  - Urban Pollution – lax enforcement is a subsidy
  - Fishing Support
Business Planning for Coral Reefs

• Marine Spatial Planning

• Business Planning
  • A written document developed through consultation and analysis
  • Summarizes an entity’s plan to achieve their identified objectives through sound management and financing
  • Can be written for a PA System, MPA, NGO, CSO, CTF, or a for-profit or cooperative business
  • Language and style that potential investors and donors respect
Business Plans for PAs

Management Plan

Business Plan

Financial Plan
Business Plan Outline

• Executive Summary
  • Background
    • Vision and Mission
    • Physical and Biological Description
  • Value Proposition / Competitive Analysis

• Operations and Management
  • Organizational Structure and Governance
  • Program Plan
  • Risk Analysis
  • Measurement and Evaluation

• Strategic Priorities
  • Gap Analysis
  • Implementation Plan
  • Cost / Benefit Analysis

• Marketing Plan
  • Messaging
  • Communications
  • Fundraising

• Financial Plan
  • Historical Financial Statements
  • Financial Projections and Needs
  • Sustainable Financing
PA Tourism Fees +

- **Entrance fees** – Fees charged to tourists for access to or use of facilities inside a PA or natural site of interest

- **Activity Fees** - Fees charged to tourists to participate in a recreational activity in a PA or natural site of interest e.g. scuba diving, snorkelling, camping, mooring a boat, wildlife viewing, etc.

- **Other park-based fees** – licences, use-fees, accommodation, sale of goods

- **Concessions** - is the right – granted by a government, company, or other controlling body – to undertake a tourism-related operation in a protected area or natural site, usually in exchange for a fee

- **Visitor taxes** (Belize)

- **Volunteering**
Fisheries Fees, Licenses, and Quotas

• Landing Fees
• Boat Licenses
• Mooring fees
• Tradable Quotas ~ 150 Fisheries
• International Fishing Licenses and Fees
• Penalties
• Etc.
Tourism / Green Taxes

• Taxes – required fees charged by government on a per person or similar basis

• Examples include
  • Airport arrival or departure
  • Hotel beds
  • Cruise or airline tickets

• Usually collected by private business (airline, hotel) and remitted to government

• Can go directly to the Treasury, but in some cases are managed by Funds – e.g. PACT – Belize.

• Pollution Taxes!!
Eco-Certification

• Encourages private companies to improve their actions and
• Encourages consumers to vote with their purchases
• Marine Stewardship Council - MSC
• Ecotourism Certifications
• Local...
Conclusions

• Coral Reefs rely on a mix of finance solutions
• Build on existing solutions before new ones
• Most MPAs are underfunded and could benefit from a mix of growing existing solutions and developing new solutions
• Solutions that reduce pressure are often the most cost effective
• More resources below
Resources

• OECD, Marine Protected Areas, Economics, Management and Effective Policy Mixes
  DOI: https://dx.doi.org/10.1787/9789264276208-en

• www.conservationfinance.info

• www.conservationfinancealliance.org

• www.biodiversityfinance.org