

Finance Tools for Coral Reef Conservation: A Training Guide

Entrance Fees

Developed by the Conservation Finance Alliance and Wildlife Conservation Society for the International Coral Reef Initiative

Content drawn from Finance Tools for Coral Reef Conservation: A Guide (2018)

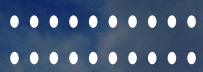
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Entrance Fees - Overview

- Definition: Fees charged directly to users of a protected area (PA) for entry or a specific activity (typically visitors/tourists/recreation).
- Value: Site based revenue and management tool that links visitors to conservation, high ability to retain fees at MPA level. Highly flexible - fees can have varying prices and stipulations e.g. duration of eligibility, time of year, demographics of visitors
- Economic Model: User pays for recreational ecosystem services



Entrance Fees – How does it work?

Collecting Fees

- Parks can receive payments directly – collected at a designated entry point, or:
- Park hires a private organization (e.g. NGO) to collect fees and often handle management of tourism activities and infrastructure
- Fees may be collected by tourism operators, such as divers or fishing guides operating in the park, and then transferred to the PA management

Distributing Benefits

- PAs may be able to retain and independently manage all or a portion of collected fees
- PAs may allow third party (e.g. NGO managing tourism) to keep fees
- PAs may be required to remit most or all of fee income to the national PA system, or even higher levels of government like central treasury, to then be redistributed



Entrance Fees – Pros & Cons

Pros

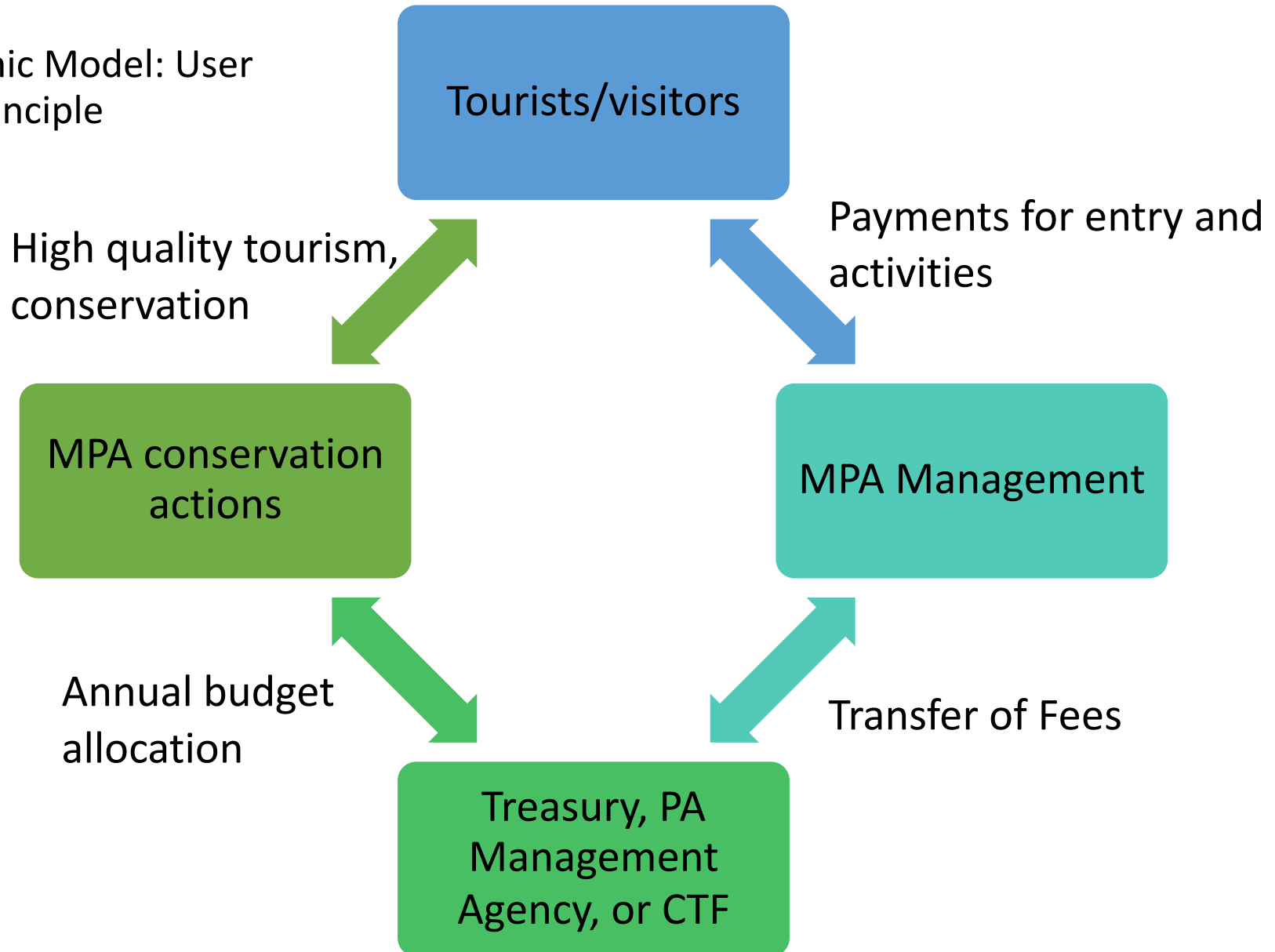
- Comparatively easy to implement
- Price points can be adjusted quickly to meet changes in market conditions and conservation goals
- Tourism activity can often be low impact and align with conservation goals if sustainably managed
- Can generate significant and consistent income for an MPA year to year

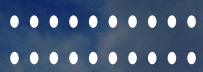
Cons

- Fees can be difficult or expensive to collect and enforce, especially for more remote MPAs
- Income from fees may be diverted to other uses if collected by a higher government agency in charge of its redistribution.
- Tourism can still be harmful and threaten achievement of conservation goals.

Entrance/Activity Fees

Economic Model: User pays principle





Entrance Fees – Conservation Activity Relevance

- Very flexible and direct form of income for PAs to support conservation activities including the creation, development, and management of PAs.
- High fees can deter overuse of sites and decrease visitation.
- An opportunity to interact with and educate tourists on the environment and sustainable tourism practices
- Eco-tourism, has the potential to be a lucrative yet relatively low impact
- Coral reefs are highly visited ecosystems that can attract tourists for activities including SCUBA diving and snorkeling allowing higher fees.



Entrance Fees – Stakeholders

- Regulatory entities
- Protected area authorities or partners (Government, NGOs, community based organizations)
- Service providers
- Local communities
- Tourists
- Private companies



Entrance Fees – Feasibility Assessment

- Does the PA have natural features to attract tourism? (e.g. beaches, clear water, accessible coral reefs, charismatic mega fauna)
- Willingness to Pay (WTP) study, or another type of survey, to assess potential revenue and fees?
- Social mission of MPA addressed through pricing
- Necessary infrastructure to accommodate tourists? (e.g. transportation, food & lodging, waste management, tourism operators)
- Have assessments been made on the potential impacts of tourism on the environment?
- Are specific fragile habitats protected?

Entrance Fees – Revenue Potential

- Revenue potential can vary widely.
- Factors include the number of visitors, fee per visitor or activity, and duration of access from the fee (annual, daily)
- Revenue varies seasonally (wet/dry season) and year to year (tied to economic, political, and social factors as well as natural disasters)
- Examples of revenues of Entrance/Activity Fees:
 - Tanzania Marine Parks has a wide variety of entrance fees depending upon age and citizenship status, as well as activity fees for different types of licensed vessels and concession agreements with service operators. It collects over \$500,000 in revenue each year (including concessions and special use fees).
 - National level: entry fees (especially safari) provide a total of \$65.6 million in Tanzania nationwide

Entrance Fees – Case Study; Tanzania Marine Parks

100,000 hectares of parks and reserves combined

- Varying fees across the following categories
 - Citizenship (1,180 – 2,360 tshs for citizens, \$5.90 – \$23.60 for non-citizens)
 - Age categories (Free <5, 5-16 years of age, >16 years of age)
 - Location (Marine Park or Marine Reserve)

Activities (USD):

- Engine Boats less than 40mph: 59-118/month
- Private/commercial boats: 118-236/entry, 5 days
- Game fishing boats: 236/5days, 59/fisherman
- Other boat operators including passenger boats

Generation of over 500,000 revenue/year