

A Financial Management Framework for MPA Networks

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While the ecological and social aspects and effectiveness of marine protected areas (MPAs) are constantly being studied and evaluated, far too little attention is being placed on the design, economics and financing of operationally functioning MPAs and networks of MPAs. Marine protected areas in the Coral Triangle region have demonstrated to be consistently sub-standard with regards to management effectiveness. Recent management effectiveness ratings are still low (e.g., approximately 25% in the Philippines and Indonesia) (TNC, WWF, CI and WCS, 2008; PhilReefs 2008;) suggest that only 10-25% of the region's MPAs are being managed effectively. In a worldwide survey of MPAs, only 16% of respondents reported that current levels of funding were adequate for effective conservation (Balmford et al. 2004). Clearly, most MPAs are not successful in protecting marine life, a failure which is often traced to a lack of adequate financing and poor regulatory enforcement (Lundquist and Granek 2005).

Given the scale of effort currently underway to develop effective MPA networks in the Coral Triangle region it is essential that effective and functional management plans and networks be designed, and that the resources required (human, political and financial) be understood and made available to ensure that these efforts succeed. This requires a management and financial framework and an overall MPA network design approach which considers the operational scenarios necessary to achieve the range of objectives for the MPAs in the region. Such a framework and approach will allow planners and practitioners to be very clear about what can be accomplished with existing funds, and what priority decisions to make as new sources of funding and investment come on line. It is also important to develop comprehensive management and financial (business) plans for these MPAs and networks of MPAs which gives donors and investors (government, NGOs, donors, private sector) a sound appreciation for the need and where their investments will be best placed.



Evidence from such comprehensive planning shows that hard decisions need to be made about what to fund and what management efforts require our priority considerations. In addition, such efforts show that by clearly considering the range of costs and management scenarios across a network, significant economies of scale and cost savings can occur. While some MPAs will have opportunities to secure significant funds from entrance fees or donors, most MPAs will need to develop functioning management plans and coordinate closely with other MPAs across a network to realize these efficiencies and to develop operational plans to secure funding in the long term. At the same time, with these detailed MPA network business plans in hand, it will be possible to design new revenue generating mechanisms and strategies tailored to the needs and realities of each MPA and network of MPAs.

The Conservation and Community Investment Forum (CCIF) has been working in the Coral Triangle region for several years now designing financial strategies for MPAs and networks of MPAs. We commonly find that what is lacking is a common and unifying framework for defining and agreeing on the objectives and functions of the MPAs, as well as for projecting costs across the various levels necessary (against MPA sites, functional priorities, cost categories, etc.). While agreeing that specific revenue generating business plans and mechanisms is a priority, our approach focuses on a framework to optimally manage the MPA in order to make rational decisions related to budget allocations, government commitment, securing funds from other sources, and designing funds and business plans for additional revenue. CCIF maintains a focused team in this region to support the capacity building of practitioners and to transfer our experience and knowledge through a range of interventions.

This presentation will present results from several case studies and establish the rationale for why sustainable financing needs to be considered from the beginning of the MPA planning process. We will also suggest how efforts in the Coral Triangle region specifically might take a step back and consider how management effectiveness and sustainable financing for existing MPAs and networks can be catalyzed before further expansion into new MPAs and networks is carried out.