

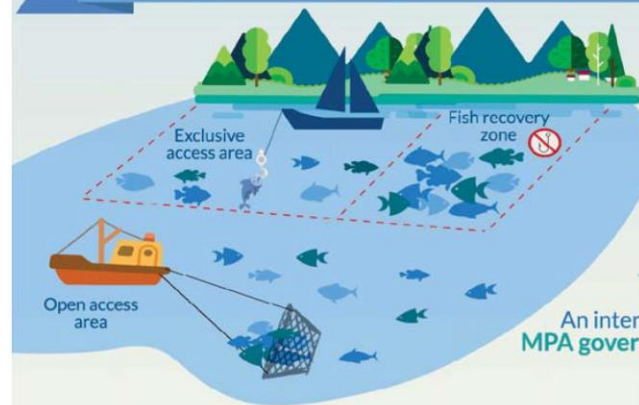


BAHAMAS PROTECTED AREAS FUND

Shenique Smith, Vice Chairperson
Karen Panton, Executive Director
Bahamas Natural History Conference
March 22, 2018



Solving the Mystery of Marine Protected Area Performance



The goal of marine protected areas (MPAs) is to provide **benefits** to both **people** and **nature**

But little is known about what works, what doesn't, and why



To better understand this ...

An interdisciplinary team is investigating links between MPA governance and social and ecological outcomes.

NOW DATA TELL A STRONGER STORY



of monitored MPAs have **positive impacts**, with fish biomass levels **1.6 times** higher on average than in non-MPAs areas



But ecological performance depends on ...

STAFF

BUDGET



Staff and budget capacity were the two **strongest** management **predictors** for differences in fish biomass.

MPAs with sufficient staff and an adequate budget



Nearly 3x greater fish biomass



than MPAs with inadequate budget and staff

HOWEVER...



of MPAs have sufficient staff capacity



of MPAs have an adequate budget

We therefore need to invest in MPA management for enhanced ecological and human well being

Gill DA, et al. (2017) Capacity shortfalls hinder the performance of marine protected areas globally. Nature. Doi:10.1038/nature21708



Background & Context of BPAF

- **In 2008, the Government of the Bahamas committed to meeting targets established by the CBD - Program of Work on Pas, one of which was the conservation of at least 10% of its coastal and marine areas by 2020.**
- **In the same year the Caribbean Challenge Initiative, was introduced by TNC in conjunction with certain Caribbean Governments, the German Development Bank – KfW, and other key partners and donors in order to help Caribbean governments meet these commitments. However the goal post was moved to 20% of marine and coastal ecosystems by 2020.**
- **In 2012, the Master Plan for the BNPAS identified measures to strengthen the PA system, including a Sustainable Finance Plan. The BPAF is a result of that plan to provide sustainable financing for protected areas into perpetuity while meeting the aims of the CCI.**
- **In 2012, the Caribbean Biodiversity Fund – a regional endowment and the sustainable financing arm of the CCI was established. It is the umbrella body for trust funds like the BPAF who are a part of the CCI.**

History of the Fund

BPAF was established in July 2014 by an Act of Parliament.



The Fund is governed by a Board of Directors

- Gail Lockhart-Charles – Chairperson
- Shenique Smith – Vice Chair
- George Maillis – Treasurer
- Lisa Benjamin – Member
- Eric Carey – Member
- Evan Cartwright – Member
- Crystal McClain – Member
- Casuarina McKinney-Lambert – Member
- Patrice Wallace – Member

Board Members bring experience in law, protected areas management, ecological science, biodiversity conservation, education, investments, compliance and finance.



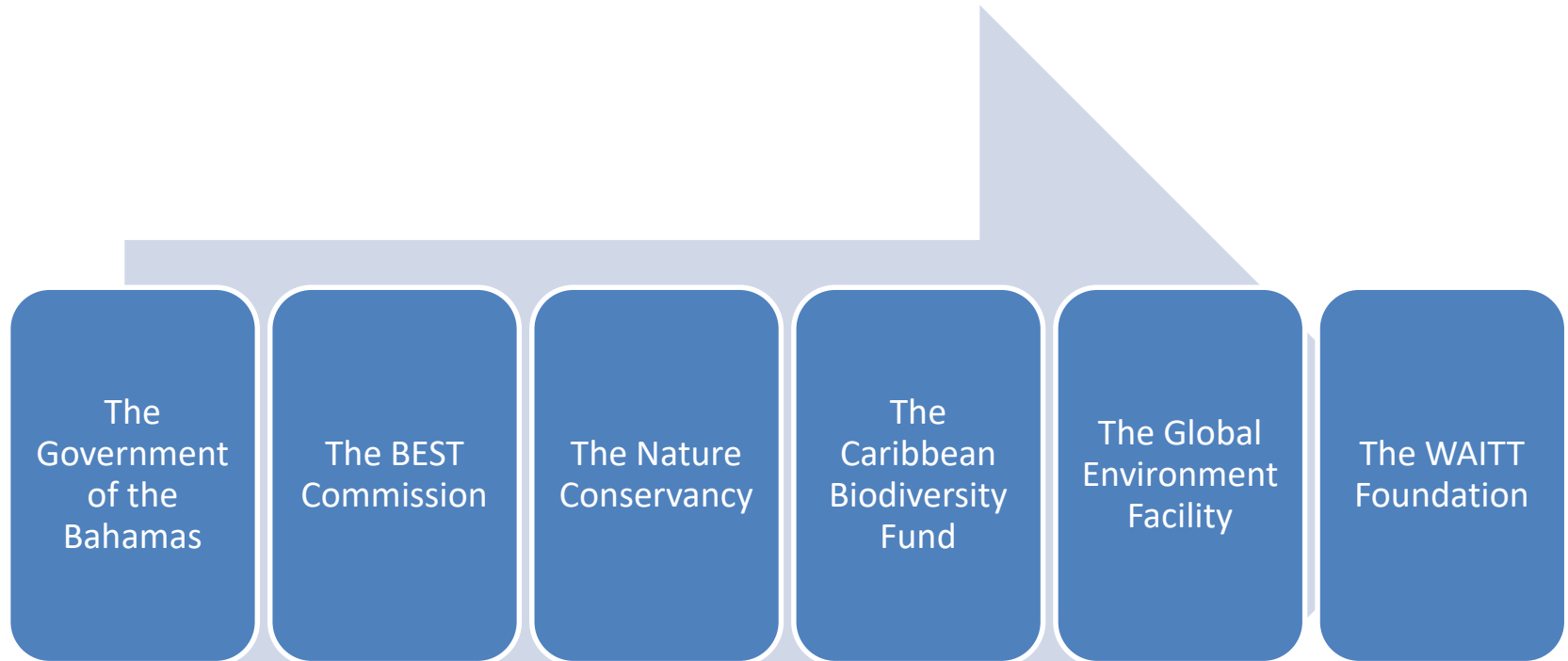


The BOARD

Maximum of 11 Board of Directors from the Government and Civil Society. Board members are allowed to serve a maximum of two terms or four years.

The Board has executive control and management of the affairs of the Fund and is responsible for its effective and effective operations.

Support for Our Establishment



And a host of other partners organizations like the BNT and BREEF, and persons Eleanor Philips, Stacey Moultrie and Rochelle Newbold.



The Bahamas Protected Areas Fund Act of 2014

- **Identifies the PAs** - includes Clifton Park, areas declared by Fisheries and Forestry Acts, by the Wild Bird Protection Act and areas owned or managed by the BNT. The Act requires that the BPAF maintains a register of all PAs.
- **Captures the establishment, administration and purposes of the Fund**
- **Constitution, powers and functions of the Board of Directors**
- **Financial provisions, accounts and audit** – our audited reports for 2016 and 2017 are on our website - www.bahamasprotected.com
- **Methods of dissolution of the Fund and the Bye-laws .**
 - Certain conditions must be met for dissolution, for example if the Fund becomes bankrupt.
 - Bye-laws have been drafted to support the affairs of the fund and its conduct.

Purpose of the Fund

The general purpose of the Fund is to ensure sustainable financing into perpetuity for the management of Protected Areas in The Bahamas, including:

- Management activities and objectives of CCI and CBF
- Scientific and policy research and education
- The conservation and management of:
 - Protected Areas
 - Any system of protected areas established by the Government
 - Biodiversity conservation
 - Protection of carbon sinks under the Forestry Act of 2010
 - Conservation and protection of water resources, wet lands or blue holes
 - Degraded or threatened eco-systems
 - Any area being used for climate change mitigation of or adaptation.

Financial Provisions - Revenues of the BPAF

- Monies provided by Parliament and budgetary allocations
- Public and private donations and grants from national and international sources
- Interest or earnings on its assets
- Funding from the CBF
- Proceeds from the sale, lease or transfer of Fund property
- Fees, levies, taxes or fines allocated to the Fund
- Proceeds from services provided by the Fund

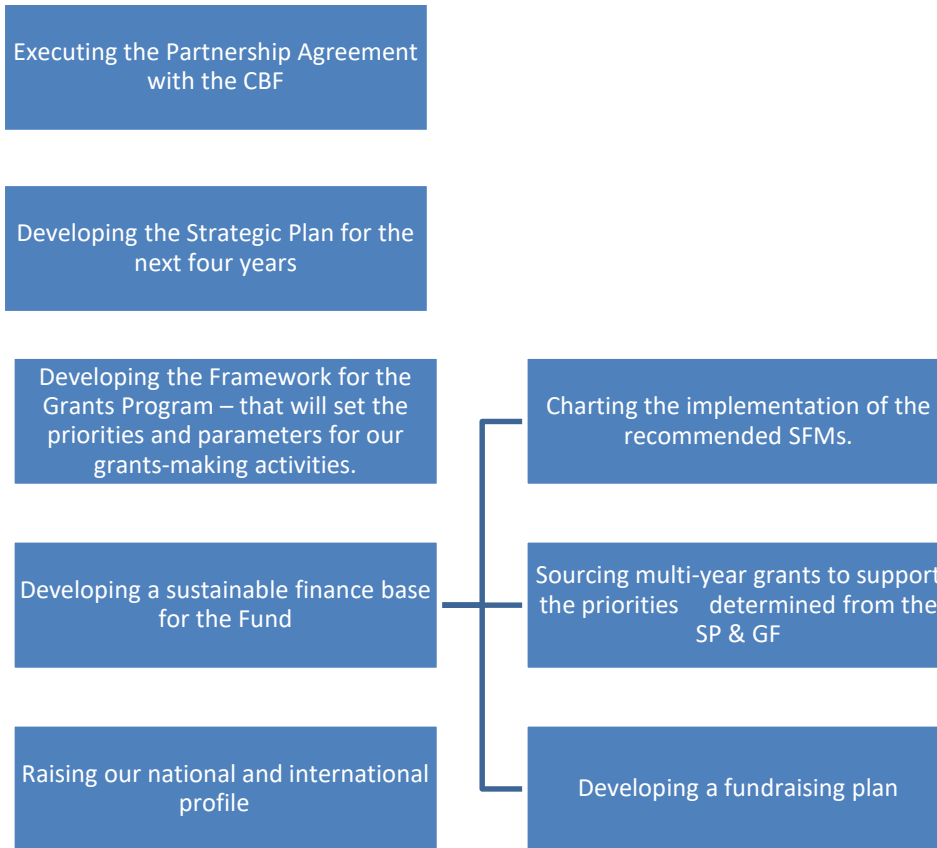


Financial Provisions - Assets of the BPAF

- All revenues collected by the BPAF are private funds – separate from the consolidated fund.
- Assets may be divided into:
 - Endowment Fund
 - Sinking Fund
 - Revolving Fund
 - Such other funds or accounts as the Board may determine



Current Focus of the Fund





Sustainable Finance Mechanisms Establishment

- Consultancy led by TNC in to determine the financial gap for the BNPAS and the most appropriate SFM for the BPAF. The consultancy led to a high level implementation plan for eight financial options. We are working with the MOE to implement.
- Key actors apart from TNC, BNT and BPAF include Government Agencies, other Environmental NGOs and the University of the Bahamas.
- The challenges to establish and implement the potential SFM will depend on the mechanism recommended, but may include legal, political and financial frameworks. Capacity to manage must also be considered.

Consultancy Background

High-level consultancy objectives:

1. Determine the financial gap for effective PA management, by PA managing agency and for the entire BNPAS
2. Project the financial gap over the coming 10 years in “status quo” and “effective management” scenarios
3. Identify potential funding options for the BPAF to consider for filling the financial gap
4. Develop an implementation plan for one funding option, to be determined by the BPAF board, in collaboration with other stakeholders



Scope of the Gap Analysis

Name of Entity	Sector	Number of PAs Currently Managed	Total Area of Current PAs	
			Acres	Km ²
Bahamas National Trust (BNT)	Quasi-governmental entity	32	2,093,053	8,470
Department of Marine Resources (DMR)	Government entity (Ministry of Agriculture and Marine Resources)	4	102,457	415
Forestry Unit	Government entity (Ministry of the Environment and Housing)	26*	608,167	2,461
Clifton Heritage Authority (Clifton)	Quasi-governmental entity	1	208	0.8
Royal Bahamas Defense Force (RBDF)	Government entity (Ministry of National Security)	N/A	N/A	N/A

**Not all PAs are currently established/gazetted*

Defining Status Quo Management Costs

Current status quo costs for PA management are assumed to equal the most recent budget information provided by managing entities

Matt Kieffer



Defining Effective Management Costs

Effective management of PAs includes:

- **Strong Management Plan:** There is a plan clearly outlining the vision, goals, and objectives that apply across all of the managing entity's PAs, including a process for monitoring and adaptive management.
- **Operational Capacity:** The PA managing entity, either directly or through partnerships, has the necessary skills, staff, infrastructure, and volunteers to implement the management plan, including surveillance and enforcement, monitoring and evaluation, outreach, and building stakeholder support and engagement.

Status Quo Management Costs Per Acre

	Current	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
BNT	\$2.13	\$2.18	\$2.24	\$2.30	\$2.37	\$2.43	\$2.50	\$2.56	\$2.63	\$2.70	\$2.78
DMR	\$0.02	\$0.02	\$0.02	\$0.02	\$0.02	\$0.02	\$0.02	\$0.02	\$0.02	\$0.03	\$0.03
Forestry Unit	\$0.93	\$0.95	\$0.98	\$1.01	\$1.03	\$1.06	\$1.09	\$1.12	\$1.15	\$1.18	\$1.21
Clifton	\$12,440	\$12,440	\$12,440	\$12,440	\$12,776	\$13,121	\$13,475	\$13,839	\$14,212	\$14,596	\$14,990

Key finding: Based on current PA management budgets, per acre costs vary widely between management entities

Example Costs Per Acre in Other Geographies

- \$6.64 per acre for PAs in the Caribbean (reported costs adjusted to 2017 USD)
- \$2.32 per acre in Mesoamerica
- \$9.20 per acre in a subset of developing countries

Since studies were performed in different years, all costs are converted to 2017 dollars



Figure 3. Financial Gap for BNT

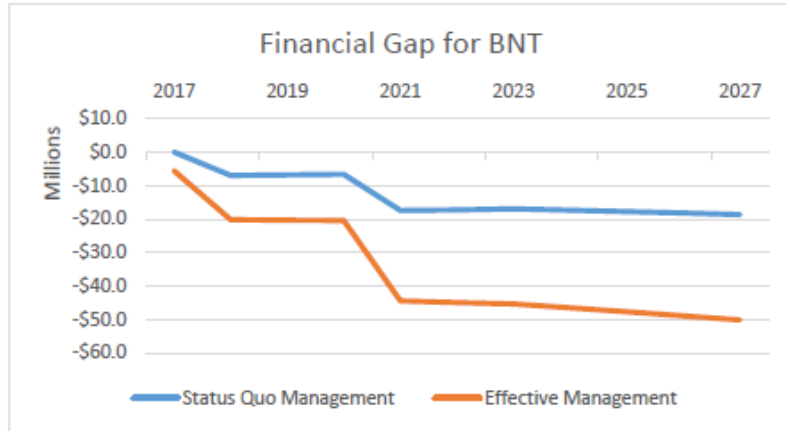


Figure 4. Financial Gap for DMR

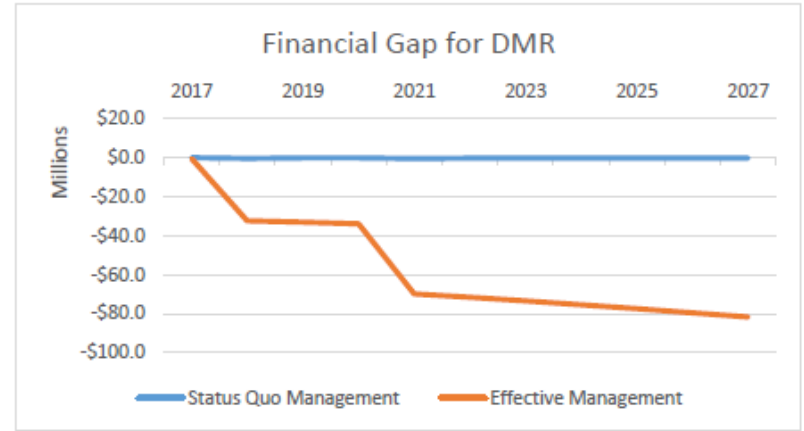


Figure 5. Financial Gap for the Forestry Unit

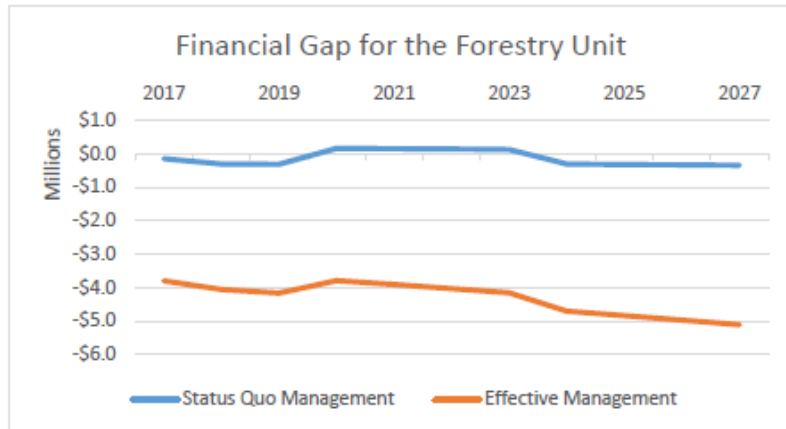


Figure 6. Financial Gap for the Clifton Heritage Authority

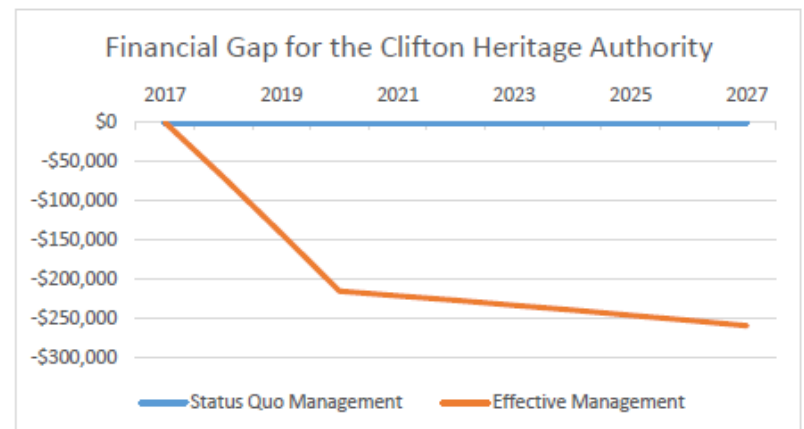


Figure 7. Financial Gap for RBDF

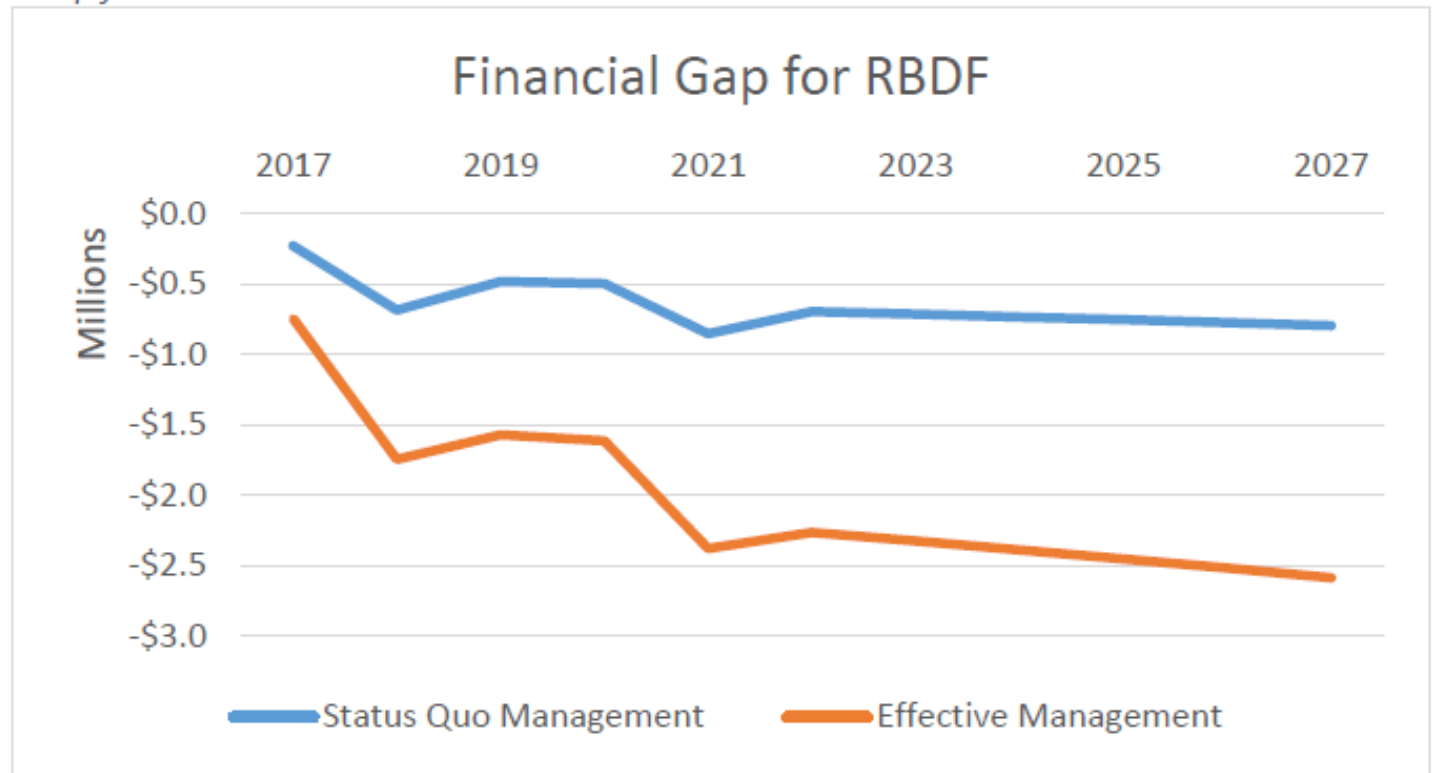
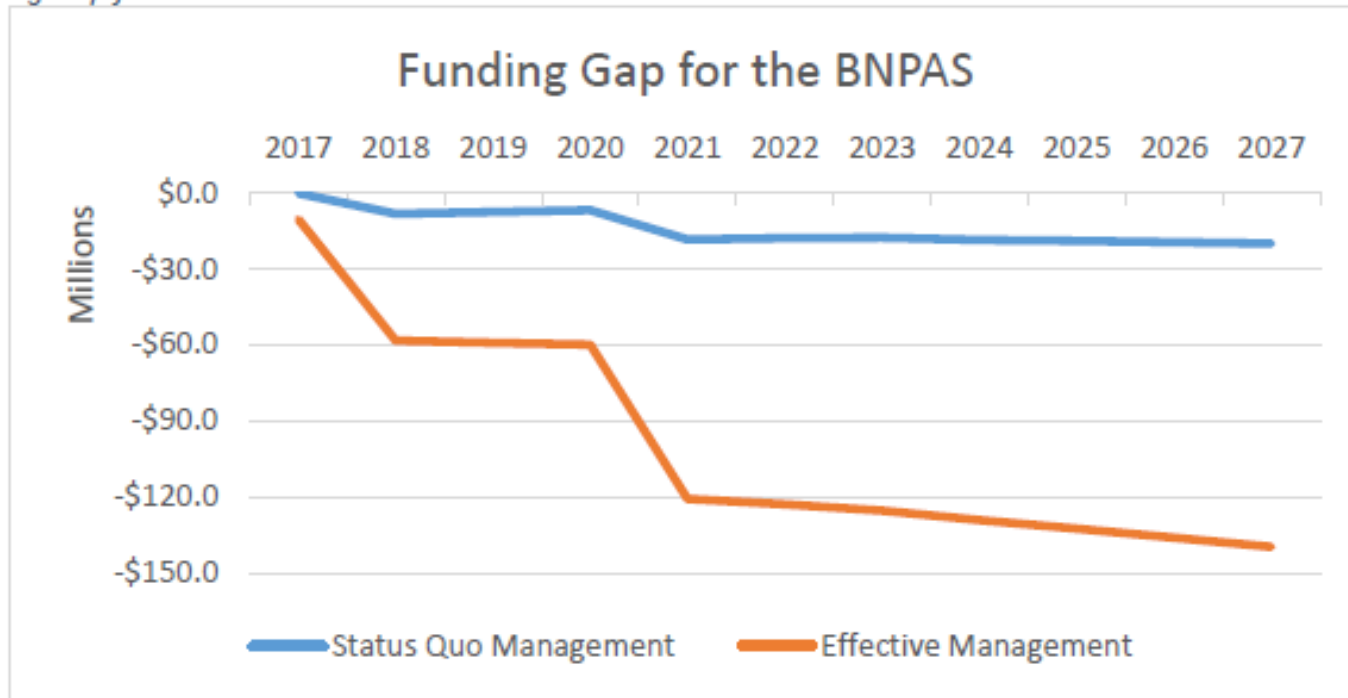


Figure 8. Funding Gap for the BNPAS



constraints. Blue Earth’s financial gap analysis estimates that the overall gap for effectively managing the BNPAS is around \$10.5 million currently and will grow to more than \$139.7 million in 2027. This gap reflects management costs per area that are, for most managing entities, in line with the estimated costs of managing PAs in the wider Caribbean region and other parts of the world.

Priority Revenue Options for Assessment and Possible Implementation



Cruise ship tax on passenger tickets



PA contributions and/or mitigation fee included in Head of Agreements with resort/property/industrial developers



Additional hotel room tax



Access a portion of gaming house tax or secure gifts from gaming houses



Reallocation of existing revenue streams currently channeled to consolidated fund (i.e. environmental levy etc.)



Tourism opt in/out (i.e. on cruising permits, boat rentals, car rental, dive trips, etc)



Proceeds from the creation of a national lottery



National PA entry fee or "passport"

Considerations for Priority Revenue Options

Political will and outreach

Political will and public support are critical. Some funding options may require government buy-in and/or legislative or regulatory changes.

Alignment with user-pays model

Funding options that demonstrate a link between the source and purpose of the funds may receive less public push-back (e.g., nature-focused tourism generating funding for conservation).

Lack of transparency and poor understanding of the consolidated fund

There is the risk of misuse/leakage of funds during the chain of custody leading to the BPAF, and a risk of funds being channeled to the consolidated fund. Regardless of the mechanism, transparency and accountability must be a top priority.

Considerations for Priority Revenue Options

Competition among worthy causes

Many causes in The Bahamas would benefit from additional funding. Implementing a new revenue stream may raise questions about the relative importance of PAs versus other causes.

Flow of funds and finance management capacity

Implementing any revenue option will require consideration of new or existing mechanisms for collection, staff training, and auditing.

Allocation between endowment and grants

Each funding source may be allocated in different proportions to grant-making versus capitalizing the fund.



Thank you

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