

A SELF-FINANCING MARINE PARK:

THE SABA CASE

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Introduction

The Saba Marine Park (SMP) was created in 1987 in response to the desire of the Island Government to promote diving and snorkelling tourism, whilst protecting the marine resources upon which such tourism is based. The Park, which includes all near-shore waters of the island to the 60 m depth contour with a total area of 870 ha, has a comprehensive legislative base, the Marine Environment Ordinance 1987. SMP is zoned to allow for a wide spectrum of sustainable human uses. The management of SMP was delegated by the Island Government to the Saba Conservation Foundation (SCF), a local NGO. Although SCF's authority includes all management activities including law enforcement, permitting and legislative changes (on the advice of SMP) remain the responsibility of the Island Government. The Park also operates and administers the SMP Hyperbaric Facility, a recompression chamber used to treat diving accidents.

The main objectives of the Park are:

- * To achieve ecological sustainability and environmental quality.
- * To bring economic benefits to Saba.
- * To manage the park in a socially acceptable manner.
- * To provide an international site for learning about marine biology and management using the Saba Marine Park as a model

Prior the establishment of SMP few divers visited Saba. Dive operators at the time estimated the number of divers at 500 in 1984 and 1,000 in 1986. Following the establishment of SMP the number of visiting divers and snorkellers increased rapidly: from 2,600 in 1988 to well over 5,000 in 1994. Despite the fact that Saba is not among the popular yachting destinations in the northeastern Caribbean, the increase of yachts visiting SMP proved to be even more dramatic (see Table I) .

Table I. Visitors statistics SMP 1988 - 1994

Visitation

Parameters	1994	1993	1992	1991	1990	1989	1988
No. of Divers	5,165	4,145	4,025	3,159	3,192	3,624	2,601
No. of Dives	24,383	19,607	17,202	12,952	14,121	16,060	11,664
Average Dives /Diver	4.72	4.73	4.27	4.1	4.42	4.43	4.48
No. of Visiting Yachts	463	416	388	182	131	?	?

The case of SMP provides a good example of co-management: whilst Government retains ultimate responsibility for legislation and permitting, all management activities are delegated to a local NGO, and user groups (primarily dive operators) assist the Park by providing essential information on user statistics, by building environmental awareness among their clientele and "policing" them, and by reporting offences and maintenance needs to the Park Manager.

Financial strategy

The Park was established over the period 1986-1989 with grants totaling US \$ 270,000 for investments, personnel and operating expenses from Dutch Development Cooperation, Island Government, and private Foundations. The Island Government continued to subsidize personnel costs through 1992.

Since the park concept included an obvious link between resource protection and tourism, and as the local government was not expected to be able to adequately fund the park in the long term, achieving financial self-sufficiency through revenue generation was a goal from the outset.

In order to become self-financing, SMP embarked on a three-pronged revenue generation strategy:

- * visitor/user fees
- * souvenir sales
- * donations

Additionally, the strategy focused on keeping operating- expenses low by using volunteer assistance where possible, soliciting in-kind services and goods, and requesting grants for "special projects". For example, almost all research and monitoring for SMP is conducted with grant monies.

SMP furthermore benefited from the fact that the Island Government maintained the annual personnel subsidy at the same level until it was cut entirely at the beginning of 1993. As income from fees, sales and donations were increasing; the Park was able to build up a reserve ("trust fund"), which accumulated to over US \$ 100,000 by the end of 1992. This trust was considered essential to cover shortfalls caused by fluctuations in income which is obviously sensitive to external factors such as the state of the world economy.

The fee structure was initially targeting divers and snorkellers only. Divers were required by law to pay US \$ 1.00 per dive and snorkellers US \$ 1.00 per visit to the island. Fees were collected by the commercial operators who are required by the conditions of their SMP operating permit to transfer all fees collected, along with diver and snorkeller statistics, to SMP on

a monthly basis. The permit requirement, in turn, is anchored in the Marine Environment Ordinance, with sanctions against non-compliance including suspending or revoking the permits. The fees were later raised to US \$ 2.00 per dive and per snorkeller, while also a yacht mooring/anchorage fee was introduced (based on the number of passengers or crew on board, or on gross tonnage for larger vessels), which included the snorkelling fee.

Donations were received mainly from "Friends of SMP", primarily park visitors who signed up to support SMP and receive information on SMP via a newsletter. Initially, through a project with WWF-US, US citizens (most Park visitors originate from the US) were given the opportunity to make tax-deductible contributions benefiting SMP, to WWF. Upon completion of the WWF project, a "Friends of Saba Conservation Foundation" organisation was incorporated in the US, which received non-profit status from the IRS. This was done at minimal expense to SMP and SCF, as US "Friends" provided most of the services required for incorporating the organisation and obtaining its non-profit status, for free. These "Friends" continue to produce "SCF News", the quarterly newsletter, and distribute it using bulk mailing rates available to non-profit organizations, all of which amounts to considerable savings. •

Souvenirs on sale include T-shirts, sweat shirts, polo shirts, caps, emblems, books, postcards, artwork, maps, and logo pins. All items are related to the Marine Park or to conservation in general. The assortment and sale of souvenirs is restricted by the limited space of the present SMP office and could be significantly increased if and when the proposed SMP visitor centre comes into being.

Financial results

The 1994 and 1995 SMP budgets amount to approximately US \$ 111,000. This modest budget (modest in comparison to the size of the area managed and the number of visitors) includes US \$ 94,000 for Park expenses, and US \$ 17,000 for expenditure related to the SMP Hyperbaric Facility (see table II). The expense side of the budget includes a depreciation allowance, SMP trust, SMP Guidebook reprinting allowance, and a Hyperbaric Facility trust. The depreciation and SMP Guidebook reprinting allowance are fixed amounts at US \$ 12,500.

The results have shown a contribution to the trust fund in certain years (mostly due to the Government maintaining its personnel subsidy at the same level) and a contribution *from* the trust fund in others. The revenue and expected revenue generated, averaged over the years 1993-1995, is distributed as follows:

Visitor fees	51%
Gross souvenir sales	32%
Donations	9%
Other income	8%

Table II. Saba Marine Park Budget 1995.

**Saba Marine Park
Budget 1995**

All Figures in Antillean Guilders
(Naf 1.8 = US \$1.00)

INCOME	AMOUNT
DIVE VISITOR FEES	74000
YACHT VISITOR FEES	11000
SOUVENIR SALES (gross)	50000
SMP DIRECT DONATIONS	4600
FRIENDS Inc.DONATIONS	5000
INVESTMENT INTEREST	7000
MISCELLANEOUS INCOME	<u>1000</u>
EXPENSES	
PERSONNEL	
SALARIES	78000
TRAINING AND UNIFORMS	8000
OPERATING EXPENSES	
BOAT OPERATION AND MAINT.	14000
MOORING MAINTENANCE	6000
EDUCATION/INFO./RELATIONS	2000
EQUIPMENT	3000
FUND RAISING	500
OFFICE ADMIN./OPERATION	8000
SHED/WORKSHOP EXPENSES	500
RESEARCH AND MONITORING	2000
TRAVEL	1000
TRUCK OPERATION/MAINT.	3000
INSURANCES	3500
MISC. (BANK CHARGES ETC)	<u>2000</u>
SOUVENIR PURCHASE	15000
DEPRECIATION	13500
GUIDEBOOK REORDER	9000
	<u>169000</u>
YEARLY DEFICIT FROM SMP TRUST	

Table II. Contd. Saba Marine Park Budget 1995.

Saba Marine Park Hyperbaric Facility

Budget 1995

**All figures in Antillean Guilders
(Naf 1.80 = US \$ 1.00)**

INCOME

Treatment income (includ. receivables)	115000
Bad debt	(30000)
	<u>85000</u>

EXPENSE

OPERATING COSTS

Equipment supplies & oxygen	5000
Equipment repair and maintenance	4000
Equipment shipping	1000
Education & information	400
Public relations/Travel	1000
Insurances	3500
Building repair, maint. & elec.	4500
	20000
Depreciation	3700
	<u>43100</u>
Tank	
Building & Supplies	
Capital reserve	<u>41900</u>

In 1993, the first year after the personnel subsidy was cut, the financial results show a rather large deficit, which was supplemented from the SMP trust fund. However, this deficit is largely due to certain unusual expenses and some reimbursable expenses. Also, one has to bear in mind that the budget is always inflated because of the US \$ 12,500 depreciation and SMP Guidebook reorder allowance. Taking these factors into account, one may conclude that the 1994 and 1995 budgets are essentially balanced, and that SMP has achieved its goal to become a self-financing entity within the Saba Conservation Foundation. It is also noteworthy that the assets in the trust fund have not decreased significantly (see Tables III and IV).

Lessons to be learned

The Saba Marine Park Case study presents a rather unique example because of a number of factors: the small size and scale of development on the island, the relatively unimpacted state of the resources prior to development of the Marine Park, and the short links between the community and decision makers.

Nevertheless, a number of important lessons which will have applications elsewhere can be derived:

- * It is essential to consider the full range of funding options available for protected areas, and to apply all options applicable and available to a particular situation.
- * Start-up funding for protected areas is usually easier to obtain than funds for continued operation. The prospect of self-financing parks will further enhance the chances of obtaining start-up funding and ensuring the long-term success of any protected area project.
- * When fund raising for protected areas, demonstrate that parks make economic sense. This means not only that parks can pay for themselves, but also that they can bring foreign exchange into the local economy.
- * Visitors are willing to pay for conservation and for well-managed parks, more than most people think. Willingness-to-pay surveys have pointed out that visitors are generally willing to pay even more than existing fees providing that a number of conditions are fulfilled:
 1. That fees are not going into the general treasury, but are being applied directly to park management
 2. That their contributions are effectively put to work (e.g. rangers patrolling the park, offenders prosecuted).
 3. That they receive tangible benefits from their fees (mooring buoys in marine parks, well-maintained trails, signs, information and interpretation) .

Visitors are frequently willing to make voluntary contributions in addition to mandatory fees, if they like the

experience they had. A "Friends-of-the-Park" group can be of special value in this respect. However, in setting up such organisations, it is important that people receive benefits in return for their contributions, that contributions are acknowledged at a personal level, and that incentives are provided for larger donations.

NGO involvement in managing protected areas may help considerably in directing revenue back into the parks.

Community and visitor support for protected areas is essential to the acceptance of revenue generation for and by protected areas.

It is essential that any visitor fee system is based on solid legislation.

It is preferred not to hide visitor fees. Fees can be incorporated in packaged tour prices, but people are generally proud to contribute to conservation.

Keep the fee collection system as simple as possible, for all parties. Visitors do not want to be unnecessarily burdened with payments. Many of them are on vacation and want to have a good time! A simple fee collection system also saves money. In general, one should keep collection costs at less than 10% of the revenue.

Table III. Saba Marine Park Income and Expense Report 1994

Saba Marin* Park
Income and Expense Report
1994

All figures in Antillean Guilders
(Naf 1.8 = US \$1.00)

INCOME	
SMP GENERATED REVENUE	
Dive visitors fees Yacht	90470.00
visitors fees Souvenir	11938.00
sales Direct donations	50578.00
Interest on Bank Accounts	5713.00
Miscellaneous	5009.00
	1462.00
GRANTS:	
Friends Inc. WWF	13886.00
Netherlands	14070.00
EQUIPMENT SALE:	
Boat	9000.00
	<u>202126.00</u>
EXPENSE	
PERSONNEL	
Salaries	75143.00
Pens i on/AOV/AWW	4536.00
Wage Tax	7848.00
Training & Uniforms	6057.00
OPERATING EXPENSES:	
Boat operation & maintenance	18922.00
Dive & Yacht mooring maintenance	6651.00
Education/info./P.R.	2799.00
Office Cc Shed Expenses	19382.00
Research and Monitoring	864.00
Travel	2351.00
Truck operation & maint.	2027.00
Miscellaneous	174.00
Insurances	3116.00
EQUIPMENT PURCHASES:	
Inflatable Boat	9000.00
	8609.00
PROJECT EXPENSES (to be reimbursed)	7023.00
	4381.00
WWF Baseline Extension	<u>20013.00</u>
WWF Economic Analysis	
WWF Fish census	
Souvenir purchases	19854.00
Depreciation	14418.00
Guidebook reorder	9000.00
	222155.00
Deficit	(20029.00)
Monies to be reimbursed (WWF)	<u>20013.00</u>
	(16.00)

Table IV. Saba Marine Park Liquid Assets (All figures are in Antillean Guilders Naf 1.80 = US \$ 1.00)

YEAR	1993	1992	1991	1990	1989
Liquid Assets	188, 626	196,665	88,314	100,269	86,317