



Implementation (Phase 4)

Management and Financial Planning

Marine Conservation Agreements

MCA Implementation

- Throughout process of *feasibility – engagement – agreement* design it is critical to consider the conservation actions and incentive actions (usually social) expected - and the management capacity and costs required for implementation.
- The actual process is iterative and ‘messy’. It is useful to consider key functional elements to meet agreement objectives and use consistent costing methodologies as you go.
- In this brief review we will reference issues of MCA:
 - “sustainability”
 - conservation action management functions/needs
 - cost, and
 - financing

A few notes on “sustainability”

“...sustainability...the ability to secure sufficient, stable, long-term financial resources, and to allocate them...to **cover the full costs of PAs and to ensure that they are managed effectively and efficiently with respect to conservation and other objectives.**”

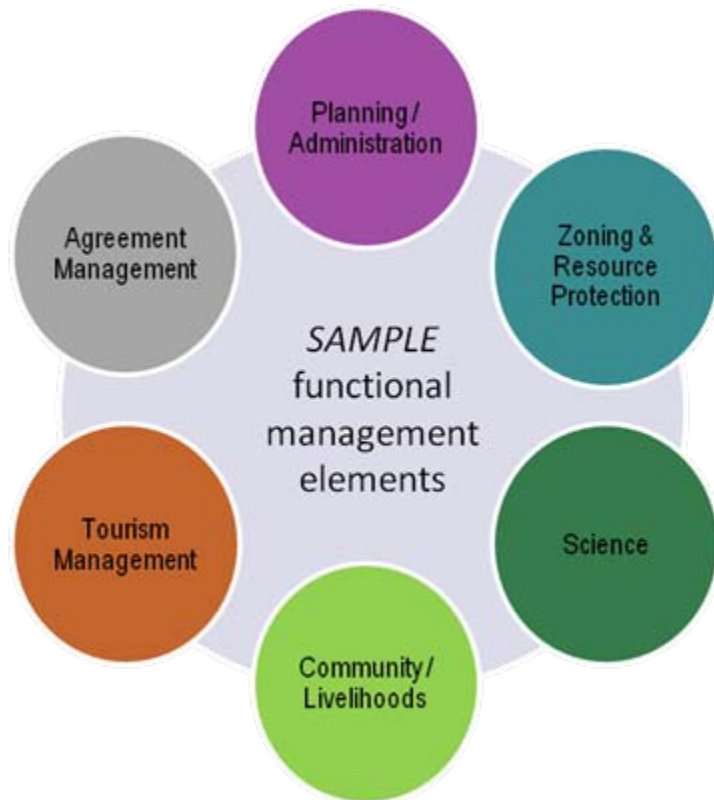
(Sustainable Financing of Protected Areas: A global review of challenges and options.

- L. Emerton, J. Bishop and L. Thomas. 2006)

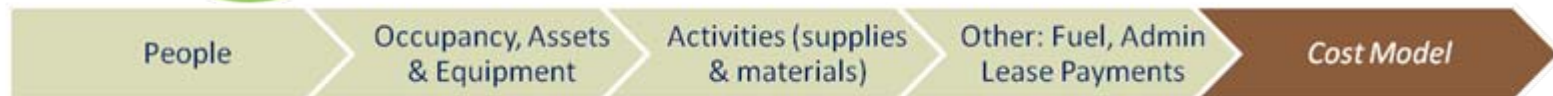
This definition applies also to the sustainability of MCAs.

- Effective management and financing is **about more than money**; it involves managing funds to **achieve conservation outcomes (or objectives)**.
- Sustainability requires funds be managed and administered in a way that promotes **cost efficiency and management effectiveness**.
- It is important to both “select” costs as well as to properly manage them – and to **understand the integral steps between initial design and ongoing implementation**.

Common management & cost components



- A framework to consider management and financial planning components allows intelligent decisions is critical
- Integrated management and finance plans are built on a clear and rationale view of:
 - ✓ **Expected agreement outcomes or objectives** (effective conservation, habitat protection, resource management, community security and livelihoods)
 - ✓ **Functional Activities and Costs.** Management and financial plan framework - - elements of MCA action.
- Acknowledge that changes in threats, perceptions, community needs, trends in conservation practice, biases, etc...will change needs.



Successful implementation requires a clear understanding of costs and implications from decisions / options taken to adapt or change agreement terms.

Financing strategies

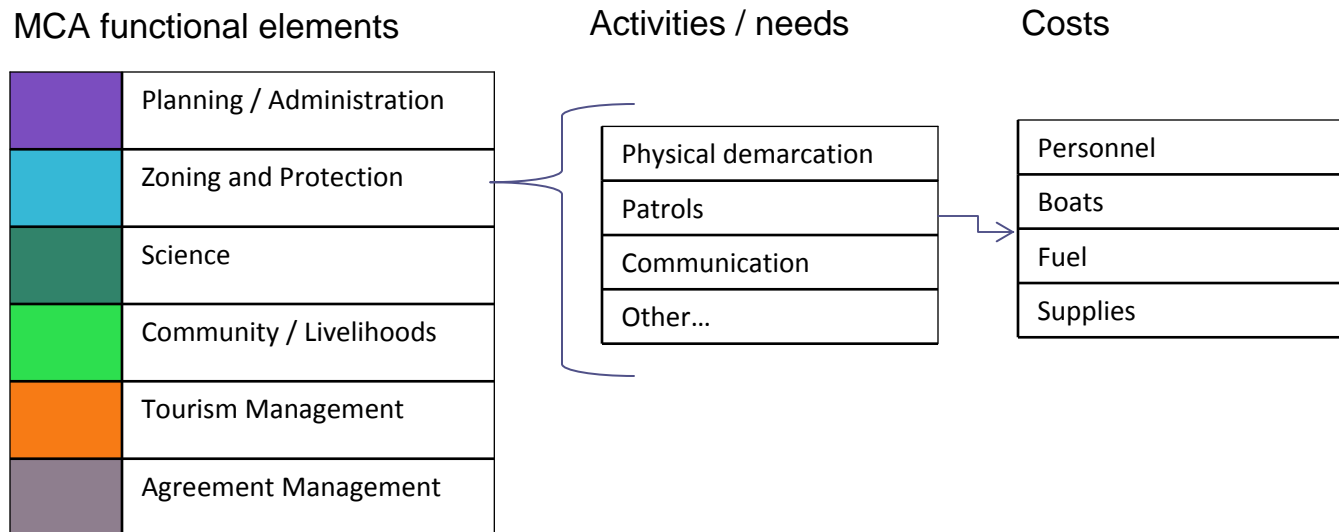
- Good financial management planning allows for strategic decisions against priorities and identifies options for balancing the costs/ revenues equation – revenues **and** cost control.
- Improved planning can help raise more funds as investors become increasingly clear and confident.
- Accurate conservation agreement “valuation” will also help secure investments.
- PMCAs rely less on donors/government and more on investment and resource leverage

Typical Types	Examples
Government	local, provincial, national, debt-for-nature
Donors	foundations, NGOs, private sector, ODA, bi/multi-laterals
Ecosystem Services / User Fees	tourism fees, user fees, fishery taxes, bio-prospecting, carbon/offset payments
Other	Private sector payments/investments, leverage resources, etc.

Conservation Trust Funds

Main products of the *Implementation* phase in this session

1. **Management Costs:** A clear, rational, integrated management framework.

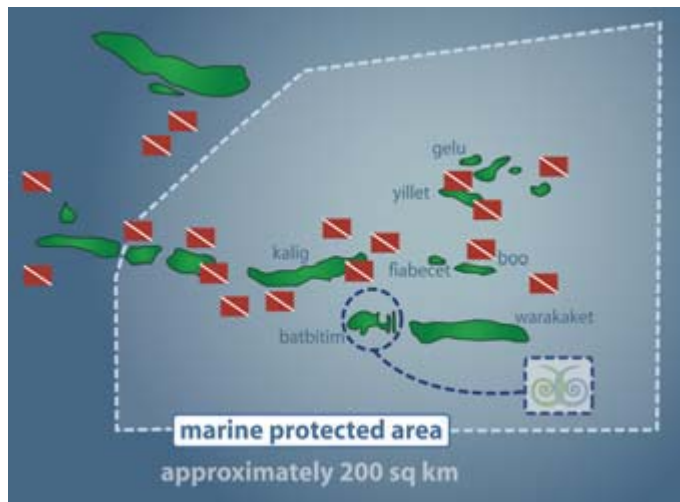


2. **Financing strategy:** Sources of investments and other resources identified.

While not necessarily starting the process with a clear framework in hand, it is useful to consider key functional elements to meet agreement objectives and use consistent costing methodologies as you go.

A Case Study: *Misool Eco Resort (MER)*

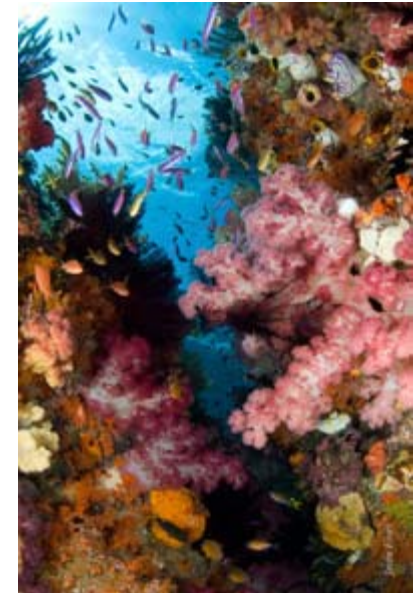
- In the remote southern part of Raja Ampat (Indonesia) MER seeks to provide exceptional and enriching dive experiences in a sustainable environment .
- MER entered into a lease agreement (MCA) with the local community to establish a 200 km² MPA (no- take zone) surrounding MER. Within this area:
 - all fishing, shark finning, harvesting turtle eggs and shellfish is prohibited.
 - all boats must practice reef-safe anchoring.
 - regular patrols.
- The labor force, drawn largely from the closest village, is offered favorable working conditions, health benefits, job training, and English lessons.



MER management and financing

1. **Management costs:** In addition to the actual lease payment the MER agreement includes activities and costs around:

	Planning / Administration	planning, negotiation, defining and managing jurisdictional rights inter-village, agreement maintenance, policy interaction with government expansion planning
	Zoning and Protection	establish NTZ , demarcation (negotiation and design), buoys, enforcement (direct- time, boat, fuel).
	Science	Assessment/mapping and monitoring.
	Community / Livelihoods	Jobs (hospitality, construction, and MPA management), training/capacity, etc. AND in-kind community contributions ((center development, transport (supply and people))
	Tourism Management	establishing sustainable tourism, “green” efforts, waste-water treatment, construction, etc. communications and messaging (senior managers) reef moorings, etc.
	Agreement Management	MER & lease-specific activities related to MPA. Maintain items in Planning above. Frequent change requests from community (-- important to have a ‘contingency fund’).

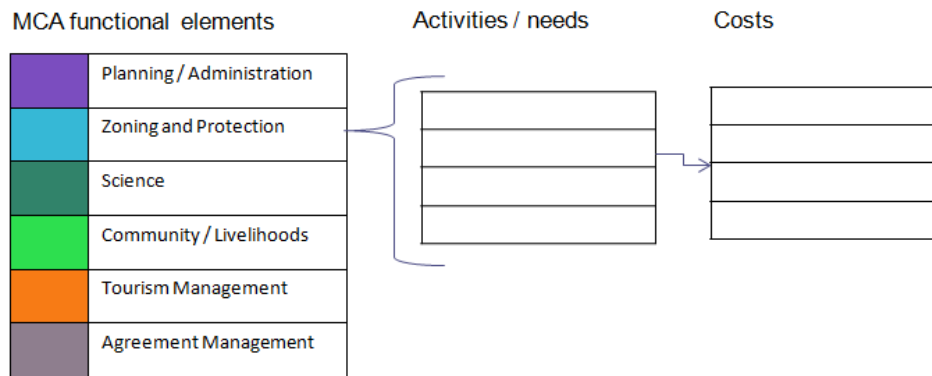


2. **Financing:** Initial private investments; ongoing costs are subsidized/paid for out of MER profits; Trust Fund endowment (donor and individual/guest donations; utilize resources/funds of resort...)

Other: Leverage partner resources (NGO, community, monitors, senior management and supporters.

Breakout Groups

1. Develop management/cost framework for your case study.
 - Which are initial costs and which recurring?



2. Define financing sources and resource leverage realized in your case study.
 - What other financing strategies should be considered?
 - Is a conservation trust fund (endowment, revolving, other) appropriate to consider in this case?

Remember; choose someone in your group to report out results.

Marine PA/conservation project financial management model

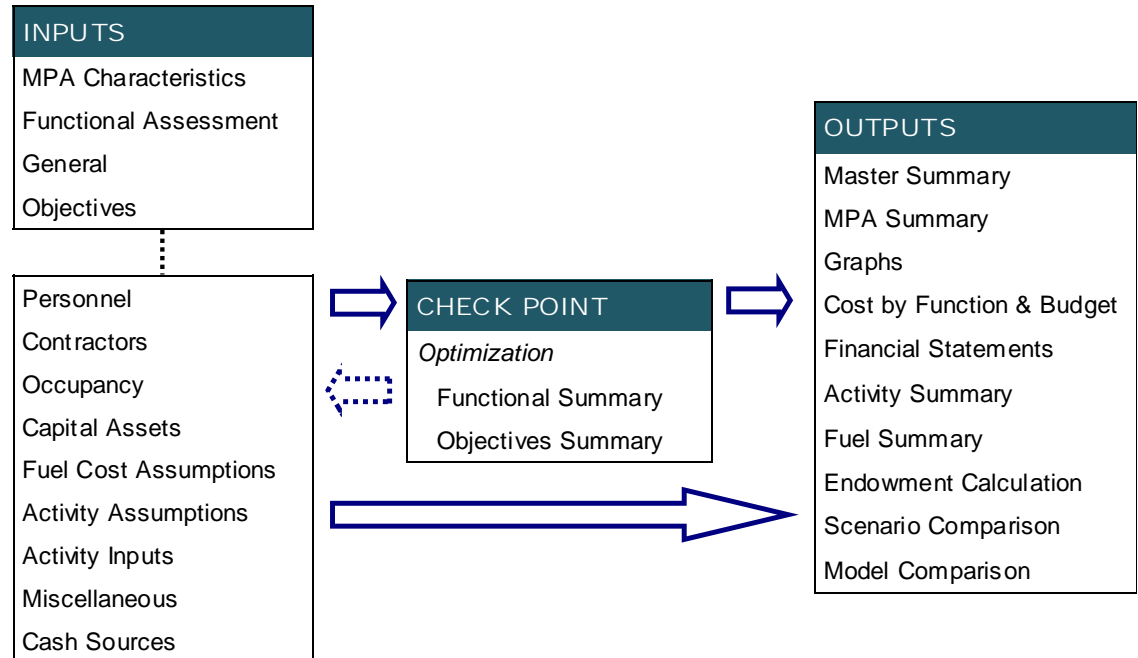
A cost Modeling approach is broken down into three components:

Inputs, Check point, and Outputs

1. During the **input** section, users must provide inputs for a variety of topics and in a variety of formats.

2. During the **check point**, users are given the opportunity to review key areas to determine if optimization opportunities exist. Users can then revise their inputs or proceed to the outputs.

3. The **outputs** section provides users with information in a variety of formats, including charts and graphs.



MPA Financial Management Model.xlsm

Model Manual (Sep08 Draft).pub