

Marine Protected Areas FAC External Finance Subcommittee Oct. 3, 2016

FAC Briefing, Discussion & Vote on External Finance Report

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Protecting Our Marine Treasures

Sustainable Finance Options for U.S. MPAs

Marine Protected Areas require funding for designation, management, education, outreach, monitoring, research, and endowment. External financing will be necessary for all aspects of MPAs – from designation to final implementation.

- The report is a foundational primer for expanding use of external financing for MPA programs and lays groundwork for further analysis.
- It addresses issues at the national level, for MPA Programs and the MPA Center.
- It focuses on a wide range of approaches to obtain external funding and provides key elements of success.



What is meant by the phrase External Financing?

External Financing is used to describe any kind of funding, including in-kind (non-cash) resources that an organization receives from outside its home institution.

- In-kind resources are beyond the scope of this report.
- External financing is not intended to replace the need for dedicated government funding for protected areas.



Findings and Recommendations

Key Findings

- MPAs Require External Funding
- It is Difficult for Government Agencies to Receive External Funding
- There is a need for a Comprehensive Assessment of Funding for U.S. MPAs
- External Funding Sources Exist – but there are Challenges for Funding
- External Funders Want Tangible Results – Not Operational Support
- There is a need for Technical Assistance and a Comprehensive Database to support MPA programs on External Financing
- There is a need for a National Ocean Trust Fund



Recommendations – National Level

- Enact a National Ocean Trust Fund to help support MPAs.
- Develop legislation (or administrative processes) to allow government entities greater flexibility to solicit and receive external funding to support MPAs.
- Build on procedures by the Department of the Interior's century-long support of National Parks to identify and implement new funding mechanisms for MPAs.
- Develop new funding partnerships with private sector interests who benefit from MPAs (such as travel, tourism, automotive, insurance industries).



Recommendations – MPA Center

- Develop an external funding and partnership assistance capability within the National MPA Center.
- Conduct a comprehensive survey of funding practices at U.S. MPAs.



Recommendations – MPA Management Support

- MPA managers can maximize funding opportunities by closely considering the process and funding source information in this report.
- MPA managers should place a high priority on ongoing engagement with external partners who can provide monetary support for their programs.
- MPA managers should pay careful attention to the limits of their authorities, procedures and ethics rules to ensure that external financing is used properly and accountably.



Chapter 1: Elements of Success

- State clearly why funding is necessary (demonstrate compelling need)
- Demonstrate sound management goals
- Lead with innovation
- Provide a Business Plan (or business planning approach)
- Demonstrate capacity
- Make your program visible
- Enlist partnerships and supporters
- Identify Funding Sources



Chapter 2: Funding Vehicles

- Friends groups
- Foundations
- Fiscal sponsorships
- Other non-profit organizations



Chapter 3: Sources of External Financing

- Philanthropy – Foundation & Individual Giving
- Bond Funding
- Mitigation to Support MPA Funding
- Penalties and Settlements
- Taxes
- Fees
- Corporate Support
- Competitive Government Grants and Funding
- Tourism-based Support
- International Partnerships



Philanthropy – Foundation and Individual Giving

Types of Philanthropic Support

- Philanthropic Foundations
- Congressionally Chartered/Authorized Foundations
- Friends Groups
- Corporate Philanthropy
- Individual Giving
- Crowdsourcing
- Business Revenue Sharing
- Special Event Funding

Case Studies

- California Marine Life Protection Act (MLPA)
- Caribbean Biodiversity Fund
- Forever Costa Rica



Bond Funding

Two Types of Bonds

- General-obligation: the use of borrowed money to fund work.
- Revenue: federal, state or municipal bonds such as a utility or toll bridge.

Bond funding provided substantial support for the California Marine Life Protection Act.

** Bonds are often limited to “bricks and mortar” projects with limited ability to support management.

Case Study

- California Marine Life Protection Act (MLPA)



Mitigation to Support MPA Funding

Strategies, policies, programs, actions, and activities that over time serve to minimize or compensate for (by replacing or providing substrate resources) the impacts to or disruption of elements of the human and natural environment associated with the project or activity.

Examples

- California Coastal Power Plant Cooling Systems Mitigation
- Decommissioning of California Offshore Oil and Gas Platforms
- Blue Carbon Offsets (Emerging)



Penalties and Settlements

Recovery and restoration is a process to compensate or offset the damages of activities and/or accidents, which have caused an impact on natural resources, biodiversity or habitats.

Examples

- Kinder Morgan Suisan Marsh Oil Spill, 2004
- Cosco Busan – SF Bay Oil Spill, 2007
- Deepwater Horizon, 2010
- Exxon Valdez Spill, 1991



Authorities for Recovery

- **Civil Penalties** e.g. under ESA, MMPA and the NMSA.
- **Natural Resource Damage Assessment (NRDA)** e.g. under OPA, CERCLA and the NMSA.
- **Section 314 NMSA and National Park Unit Resource Protection Act:** compensation for injuries to sanctuary and park resources.
- **Community Service Payments:** may be provided to congressionally chartered foundations and other charities to restore injured resources that are a result of criminal activity.

Taxes

This section explores alternative, innovative taxes through which MPAs could receive additional funding. Taxes can be levied by local, state, or federal governments.

Types of Taxes

- Sales Tax: can provide new sources for dedicated funding or supplemental funding, for protected areas.
- Real Estate Tax: e.g. states can choose to levy a tax as either a small percentage of housing unit costs or as a real estate transaction.

Examples

- Minnesota State Parks
- Maryland Open Space Program
- Measure AA in California – voter imposed Parcel Tax



Fees

Fees are payments made for the purpose of privilege, use or access. They can be specific to activities e.g. boating, docking, anchoring/moorage of watercraft, or be related to or special use of resources within an MPA e.g. filming.

Case Studies: Commercial Services – NPS Concessions; Greater Farallones NMS
Fees for Educational Services

Types of Fees

- **Special Use Permits**: activities that provide a benefit to the users/groups who seek access and use of MPA resources.
- **Fees for Services**: collected for products and services provided by the site.
- **Entrance/Access**: fees charged for entering/accessing site, for use of site facilities, or participation in activities.
- **Concessions**: companies providing services within protected areas can be charged to conduct their operations.



Corporate Support

Public-private partnerships between MPAs and for-profit or non-profit corporations can contribute toward the funding and capacity needs of MPAs, as well as build constituencies and public awareness for the MPA's mission.

Types

- Financial Support
- Media Support
- In-Kind Support
- Corporate Social Responsibility



Competitive Government Grants and Funding

Awards of financial assistance to a recipient to carry out a public purpose, including federal grants, cooperative agreement, and other arrangements.

Examples may include:

- NOAA National Sea Grant Funds
- State Sea Grant Funds
- Coastal Impact Assistance Program
- National Park Service Grants
- NOAA Fisheries Habitat Focus Area (HFAs) Grants
- NOAA Coral Reef Conservation Grants Programs
- California State Grant Funding



Tourism-based Support

As the world's largest service industry, tourism has the potential to help generate sustainable funding for MPAs through tourism businesses, tourist activities, and tourist contributions.

Examples

- **Tourism businesses directly supporting MPAs** e.g. ecolodges, tour operators, and dive shops.
- **Travelers' Philanthropy** e.g. "One Percent for the Parks" and Lindblad Expeditions – National Geographic Fund.
- **Tourism-based taxes** collected outside MPAs e.g. airport and airline ticket taxes, Palau's "Green Fee", hotel room taxes, transient accommodations taxes, and cruise ship head taxes.

Case Study:

Care for the Cape & Islands



International Partnerships

Partnerships established to cooperate on conservation of shared resources and management challenges with protected areas overseas. Such partnerships are often supported by sources of funding that focus on international conservation.

Case Study: Caribbean Biodiversity Fund

Examples and Types of Agreements

- Large Marine Ecosystem funding provided by the Global Environment Facility
- UN Environment Programme and TNC
- European Union funding to support marine mammal protection activities
- Commission for Environmental Cooperation (North America) funding to support MPA activities of Canada, Mexico, and the U.S.
- Established International or Regional Agreements



Next Steps and Timeline

- Potential vote
- Make final changes
- Finalize and submit to DOC/DOI
- Consider ways to implement

