

User Fees at Bunaken Marine Park, Indonesia: Lessons in Developing Tourism-Related Financing Mechanisms for Marine Protected Areas

Elizabeth Halpenny
University of Waterloo/Nature Tourism Solutions

Abstract

Marine protected areas (MPAs) around the world lack adequate funding to fulfill their basic mandate, biodiversity conservation, as well as additional goals such as fisheries management and the provision of tourism settings. Tourism's ability to bring additional funding to MPAs through fee and related revenue generation mechanisms may be part of the solution to the funding challenges experienced by MPAs...however fulfilling this promise is not an easy process.

This paper briefly summarizes what individual countries and marine protected areas are doing to generate revenue through tourism's presence in MPAs. A comparison of entrance fees, and related tourism revenue generation tools is highlighted; data from more than 40 countries is presented.

A special emphasis on the challenges associated with establishing and increasing fee systems in MPAs will be examined through a case study of Bunaken Marine Park in Indonesia. The role of stakeholders, participatory processes and the development of revenue management mechanisms such as a conservation trust fund are described.

Introduction

The chief mandate of marine protected areas (MPAs), protected areas located in or adjacent to coastal waters, is conservation of marine and coastal biodiversity; their ability to achieve this goal, especially in developing countries, is severely curtailed by a lack of funding. A report by the World Wildlife Fund (2000) supports this stating that most MPAs are “under-resourced and poorly managed, offering little in the way of real protection. Global estimates suggest that as many as 70-80% of the MPAs that have been established worldwide are protected in name only and are not actively managed at all.” Many believe that tourism could be one of the answers to the funding problems of certain marine protected areas, but little data has been collected to support or disprove this.

Marine protected areas are one of the leading destinations for both local and international tourists; significant impacts arise from this visitation. Negative socio-cultural and environmental impacts have been well studied, however less research has been devoted to understanding the potential positive benefits of tourism's presence in MPAs.

Some tools for generating revenue in MPAs have been identified (e.g., user fees, souvenir sales), but insufficient data has been documented on the success of these tools and the challenges associated with their implementation (Anon., 2001; Eagles, 2000; Lindberg and Halpenny, 2001; van Sickle and Eagles, 1998; WCPA, 2000). Recently, myself and Dr. Kreg Lindberg of Colorado State University completed research which has been used to develop a publicly accessible database that details the success and failures of tourism-related revenue generation efforts for MPAs in over 40 countries. Documents associated with this study are available at <http://www.ecotourism.org/retiesselfr.html>. The study documented fees charged at individual parks and within national park systems as well as how the fee was administered and collected. Park managers were also asked to describe how the fee revenue was managed (i.e., did it go to a central treasury or was it earmarked for the park or an independent conservation trust), what kind of advanced notification of the fee implementation or increase was given to citizens and tour operators, was there any opposition to the fee and why, and whether the fee reduced visitation to the park or business for local tour operators.

General Findings and Conclusions

There was great variation in the fees charged by MPAs. World renowned sites such as the Galapagos (U.S. \$100/visit) and Tubbatah in the Philippines (\$50/visit) charged the highest fees. The most common fees were U.S. \$1 to \$5 per day or \$10 to \$30 per year. It was also common to have a combination of fees charged, for example an entry fee to the park as well as a fee to dive or to moor a vessel. Sources of fee revenues included entrance fees, admission to enter an exhibit or building (e.g., a slide show or aquarium), rental fees (e.g., snorkel equipment), user fees (e.g., camp grounds), concession fees (e.g., stores and pontoon sites), licenses and permits (e.g., fishing and mooring), and special services (e.g., guided tours).

In general the fees set by MPAs were rarely based on systematic research such as evaluation of fees charged elsewhere, financial needs of the marine park, or willingness-to-pay surveys of visitors. Rather they were commonly based on anecdotal knowledge or the selection of an arbitrary amount.

Collection of fees generally took two forms. The first was payment at an official entrance to the park or at a popular snorkel or camping site within the park, with the distribution of a paper ticket or dive tag to be worn on a diver's buoyancy control

vest. Alternatively fees were paid in advance to a tour operator, travel agent or dive guide; these companies pre-purchased tickets in bulk from the management agency. Payment mechanisms were dependent on several considerations including the safety of park staff (i.e., the dangers associated with handling large sums of income on islands in the park far from police or enforcement protection), the type of fee charged (e.g., daily vs. annual), the pattern of visitor activity (did visitors congregate at a few locations or enter at one point or was visitor activity dispersed), and the ability to enforce payments.

Fees generally varied with activity and the nationality of the visitor. In most developing country parks local or national visitors were charged less than international visitors. Snorkelers sometimes paid less than divers. Adding to the challenge of revenue collection and customer satisfaction was the impact of different parks being managed by different management agencies within the same region – each park would have different pricing policies. Visitors would have to pay several times and in different ways to different agencies. An effort to consolidate, or at least simplify payment mechanisms for park visitors, was being discussed in a couple of countries that were surveyed.

Management of fee revenues generally took two forms. Traditionally the fees would go to a central treasury. In theory these revenues would be returned to the park system, but this is not always the case. More commonly many MPAs have specific conservation trusts set up to manage the revenue accumulated through park fees (e.g., Belize's Protected Area Conservation Trust, see Halpenny, 2002). These trust funds are often managed by local stakeholders including the tourism industry, community members, government agencies, park managers and scientists, etc. The funds direct money to the management of the park based on priorities set by the stakeholders.

Based on anecdotal information from park managers, few fee increases have resulted in significant changes in park visitation. Exceptions were reported from the Seychelles and Egypt where close substitute sites were available to visitors and operators – offering them a free alternative with similar traits to the marine park site. In some cases park managers reported an increase in visitation (Bonaire Marine Park and Bunaken National Park) as visitors equated fee payment with well managed coastal environments and coral reefs. In general (as with terrestrial sites) the willingness of visitors to pay for the marine experience (i.e., diving, snorkeling) generally exceeds the fees that are currently being charged.

However implementation of fees should be made with caution as increases can affect local tour and dive operators. For example, while a doubling of fees for a marine park might result in a 20% decrease in visitation to the park it may also yield an increase in overall revenue for the park. However operators who are impacted by a 20% visitation decrease might suffer significantly depending on the source of their business. In addition local residents may be more sensitive to price change

than foreign tourists; this could be linked to local peoples' lower incomes, and their greater awareness of alternative sites. Implementation of fees in increments with monitoring of impacts is recommended.

Opposition to fees generally originated from local residents and tour operators. Park managers report the main reason for the opposition from tour operators was a lack of advanced notice of the fee, and their inability to factor the fee increase into their package pricing. A 12-18 month advanced notification is recommended by this study. In general tour operators were supportive of fee increases if the revenue was retained locally for the management of the park. Education and the distribution of information on the reason for the fee introduction or increase was cited as the most powerful tool for gaining fee acceptance.

A specific case study from Bunaken Marine Park will help to illustrate some of the lessons identified in the study of MPAs and fees.

Bunaken National Park, Indonesia: Case Study

Bunaken National Park, established in 1991 on the northern tip of the Indonesian Province of Sulawesi, has rich biodiversity, including extensive mangrove forests and coral reefs. For years it suffered from a lack of funding resulting in weak management and enforcement of protection laws; dynamite and cyanide fishing threatened reefs and illegal forestry endangered mangroves. Several groups have worked together to establish a fee for visitors to the park. Local dive operators were very supportive of the initiative; they were involved from the inception of the project, working with park managers, international conservation agencies and Indonesian based NGOs.

There are three general groups of visitors-divers, backpackers and local day-visitors. A willingness to pay survey determined that visitors would pay an entrance fee of at least \$12.50. However the sample for the survey was made up largely of backpackers, a more budget conscious group. It is speculated, that if the survey sample had focused more on the 10,000 dive tourists who visit each year, the result would have been higher, perhaps \$20.

For a majority of respondents to the willingness to pay survey their chief concern was the management of the collected fee. Visitors wanted to see the revenue go toward conservation programs in the park, rather than into the coffers of the government or the pockets of local officials. To address this issue a pilot project was proposed for Bunaken, and the government was lobbied for the creation of a more decentralized approach to fees management. The "dive industry was a key ally in lobbying the government to pass the law" that would change how the fee revenue would be distributed. The Bunaken National Park Management Advisory Board (a

multi-stakeholder board consisting of representatives from the dive industry, environmental NGOs, academia, villagers from within the park, and government officials) was created, and receives 80% of the fee revenue, while 20% is split between national, provincial, and two district governments.

The fee was developed and initiated over a 10-month period, and came into effect in March 2001. Indonesian visitors pay a fee of Rp. 2,500 (U.S. \$0.30) and foreign visitors (divers, snorkelers, backpackers) pay Rp. 75,000 (U.S. \$8). Residents within the park are exempted. The managers and Board chose to introduce a relatively low fee for the first year for several reasons: (a) to minimize industry and especially backpacker opposition; (b) to prevent government officials from “eyeing” the funds collected as a treasure trove to delve into; and, (c) to “prove” to tourists that their fees are really doing something before asking a larger fee – by starting small, they could avoid overly high expectations from tourists. The managers and Board estimate that it will require approximately \$250,000 per year at a minimum to manage the park; given current estimates of approximately 10,000 visitors this would mean an eventual fee increase to \$25/year. The system is based on Bonaire Marine Park’s model, in that when a visitor pays his or her fee at one of two entrance gates within the park, or from a dive operator or travel agent (who buys passes in bulk from the Bunaken National Park Management Advisory Board) they receive a waterproof entrance tag which must be worn. As in Bonaire, the tag has become a collector’s item. Indonesian day visitors receive paper tickets, as with other national parks.

The implementation of the fees has gone very well. Diver and dive operators are very supportive. Some opposition has been expressed by travel agents who sell a small number of tours to the park. Their chief concern was that they were not consulted from the beginning and they were not informed about the fee before their rate lists were published for 2001, thus they could not adjust their prices accordingly. Travel agents are now actively involved in the process, helping the Board to make decisions about how to spend the revenue. The other group that remains in opposition is price conscious backpackers. Despite an active campaign to inform travelers regarding the need for the fee and how it will be used for conservation within the park, backpackers remain unsupportive of the fee.

Another group whose involvement is increasingly sought is local villagers. Once the fee program was launched they became more and more concerned about where all the money was going. An extensive “socialization” campaign was implemented to let locals know just how the revenue was being used. Other educational campaigns include: the development of a FAQ (frequently asked questions sheet) about the entrance fee and where the fees are going; press releases and packages to numerous local newspapers, travel guides (e.g., Lonely Planet), and Asian based diver and travel magazines, an announcement was sent out to all the wholesale dive operators worldwide who take tours to Bunaken; and, large neon signs were placed in the arrival halls of the airport (M. Erdmann, Almonte, 2001, personal communication; Lindberg and Halpeny, 2001).

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