

# MPA NEWS



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## MPA Perspective: Conservation Incentive Agreements As a Tool for Developing and Managing MPAs

**Editor's note:** The authors of the following perspective piece all work for Conservation International (CI), an international NGO. Eduard Niesten is director of the Conservation Economics Program at CI's Center for Applied Biodiversity Science. Richard Rice is chief economist in that program. Mark Erdmann, formerly USAID's marine protected areas advisor for Bunaken National Park (Indonesia), is senior advisor for the Marine Program of Conservation International Indonesia.

By **Eduard Niesten, Richard Rice, and Mark Erdmann, Conservation International**

One of the most common challenges in setting up and managing MPAs throughout the world is the difficulty of "competing" against fisheries and other marine resource sectors that offer the prospect of tangible economic benefits such as employment and revenues to both governments and local stakeholders. Though the medium and long-term benefits of MPAs to sustainable fisheries and marine tourism are increasingly well-known, it can be difficult to sell this long-term view to cash-strapped governments or subsistence fishers in the face of short-term gains offered by commercial interests. One potential solution to this dilemma involves an approach known as "conservation incentive agreements" - a strikingly simple idea which immediately and tangibly benefits key stakeholders by providing continuous, long-term financial or material incentives to conserve marine resources rather than exploit them for short-term gain. Although certainly not universally applicable, this approach has scored several important successes in terrestrial conservation, and is now actively being applied to the marine realm. Below we examine the key features of this approach and how it may be used in an MPA setting.

The fundamental premise underlying incentive agreements is that if properly structured, conservation can compete on a level playing field with much of the destructive exploitation that is commonplace today. A conservation incentive agreement seeks to secure conservation services in a well-defined area of land or sea in exchange for a negotiated package of sustained benefits. The approach avoids some of the pitfalls of indirect approaches to conservation in which there is no formal conservation agreement with local beneficiaries and where success requires the creation of self-sustaining markets for non-destructive activities, often in extremely remote locations. Given its flexibility, the approach allows benefits to be tailored precisely to a given situation. Examples of benefits in ongoing initiatives include funding for school fees in a project in the Solomon Islands and financial support for protecting an indigenous territory in Ecuador.

A defining feature of the model is that continued provision of benefits depends on compliance, as verified using measurable conservation performance indicators. Thus, the approach resembles conservation easements and other incentive mechanisms that are common in industrialized nations, but whose potential remains largely untapped in the developing countries that house much of the world's remaining biodiversity.

Conservation International (CI) first used this approach after observing logging companies acquire the lease rights to large areas of forest in Guyana at very low cost, suggesting that conservation organizations might well do the same without intending to log. In 2002 the Government of Guyana granted CI a renewable, 30-year lease to manage 80,000 ha of forest for conservation. Under this agreement, CI is paying the government exactly what they would have received had the area been logged.

Since then, similar initiatives have been launched in a wide range of settings around the world, from agreements with governments involving remote lowland rainforests to agreements with traditional Indian communities in the high Andes - and, increasingly, agreements involving marine conservation as well. The tool has proven particularly useful in situations where local communities are the legal resource owners - as is true, for example, in most marine settings in Melanesia. (In industrialized nations, incentive-based approaches have been applied mostly in terrestrial settings - where resource ownership is predominantly private - as opposed to marine settings where resources are typically under government ownership. However, opportunities do exist in the marine realm: agreements can conceivably be made with government authorities or with groups of resource users, such as providing long-term compensation to fishermen for retiring their licenses.)

One concrete example of a marine application in developing countries is in the Arnavon Islands group within the Solomon Islands, where local communities recognized the impact of over-harvesting sea cucumbers, sea turtles, and other marine resources and designated an 8,558-ha marine and terrestrial area as a Provincial wildlife reserve. In exchange, The Nature Conservancy (TNC) provides training and salaries to local community members who patrol the area and monitor sea turtle nesting and foraging sites. Annual onsite project costs are less than US\$25,000. TNC and CI are working to establish a US\$500,000 endowment to guarantee long-term financing for this project and ensure that incentives, including employment and training, continue to flow to local communities - contingent of course upon measurable compliance with the area's protection plan.

Given some general enabling conditions, conservation incentive agreements can be applied in a wide variety of contexts. Important conditions include the ability of resource owners and users to act as a viable counterpart in an agreement, and on-the-ground capacity to effectively manage stakeholder issues, both of which can be developed with appropriate investments if necessary. Effective agreements also require a firm legal basis, which can range from private contracts to public leases. Similarly, a robust long-term agreement depends on sufficient funding to guarantee a stable flow of benefits. Project-specific endowments offer the most secure guarantee for such funding, but can present a considerable challenge for fundraising. Fortunately, as the potential of this approach is becoming more widely recognized, we are finding that donors are increasingly interested in providing the necessary long-term support. Though no substitute for more traditional approaches, incentive agreements offer a flexible complement that could greatly extend our ability to achieve conservation objectives in marine settings.

Readers interested in learning more about experiences in implementing this approach are urged to contact the authors directly.

### For more information

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