Private Sector investment in MPAs
Experiences of Chumbe Island Coral Park Ltd. in Zanzibar/Tanzania

- Objectives & work done
- Financing MPA development
- Financing MPA operations
- Lessons learned
- Governance issues
- Wish list…

Chumbe Island Coral Park Ltd
Zanzibar/Tanzania

Private conservation project, established 1991 for sustainable conservation management of uninhabited Chumbe Island

- Company mission non-commercial, while operations follow commercial principles
- Eco-tourism supports conservation & environmental education for local schoolchildren

Small totally protected Reef Sanctuary (1994)

- Non-exploitative & non-destructive use only (fringing reef 1km x 300m)
- Strict but non-violent enforcement by Park rangers (former fishers)

Forest Reserve (1995)

Sanctuary for endangered species
- Aders duiker
- Coconut crab
Visitors’ Centre (1998)

- Eco-Architecture and Eco-Technology
- Visitors’ management and education (max 14 people per day)

Eco-lodge (7 bungalows)

- Rainwater catchment
- Composting toilets
- Greywater filtration
- Solar energy

Winning political and public support for the MPA:

- Village meetings (1991/92)
- Training fishers as Park Rangers (from 1992)
- Informal on-the-job training by volunteers
- Park Rangers “educate” fishers & help in emergency
- Advisory Committee
- Management Plan 1995-2005

Educational programs

- Awareness tours for Government officials
- School Excursion Program for snorkelling & nature trails (*critical issue: are up-market guests disturbed by school children?*)
Policy, legal and institutional context: opportunities ...

- Up to 1996: No legislation & institutions for marine conservation in Zanzibar
- Economic liberalisation & tourism creating a market for conservation

Funding MPA development - Pre-operational phase 1991-98

Sources of investment:

- 50% private funds FDI;
- 25% ca 40 Volunteers (incl. Project initiator and main investor), individuals & agencies SES, BESO, APSO.
- 25% Donor support for baseline surveys, nature trails, Visitors Centre: GTZ, GTZ-CIM, GTZ-GATE, Forest Stamp Program, Netherlands Embassy, EC-Microfund, etc.

Total 1.2 Mio US$

Funding MPA development - Pre-operational phase 1991-98

Investment used for:

- 40% Tourism Infrastructure - Ecolodge & tourism services

Ecolodge - Occupancy rate 1998-2003

Marketing through:
- Internet from 1998
- International Environmental Awards, e.g.
  - 1999 British Airways Tourism for Tomorrow Global Award
  - 2000 UNEP Global500 Award & Chumbe at EXPO2000 (paid by German Aid)
  - 2001 IH&RA & Condenast Environmental Awards
- Travel agents ca 50% of bookings
Private Sector Investment in Marine Conservation - What Can Make It Happen?

### Park Management - income from visitors & donors

**Income 1000 US$**

<table>
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<tr>
<th>Year</th>
<th>Donors</th>
<th>Tourism</th>
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**Ecotourism – main source of income**

**Direct donor support for:**
- 1999 Aders' duiker Sanctuary
- 2000-2003 Education Program – 5,000 US$/year

**Indirect support:**
- Volunteer work

### Chumbe MPA management staff

A third of staff directly employed for MPA Management & Education:
- **Project Manager**, Environmentalist stationed in Zanzibar, mostly dealing with GoZ issues;
- **Conservation Coordinator**, Marine biologist stationed on Chumbe Island, responsible for supervising Rangers and conservation issues;
- **7 Park Rangers**, former fishers stationed on Chumbe Island, dealing with enforcement, monitoring, guidance of visitors and school children;
- **Technical Manager**, responsible for maintenance of eco-architecture.

### Partnerships & Cost control

- Government, NGOs & Zoos for school programs & protected species sanctuaries
- Volunteers & University researchers for R & M
- Sponsors for nature trails, patrol boats...
- Buy & fix equipment on informal markets

### Sustainability: Operations covered by Eco-tourism proceeds from 2000

- Budget ca. 150,000 US$/yr.
- Staff: 4 expatriates, 30 Zanzibaris

**Lessons learned:**
- Red tape multiplied investment costs (x 5)
- Costly eco-technology
- Need to go up-market
- ...and for aggressive marketing
- Critical: volatile tourism market
Governance issues...

- Policy & regulations favour BIG corporate investors (min. FDI in tourism is 4 Mio US$)
- Low security of tenure (further weakened by 1996 Environmental Protection Act)
- No tax & other incentives for investing in conservation & environment, rather the opposite (excessive taxation, fees & licenses, ca. 20% of turnover)

More Governance issues...

- Second tier constraints, red tape & corruption (ca 80% of Manager's time needed for dealing with GoZ)
- Hurdles to non-governmental initiatives
- ‘Unfair’ competition from donor aid (generous ‘sitting allowances’, ‘capacity building’ in Five star hotels, frequent oversea travels for officials …)

Over-funded donor projects:

- Tend to create bureaucracies at central level, taking resource control away from local people,
- Increase costs of management by introducing First World standards,
- Create vested interests that have little to do with local concerns,
- Crowd out local initiatives & participation.

Wish list…:

- Donors to help improve policy & regulatory environment for investment, rather than subsidizing state bureaucracy,
- Support local MPA management by genuine stakeholders of formal & informal sectors,
- Environmental certification,
- International insurance scheme to buffer market risks
but also: a change of paradigms needed...

The private sector – the Bad Guy (to be controlled, regulated & source of funds)???

- The ‘local community’ – not profit-oriented?
- Is private sector profit always incompatible with conservation?
- Government park authorities, donor agencies, NGOs – what are THEIR stakes?