Sustainable Finance Stream

Financing Protected Areas

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The perilous state of many of Africa’s Protected Areas

A result of a combination of factors:

- Drastic reduction in national and international budgets for PA management, including annual operating budgets, capital investment, security and monitoring
- Ineffective management of PAs
- Lack of suitably qualified and motivated staff
- Human encroachment
- Civil unrest
- Lack of a conservation ethic

Iona National Park - 15,150 km\(^2\)
Entrance gate to Iona National Park

Aerial survey of Iona National Park in June 2003

Distribution of livestock and wildlife in Iona National Park

- *wildlife*
- *livestock*

Summary of June 2003 survey of Iona National Park

<table>
<thead>
<tr>
<th>Animal</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Himba kraals</td>
<td>629</td>
</tr>
<tr>
<td>Cattle</td>
<td>13,962</td>
</tr>
<tr>
<td>Donkeys</td>
<td>322</td>
</tr>
<tr>
<td>Goats</td>
<td>27,502</td>
</tr>
<tr>
<td>Gemsbok</td>
<td>1,631</td>
</tr>
<tr>
<td>Hartmann’s zebra</td>
<td>263</td>
</tr>
<tr>
<td>Springbok</td>
<td>2,388</td>
</tr>
</tbody>
</table>

Demining team in consultation with Angolan army and local residents

Truck destroyed by landmines within Luiana Reserve

Demining team marking minefield in Luiana Reserve
Landmines uncovered in Lujana Reserve

Costs of PA management

Set by a complex array of variables with four overriding factors:

- **Area of the PA**
- **Number and distribution of valuable species**
- **Human populations surrounding or living in the PA and associated levels of poverty, malnutrition, law enforcement and civil conflict**
- **PA location**
  - “Open” biome (e.g. savanna or fynbos)
  - “Closed” biome (e.g. rainforest)
  - Adjacent forms of land-use
The importance of clearly defining both management objectives and the “ideal” budgets in assessing PA budget shortfalls

Recurrent and capital expenditure must be based on management objectives for each PA.

- **Actual Financial Position** - Funding actually received by PA from all sources
- **Proposed PA Budget** - Funding the PA management requested from central government and other sources
- **“Ideal” PA Budget** - Funding required to meet the management objectives of the PA consistent with zero biodiversity loss together with any international conservation obligations

National Protected Area Budget Shortfalls in selected African countries

<table>
<thead>
<tr>
<th>Country</th>
<th>Area km²</th>
<th>PAs km²</th>
<th>Pop. 000's</th>
<th>GDP US$</th>
<th>Shortfall US$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Angola</td>
<td>1,246,700</td>
<td>81,182</td>
<td>13,625</td>
<td>700</td>
<td>At least US$30m</td>
</tr>
<tr>
<td>Namibia</td>
<td>824,292</td>
<td>112,153</td>
<td>1,987</td>
<td>1,639</td>
<td>7,412,000</td>
</tr>
<tr>
<td>South Africa</td>
<td>1,221,037</td>
<td>66,386</td>
<td>45,026</td>
<td>3,331</td>
<td>Substantial</td>
</tr>
</tbody>
</table>

Shortfalls estimated for selected Provinces.

- e.g. Northern Cape: US$2,027,000; Western Cape: US$117,837,000

Interpretation of budget shortfalls

Data constraints:
- Inconsistency in reporting - “ideal” budget rarely used
- Inadequate attention to the considerable extra funding required for staff training
- Inadequate expertise in the preparation of PA budgets - urgent need to provide a template to assist PA managers in setting budgets consistent with valid conservation needs
- Lack of standardization of the PA budgeting processes in Africa
- Depreciation not always factored in
- Reluctance to divulge financial information
- Budget shortfalls should be expressed as US$ per km² of PA
- Shortfall estimates need constant revision to adjust them to common US$ base and to Purchasing Power Parities

How do we decide on priorities for funding Protected Areas?

- Should funds be directed at species or ecosystems?
- What decision-making framework should be adopted when confronted by a choice between an area of:
  - low conservation importance but high income from tourism
  - high importance for biodiversity conservation but little or no financial return?
- How do we rate these issues against the clear need to expand the global PA network to encompass areas of irreplaceable biological importance?