

# Working towards sustainable financing on the three windward islands in the Dutch Caribbean

## Trabajando hacia una financiación sostenible en las tres islas de barlovento del Caribe holandés

### Vers un financement durable sur les trois îles au vent des Caraïbes néerlandaises

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#### ABSTRACT

Similar to other protected areas in the Caribbean, the organizations that manage the nature parks in the Dutch Caribbean face a structural shortage of sustainable sources of financing to fulfil their nature management tasks. Wolfs Company and DCNA with support from WWF-NL assisted the Saba Conservation Foundation (SCF), St. Eustatius National Parks (STENAPA) and the Foundation for the Management and Conservation of Nature on Sint Maarten (SMNF) in strengthening their strategies to achieve sustainable financing of the National Parks in Saba, National Parks in St Eustatius and the Man of War Shoal Marine Protected Area, respectively. However, during the project timeframe COVID happened and required a reorientation of project. These case studies will be used to showcase the process used to come up with the financing needs, financial plan, potential financing strategies and a plan of action to tap into the identified financing sources. Focus will be on the nature of financing gap, barriers identified, number/diversity and types of financing strategies identified for possible implementation, the impact of COVID and current status of financing.

**KEYWORDS:** Sustainable financing, Saba, St Eustatius, St Maarten, MPA

#### INTRODUCTION

Due to longstanding concerns on the limited amount of structural funding for nature management on the Dutch Caribbean islands, World Wildlife Fund The Netherlands (WWF-NL) and the Dutch Caribbean Nature Alliance (DCNA) asked Wolfs Company to quantify the actual funding needs of the islands. Between 2019 and 2021, Wolfs Company has assisted Saba Conservation Foundation (SCF), St. Eustatius National Parks (STENAPA) and the Nature Foundation Sint Maarten (NFSXM) in developing their sustainable financing strategies. The projects kicked off with a mentoring and advice track funded by WWF-NL and DCNA. Follow up support has been provided through DCNA since 2020 to further develop these strategies and support the implementation of some solutions that contribute to the financial sustainability of the respective national parks.

#### METHODOLOGY

A participatory and bottom-up approach:

Collaboration with these parks has progressed through multiple phases. SCF and NFSXM collaborated with Wolfs Company through a participatory and bottom-up process in which they analyzed current expenditures and identified future needs to meet specific goals. These financial needs were quantified by combining historical data, existing documentation and field observations. Our team also provided advice to STENAPA for the completion of the same exercise.

Through a series of workshops we facilitated the identification and prioritization of solutions that could contribute financially to each park's financing needs, while analyzing their feasibility and revenue potential in the specific context of the park. Following up on this work, we have helped these park managers develop their strategies in more detail and address the challenges identified for the implementation of particular financing mechanisms.

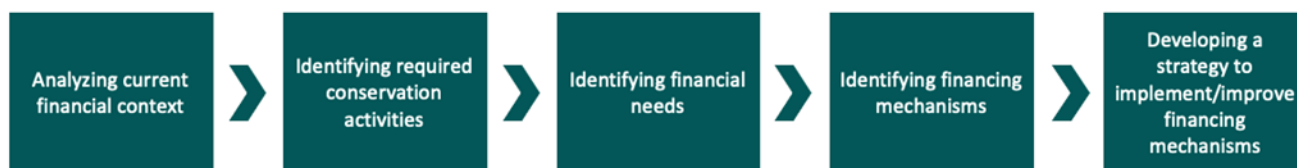
#### RESULTS

The essential role of park management

Previous research has shown that healthy ecosystems on these islands contribute the following amounts to their local economies on an annual basis:

- Saba's marine and terrestrial ecosystems: US \$29 million (read more here: <https://www.wolfscompany.com/project/teeb-saba/>)
- St. Eustatius's marine and terrestrial ecosystems: US \$25 million (read more here: <https://www.wolfscompany.com/project/teeb-st-eustatius/>)
- Sint Maarten's coral reefs: US \$134 million per year (Schmiedel et al., 2020)
- Bonaire's marine and terrestrial ecosystems: US \$105 million (read more here: <https://www.wolfscompany.com/project/sem-porta-mollis-parturient/>)

These figures underline the role that park management plays in the local economy.



**Figure 1.** Framework to achieve sustainable financing of the National Parks in Saba, National Parks in St Eustatius and the Man of War Shoal Marine Protected Area, .

#### Daily action requires consistent funding

Despite the essential role that the parks have in protecting important values for the local economies, the results of this project revealed that the optimal implementation of daily activities necessary to protect these island's ecosystems would cost more than the funds currently available to them. The annual amounts needed to guarantee this optimal level of management were estimated at:

- US \$1.7 million for SCF (of which they were only able to cover around US \$880,000 in 2019)
- US \$1.5 million for STENAPA (of which they were only able to cover around US \$280,000 in 2019)
- US \$1.8 million for NFSXM (of which they were only able to cover around US \$130,000 in 2019)

Although this project focused on the Leeward islands, other islands in the Dutch Caribbean also face substantial financial gaps for structural financing of park management. For example, STINAPA, the national parks authority on Bonaire, estimates they missed US \$ 1 million in revenues due to the impacts of the COVID pandemic on tourism .

#### Collaborative solutions for a resilient future

Current sources of funding for the parks include project grants, public, subsidies, donations, regular support from DCNA, and various types of complementary fees, among others. However, these sources taken together do not generate adequate amounts needed to ensure that the value of the ecosystem services are to be retained or increased on any of these islands.

For each of the parks, various new financing mechanisms or solutions were identified that would either involve public or private-led entities for their implementation. Examples of these potential solutions include:

- SCF: Raising funds through the ANBI status, improving the lab facilities and services, or facilitating research programs
- STENAPA: Departure tax, donations at hotels, or monitoring services to oil terminal

- NFSXM: Revision of the current nature fee system, or introducing a watersport tag and pursuing financial support from the private sector

The parks are currently in the process of leveraging several of these solutions, which will contribute to better nature management on the islands. However, it must be noted that the locally available funding will remain insufficient to cover the whole financing gap. Therefore, structural external sources of financing would be required on top of any efforts that are implemented by the parks and their local governments. Solutions to provide this structural financing could include financing from the Dutch government or a further capitalization of the DCNA trust fund, among others.

Additional information can be found at: <https://www.wolfscorporation.com/project/sustainable-finance-for-park-management-in-saba-st-eustatius-and-st-maarten/>