

Final Report: Sustainable Financing for the Bahamas National Protected Area System

*Prepared for The Nature Conservancy under
The Bahamas Protected Project*

Prepared by Blue Earth Consultants, a Division of ERG
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List of Acronyms

Acronym	Definition
AMMC	Antiquities, Monuments, and Museum Corporation
BEST	Bahamas Environment, Science, and Technology Commission
BIA	Bahamas Investment Authority
BNPAS	The Bahamas National Protected Area System
BNT	Bahamas National Trust
BPAF	The Bahamas Protected Areas Fund
BREEF	Bahamas Reef Environmental Education Foundation
CARICOM	Caribbean Community
CBF	Caribbean Biodiversity Fund
CCI	Caribbean Challenge Initiative
DMR	Department of Marine Resources
GEF	Global Environment Facility
MoE	Ministry of Environment
MOU	Memorandum of understanding
MPA	Marine protected areas
NDP	National Development Plan
NGO	Non-governmental organization
NISP	National Implementation Support Partnership
OPM	Office of the Prime Minister
PA	Protected area
PR	Public relations
RBDF	Royal Bahamas Defense Force
SBIMR	South Berry Islands Marine Reserve
TNC	The Nature Conservancy

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Final Report –Sustainable Financing for the Bahamas National Protected Area System

Executive Summary

Introduction and Background

The Bahamas National Protected Area System (BNPAS) encompasses over 13 million acres of marine, coastal, and terrestrial ecosystems throughout The Bahamas. These protected areas (PAs) currently represent about 10% of The Bahamas’ marine and coastal area, and the Government of The Bahamas is expected to declare additional PAs over the coming 10 years to raise total coverage to 20%, in accordance with the country’s commitment to the Caribbean Challenge Initiative. The Bahamas established the Bahamas Protected Area Fund (BPAF) to ensure sustainable financing to support management of The Bahamas’ PAs. The BPAF needs information on the current and projected financial gaps for managing the BNPAS as well as potential revenue sources that it could consider.

This report describes key findings and outcomes of the Sustainable Financing for the BNPAS consultancy. The consultancy was contracted by The Nature Conservancy (TNC) and performed by Blue Earth Consultants, a Division of Eastern Research Group, Inc. (Blue Earth), with engagement with local stakeholders. This report contains an overview of findings regarding the financial gaps for effective management of the BNPAS, methods for reducing the financial gap, and potential revenue options for the BPAF. Additional detail regarding the gap analysis and next steps for assessing and implementing potential revenue options can be found in this consultancy’s Interim Report and Implementation Plan.

Gap Analysis Summary

Blue Earth worked with representatives of Bahamas National Trust (BNT), Department of Marine Resources (DMR), Forestry Unit, Clifton Heritage Authority (Clifton), and the Royal Bahamas Defense Force to estimate their financial gaps for PA management for the coming 10 years in two scenarios: status quo management and effective management. Calculations represent best estimates and a number of assumptions, due to uncertainties such as lack of documented budget information from some entities and lack of clarity about PAs that will be designated in the next 10 years. We used a cost-per-area approach to project management costs in the two scenarios into the future, factoring in inflation and the addition of new PAs.

The current cost per area in the status quo scenario – that is, the entities’ current total annual PA expenditure divided by the total PA area they manage – ranged between \$0.02/acre and \$2.13/acre for all entities except Clifton. Clifton’s costs of \$12,440/acre were extracted from published government annual budgetary allocation documents. Cost per area in the effective management scenario – that is, what managing entities expect it would cost annually to effectively manage their PAs – ranged between \$4.79/acre and \$6.59/acre, for all entities except Clifton. The total annual cost across all entities was estimated to be more than \$18.7 million currently, increasing to more than \$155.1 million in 2027.

PA managing entities draw from a number of sources to finance PA management, including annual government allocations, philanthropic funding, use revenue, events and memberships, and investment income. Total funding for PA management that all agencies expect to bring in over the coming 10 years totals over \$8.2 million in 2017 and increases to over \$15.3 million in 2027, which falls short of the funding projected to be required for effective management of the BNPAS. Specifically, the overall financial gap for effective management of the BNPAS is estimated to be \$10.5 million currently, increasing to \$139.7 million in 2027. The projected financial gap increases in each year, with stronger increases in years when new PAs are assumed to come “online” and begin incurring management costs – including both recurring costs (e.g., salaries and benefits, regular equipment maintenance) and capital costs (e.g., facility construction, purchase of boats). DMR and BNT’s costs are the largest contributors to this gap, due in part to the large areas assumed to be assigned to those entities for management over the coming 10 years.

Opportunities for Reducing the Financial Gap

PA managers shared possible opportunities for cost sharing among entities, which could reduce the overall cost of PA management. These opportunities include the following:

- Developing a centralized coordination role, either through the BPAF or the National Implementation Support Partnership, to support all PA managing entities on functions like hosting data, providing communications and training materials, overseeing monitoring and data collection protocols, identifying funding opportunities, etc.
- Develop infrastructure, such as through government support, that will benefit multiple PA managing entities
- Joint outreach and education efforts to communities and schools
- Share resources and staff time for enforcement and surveillance of PAs that are near each other
- Share facilities, vehicles, and boats, including ride sharing to remote PAs or field stations
- Joint monitoring and research efforts
- Training and capacity building efforts that involve multiple entities

PA managers also had ideas for reducing costs within their own organizations. These included encouraging new PAs to be sited near other PAs; focusing PA management activities on the organization’s strengths and mandate; partnering with local organizations; utilizing volunteers; training existing staff to support PA management; and reducing the area of PAs managed (Forestry Unit only).

Even given the cost sharing and cost reduction methods listed above, managing entities will require additional funding to effectively manage PAs; the BPAF aims to offset some of the gap by providing grants, but will need to build its own funding before it can financially support managing entities. Blue Earth performed research to identify potential funding options for the BPAF, and stakeholders and the BPAF provided insight and prioritized the following options to pursue in the near term:

- Contributions through heads of agreements for large developments
- Access a portion of gaming house tax or secure gifts from gaming houses
- Cruise ship tax on passenger tickets
- Reallocation of existing revenue streams currently being channeled to the consolidated fund
- Additional hotel room tax

- Tourism opt in/out (e.g., on cruising permits, boat rentals, car rentals, dive trips)
- National PA entry fee or “passport”
- Securing proceeds from a National Lottery

There are several steps that the BPAF will need to take to prepare itself for pursuing many of the revenue streams listed above. These steps include performing due diligence to learn more about the funding options’ feasibility and potential level of revenue and developing a fundraising plan; developing a clear purpose and pitch that explains the BPAF’s role, purpose, and need; and solidifying Board membership and champions within government. Taking these steps and pursuing and securing the most viable funding options will help enable the BPAF – and The Bahamas as a whole – to position itself as a regional and global leader in PA management and effectiveness.

Introduction and Background

This report describes key findings and outcomes of the Sustainable Financing for the Bahamas National Protected Area System (BNPAS) consultancy, including the financial gaps for effective management of the BNPAS, methods for reducing the financial gap, and potential revenue options for the Bahamas Protected Areas Fund (BPAF). The Nature Conservancy (TNC) contracted Blue Earth Consultants, a Division of Eastern Research Group, Inc. (Blue Earth), to perform research and lead stakeholder engagement and facilitation to inform this report, conducted under The Bahamas Protected project. This report is the final deliverable of the consultancy.

The Bahamas National Protected Area System and the Bahamas Protected Areas Fund

The BNPAS encompasses over 13 million acres of marine, coastal, and terrestrial ecosystems throughout The Bahamas. The protected areas (PAs) that make up the BNPAS include areas owned or managed by the Bahamas National Trust (BNT); forest reserves, protected forests, and conservation forests; PAs pursuant to the Fisheries Resources Act; Clifton Heritage Park; and Wild Bird PAs.¹ Together, these PAs currently represent about 10% of The Bahamas' marine and coastal area,² plus additional area included in forest PAs owned and managed by the Forestry Unit and terrestrial national parks. During the coming years, The Government of The Bahamas is expected to declare additional PAs, which will help meet the country's commitments under The Bahamas 2020 Declaration to achieve the goals of the Caribbean Challenge Initiative (CCI). The CCI is a regional agenda where 11 Caribbean countries have made similar commitments to protect 20% of the marine and coastal habitat by 2020 and effectively manage over half of existing parks.³

The Bahamas established the BPAF, a national conservation fund, in 2014 to help ensure sustainable financing to support management of The Bahamas' PAs and related activities.⁴ When fully operational and endowed, the BPAF will provide support through grants to national organizations for development and management of PAs, any system of PAs established by the Government of The Bahamas, and other programs described by the BPAF Act. To date, the BPAF has received initial financial commitments from the Global Environment Facility (GEF) and the Government of The Bahamas, and may join the Caribbean Biodiversity Fund (CBF), which would result in additional funding. The BPAF will also pursue sustainable

¹ The Parliament of The Bahamas 2014

² The marine and coastal territory of The Bahamas is defined as the area between the archipelagic baseline and 12 nautical miles from shore.

³ Moultrie 2012

⁴ The purpose of the BPAF is to ensure sustainable financing into perpetuity for the management of PAs in The Bahamas, including management activities under the CCI and the objectives of the CBF, for the scientific and policy research and education, conservation and management of: a) PAs; b) any system of projected areas established by The Government of The Bahamas; and c) programs established for the management of any area required for biodiversity conservation, the protection of any carbon sink under the Forestry Act, 2010, the conservation and protection of water resources, wetlands or blue holes, degraded or threatened ecosystems, as defined under the United Nations Convention to Combat Desertification, any area which may be designated for the purpose of giving effect to the ultimate objective of the United Nations Framework Convention on Climate Change, any other relevant multilateral environmental agreement or international Convention to which The Bahamas is signatory, or may become signatory for adaptation to and mitigating the adverse effects of climate change (The Parliament of The Bahamas 2014).

financing revenue options⁵ to diversify and increase its revenue and support its application to the CBF, which requires national funds to have the ability to raise funds to match the CBF's contributions.

Consultancy Background

Bahamas Protected is a three-year initiative to effectively manage and expand the Bahamian marine protected areas (MPA) network. It aims to support the Government of The Bahamas in meeting its commitment to the CCI. CCI countries have also pledged to provide sustainable financing for effective management of MPAs. Bahamas Protected is a joint effort between TNC, BNT, the Bahamas Reef Environment Educational Foundation (BREEF), and multiple national stakeholders, with major funding from the international philanthropic organization Oceans 5.

In support of project outcomes, TNC contracted Blue Earth to work with PA managers, the BPAF Board of Directors, and other key local partners to identify financial gaps for effective management of the BNPAS as an update to the previous Sustainable Finance Plan for the BNPAS,⁶ and to recommend sustainable financing revenue options for the BPAF to implement. Blue Earth engaged stakeholders throughout the consultancy and gathered input through online surveys, a webinar, phone interviews and additional calls, and in-person workshops and meetings in The Bahamas in October 2017 (see Appendix A for respondent lists and Appendices B-D for attendee lists and summaries of meetings and workshops). The objectives of this consultancy included the following:

1. Determine the financial gap for effective PA management, by PA managing agency and for the entire BNPAS
2. Project the financial gap over the coming 10 years in “status quo” and “effective management” scenarios
3. Identify potential sustainable financing options for the BPAF to consider for helping to fill the financial gap
4. Develop an implementation plan for one financing option, to be determined by the BPAF board, in collaboration with other stakeholders

This report summarizes Blue Earth's findings related to all four objectives of the consultancy. Detailed results regarding the financial gap for effective management of the BNPAS (Objectives 1 and 2) can be found in the consultancy's Interim Report.⁷ In addition, the Implementation Plan (Objectives 3 and 4) provides more detail on the process of selecting potential sustainable financing options and next steps for implementation.⁸

⁵ Throughout this report, the terms financing, funding, and revenue are used interchangeably.

⁶ The previous Sustainable Finance Plan for the BNPAS was completed in 2008 (Higgins 2008).

⁷ Blue Earth Consultants 2017b

⁸ Blue Earth Consultants 2017a

Summary of Financial Gap Analysis of Bahamas Protected Area Management

This section summarizes findings of the financial gap analysis for the BNPAS, including methods, estimated management costs and funding projections for The Bahamas' PA management entities, and the projected financial gap for each management entity and the entire BNPAS over the next 10 years.

Scope of the Gap Analysis

The financial gap analysis addresses each of the PA management entities named in the BPAF Act,⁹ with the addition of the Royal Bahamas Defense Force (RBDF), which provides PA management support to BNT and Department of Marine Resources (DMR). Table 1 below lists the entities included in the gap analysis and the number of PAs and total area of PAs managed by each entity.¹⁰ Many other organizations are involved in PA management in The Bahamas, but are outside the scope of this gap analysis.¹¹

Table 1. Management Entities and Current PAs

Name of Entity	Sector	Number of PAs Currently Managed	Total Area of Current PAs ¹²	
			Acres	Kilometers (km) ²
BNT	Quasi-governmental entity	32	2,093,053	8,470.3
DMR	Government entity (Ministry of Agriculture and Marine Resources)	4	102,457	414.6
Forestry Unit	Government entity (Ministry of the Environment and Housing)	26	608,167	2,461.2
Clifton Heritage Authority (Clifton)	Body corporate established by Parliamentary Act ¹³	1	208	0.8
RBDF	Government entity (Ministry of National Security)	N/A	N/A	N/A
TOTAL		63	2,803,886	11,346.9

⁹ The Parliament of The Bahamas 2014

¹⁰ A full list of PAs managed by each entity, based in information gathered from representatives of each entity, are included in Appendix A of the Interim Report.

¹¹For example, the Antiquities, Monuments, and Museum Corporation (AMMC), a quasi-governmental, non-profit entity, supports management of several blue holes that are part of the BNPAS. In addition, the Bahamas Environment, Science, and Technology (BEST) Commission supports PA management by seeking and channeling funding to PA management entities. Numerous other organizations, such as BREEF and other non-profits, support PA management in The Bahamas and are not included in this gap analysis.

¹² PA managing entities reported the estimated area of PAs where they currently have management authority. However, the level of management taking place may not be consistent across PAs; for example, the Forestry Unit is working to actively manage some of their PAs, but does not perform management activities at all. Therefore, the total current area of PAs reported here for the Forestry Unit includes the total area that they oversee and plan to have gazette as the forestry estate. In addition, some areas reported by different managing entities may overlap (e.g., forestry reserves may be located within national parks, which are managed by BNT).

¹³ The Parliament of The Bahamas 2006

Methods, Data Verification, and Assumptions and Limitations

Below, we provide a brief overview of the approach used to develop the gap analysis projections. The Interim Report contains a more detailed description of the methods, data verification process, and assumptions and limitations.

Data Collection and Calculation Methods

We estimated PA management costs for all entities except RBDF¹⁴ by calculating the costs per acre of PA management activities for their current PAs and scaling those costs with each expansion of the BNPAS. Our process for calculating cost per area for each entity varied based on the budget information available for the entity. For entities with total budgets for PA management across all of their PAs, we divided the total budget by the total area managed. For entities where total PA management budgets were not available, we scaled up the cost per area of existing individual PA management plans to the total area managed. For future PAs that are proposed to be co-managed, we divided the area equally among proposed management entities. We used these approaches to estimate management costs in both the status quo and effective management scenarios (scenarios are described in more detail below).

To gather existing budget information, Blue Earth performed a desk review of PA management plans and budgets, an online survey with PA managers, an introductory webinar with PA managers, follow-up phone interviews with 11 survey respondents (Appendix A), and additional data requests from the PA managers. We synthesized this information to develop calculations and projections by management entity and for the BNPAS.

Data Verification

Throughout the process of developing the gap analysis, we sought feedback from PA managers on cost and revenue projections and assumptions to build buy-in and improve accuracy of our findings. We shared our initial estimates and projections with PA managers, sought feedback, and held calls to discuss revisions. We also reviewed the calculations with PA managers at the in-person meeting in October, and made additional updates to the gap analysis based on input received. In addition, we conducted rapid research on per-area management costs of PAs in the wider Caribbean region and around the world to compare to the costs per area estimated through this study.¹⁵

Assumptions and Limitations

Estimating the current costs and revenue associated with PA management and developing 10-year projections for status quo and effective management scenarios required many assumptions.¹⁶ The list below describes some of the overarching assumptions that apply to our estimates for several PA managing entities.

- **New PA designations:** The Bahamas will designate new PAs during the coming 10 years to help fulfill its commitments to the CCI (Table 2). First, PAs declared in 2015 will begin incurring costs to PA managing entities in 2018. Those PAs will be assigned to managing entities as described in

¹⁴ RBDF is not responsible for directly managing any PAs.

¹⁵ Please see the Interim Report for a description of these findings.

¹⁶ More detailed documentation of the assumptions made to calculate and project the financial gaps for each management entity are included in Appendix F of the Interim Report.

the 2015 Declaration of the Expansion of the BNPAS.¹⁷ PAs declared by 2020 will be allocated to BNT and DMR and begin incurring costs to those entities in 2021. The PA area assigned to BNT and DMR in the 2020 declaration will be equal to the total area that each entity manages following the 2015 declaration (representing a doubling from more than 10% marine and coastal coverage to more than 20%). Clifton will not be allocated any new PAs throughout the 10-year period, and it is assumed that the Forestry Unit will also not receive new areas. It is possible that the Forestry Unit will receive additional areas in the Central and Southern Bahamas islands depending on projects and funding to expand efforts, but those areas are not included in this analysis.

- **Cost trends:** For all entities, costs reported and/or calculated for 2017 will continue at the same level, plus inflation and the costs of any additional PAs, through the next 10 years. Estimated costs of effective management are representative of the true costs for effectively managing existing PAs (see definition in the *Effective Management Projected Costs* section) and can be scaled up to estimate effective management costs as the BNPAS expands throughout the 10 years.
- **Currency and inflation:** All costs reported in dollars represent both US dollars and Bahamian dollars, which are assumed to be equal in value. Inflation will occur at a rate of 2.7% per year throughout the 10-year projections.¹⁸

In addition to our assumptions, there were several limitations related to the gap analysis process, including the following:

- PA managing entities have varying degrees of available information about their PA management budgets, where some have access to full budgets and others were only able to share anecdotal budget estimates.
- We doubled the total area of PAs declared in 2015 plus those existing prior to the 2015 declaration to estimate the total PA coverage in 2021. This may result in over-estimation of PA area in 2021 due to the inclusion of terrestrial area and area beyond the boundary of 12 nautical miles from the archipelagic baseline in the calculations; it is also possible that some PAs may overlap.
- Cost per area calculations do not account for non-linear changes in costs when additional PAs are added, such as economy of scale when PAs are added in close proximity to existing PAs and can share staff and facilities.
- No information regarding costs of Wild Bird PAs was made available to the consultants, so the costs of managing those areas are not included in the gap analysis.

¹⁷ The National Implementation Support Partnership declared the expansion of the BNPAS in 2015 (Bahamas National Implementation Support Partnership 2015).

¹⁸ We selected 2.7% because it was the inflation rate in March 2017, which was the most recent reported at the time of writing and between the 10-year average and 45-year average (Trading Economics 2017).

Table 2. PAs Allocated to Each Managing Entity

Managing Entity	Total PAs Prior to 2015 Declaration ¹⁹ (2017)			Total PAs After 2015 Declaration ²⁰ (2018)			Total PAs After 2020 Declaration (2021)		
	Number	Acres	Km ²	Number	Acres	Km ²	Number	Acres	Km ²
BNT	32 PAs	2,093,053	8,470.3	47 PAs ²¹	4,742,200	19,191.0	Unknown	9,484,401	38,382.0
DMR	4 PAs	102,457	414.6	7 PAs ²²	6,294,768	25,474.0	Unknown	12,589,537	50,948.1
Forestry Unit	26 PAs	608,167	2,461.2	26 PAs	608,167	2,461.2	26 PAs	608,167	2,461.2 ²³
Clifton	1 PA	208	0.8	1 PA	208	0.8	1 PA	208	0.8

¹⁹ Areas shared by PA managing entities.

²⁰ Equals the sum of PAs prior to 2015 declaration plus areas of the 2015 declaration; no additional area added for Forestry Unit or Clifton Heritage Authority (Bahamas National Implementation Support Partnership 2015).

²¹ Including 5 PAs co-managed with other managing entities.

²² Including 1 PA co-managed with BNT.

²³ The Forestry Unit could receive an expansion of an estimated 20,000 to 50,000 acres of PA area for the Central and Southern Islands. This potential increase is not included in the analysis presented here.

10-year PA management Cost Projections by PA Management Entity

This section describes estimated PA management costs for each entity over the next 10 years under status quo and effective management scenarios. The cost projections included here reflect those in the Interim Report, with slight modifications for the Forestry Unit based on revisions suggested at in-person meetings in October 2017.

Status Quo Management Cost Projections

To inform the gap analysis, we first calculated each entity's costs of managing their current PAs under a status quo scenario. Status quo management costs are assumed to equal the most recent annual budget information provided by managing entities. For each PA management entity, we projected status quo costs over 10 years by applying inflation to the calculated cost per area and adding additional PA area, as outlined in Table 2. Please note that the projected costs represent the costs that managing entities would incur into the future if they continue with their current level of management activities, plus new PAs; these estimates do not describe the level of funding that the entities may require to effectively manage PAs (this is described in the *Effective Management Projected Costs* section below). Table 3 below provides an overview of total cost and cost per acre calculated for each managing entity over the 10-year projection period under a status quo scenario. Total costs in Table 3 below include predicted capital costs (one-time investments such as infrastructure and boats) anticipated by PA managers, which would be incurred in specific years and do not factor in to the cost per acre estimates.

Table 3. Status Quo Management Projected Costs – Total and Per Acre

	Current	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
BNT Total Cost	\$4,450,747	\$11,556,263	\$11,835,882	\$12,123,051	\$23,635,946	\$24,241,716	\$24,863,843	\$25,502,766	\$26,158,941	\$26,832,832	\$27,524,919
BNT Cost Per Acre	\$2.13	\$2.18	\$2.24	\$2.30	\$2.37	\$2.43	\$2.50	\$2.56	\$2.63	\$2.70	\$2.78
DMR Total Cost	\$2,062	\$400,077	\$133,589	\$137,196	\$481,800	\$289,408	\$297,222	\$305,247	\$313,489	\$321,953	\$330,646
DMR Cost Per Acre	\$0.02	\$0.02	\$0.02	\$0.02	\$0.02	\$0.02	\$0.02	\$0.02	\$0.02	\$0.03	\$0.03
Forestry Unit Total Cost	\$365,162	\$1,058,775	\$1,068,901	\$395,546	\$406,226	\$417,194	\$428,458	\$440,026	\$451,907	\$464,108	\$476,639
Forestry Unit Cost Per Acre	\$0.60	\$0.62	\$0.63	\$0.65	\$0.67	\$0.69	\$0.70	\$0.72	\$0.74	\$0.76	\$0.78
Clifton Total Cost	\$2,587,500	\$2,587,500	\$2,587,500	\$2,587,500	\$2,657,363	\$2,729,111	\$2,802,797	\$2,878,473	\$2,956,192	\$3,036,009	\$3,117,981
Clifton Cost Per Acre	\$12,440	\$12,440	\$12,440	\$12,440	\$12,776	\$13,121	\$13,475	\$13,839	\$14,212	\$14,596	\$14,990
RBDF Total Cost	\$1,147,000	\$3,430,938	\$2,419,548	\$2,484,876	\$4,269,117	\$3,485,758	\$3,579,874	\$3,676,530	\$3,775,797	\$3,877,743	\$3,982,442
TOTAL SYSTEM COST	\$8,552,471	\$19,033,553	\$18,045,420	\$17,728,168	\$31,450,451	\$31,163,188	\$31,972,194	\$32,803,043	\$33,656,325	\$34,532,646	\$35,432,628

According to the estimated costs presented above, the current cost of PA management in The Bahamas (status quo) is about \$8.6 million, and is projected to increase to a total of \$35.4 million in 2027 if spending on PA management activities remains at the current level, plus inflation and additional PAs. The calculations also show that management costs and cost per acre vary widely across PA management entities in The Bahamas. BNT has the highest total PA management costs over the coming 10 years, due to the cost of current management activities in many PAs, as well as the predicted allocations of large amounts of new PAs to the BNT in 2018 and 2021. The Forestry Unit and DMR currently have lower PA management budgets and are implementing fewer PA management activities, resulting in lower total status quo costs over the coming 10 years. In the case of DMR, respondents indicated that the department does not have a dedicated budget allocation solely for PA management, and total spending on PA management activities is estimated at only about \$2,000 per year, which corresponds to approximately \$0.02 per acre for the current area assigned to DMR. In addition, the amount allocated to DMR for PA management varies from year to year. Although DMR is expected to be allocated a significant acreage of new PAs over the coming 10 years, their costs remain relatively low in the status quo scenario due to the limitations of their current budget and available human resources. Based on the budget information extracted from published government annual budgetary allocation documents available for Clifton, this entity has the highest per acre management cost at about \$12,400.

Effective Management Cost Projections

PA managers and other stakeholders familiar with the BNPAS emphasized that PA management entities in The Bahamas do not have adequate financial resources to effectively manage their PAs. As a second component of the gap analysis, we estimated what effective PA management would cost for each entity over the next 10 years. For the purposes of these calculations, effective management of PAs includes:

- **Strong Management Plan:** There is a plan clearly outlining the vision, goals, and objectives that apply across all of the managing entity's PAs, including a process for monitoring and adaptive management.
- **Operational Capacity:** The PA managing entity, either directly or through partnerships, has the necessary skills, staff, infrastructure, and volunteers to implement the management plan, including surveillance and enforcement, monitoring and evaluation, outreach, and building stakeholder support and engagement.

Based on the definition of effective management above and drawing on previous studies, institutional knowledge, and budget gaps for various elements of PA management, Blue Earth worked with PA managers to estimate the cost of effectively managing their current PAs. We then used these estimated current effective management costs to project the costs of effective management over the next 10 years. Table 4 below shows projected costs for effective management for each entity, in total and per acre. Using a similar approach as the status quo calculations, we projected future costs based the cost per acre of effective management of current PAs, inflation, and estimated area increases in 2018 and 2021.

Table 4. Effective Management Projected Costs

	Current	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
BNT Total Cost	\$10,026,700	\$24,761,869	\$25,361,699	\$25,977,724	\$50,674,798	\$51,974,276	\$53,308,841	\$54,679,438	\$56,087,042	\$57,532,651	\$59,017,292
BNT Cost Per Acre	\$4.79	\$4.68	\$4.81	\$4.94	\$5.07	\$5.21	\$5.35	\$5.50	\$5.65	\$5.80	\$5.95
DMR Total Cost	\$509,404	\$32,411,835	\$33,009,664	\$33,900,925	\$69,832,500	\$71,512,578	\$73,443,418	\$75,426,390	\$77,462,902	\$79,554,401	\$81,702,370
DMR Cost Per Acre	\$4.97	\$5.11	\$5.24	\$5.39	\$5.53	\$5.68	\$5.83	\$5.99	\$6.15	\$6.32	\$6.49
Forestry Unit Total Cost	\$4,010,458	\$4,802,494	\$4,913,700	\$4,344,155	\$4,461,447	\$4,581,906	\$4,705,617	\$4,832,669	\$4,963,151	\$5,097,156	\$5,234,779
Forestry Unit Cost Per Acre	\$6.59	\$6.77	\$6.96	\$7.14	\$7.34	\$7.53	\$7.74	\$7.95	\$8.16	\$8.38	\$8.61
Clifton Total Cost	\$2,587,500	\$2,657,363	\$2,729,111	\$2,802,797	\$2,878,473	\$2,956,192	\$3,036,009	\$3,117,981	\$3,202,166	\$3,288,625	\$3,377,418
Clifton Cost Per Acre	\$12,440	\$12,776	\$13,121	\$13,475	\$13,839	\$14,212	\$14,596	\$14,990	\$15,395	\$15,811	\$16,238
RBDF Total Cost	\$1,663,150	\$4,491,110	\$3,508,345	\$3,603,070	\$5,796,470	\$5,054,350	\$5,190,817	\$5,330,969	\$5,474,905	\$5,622,728	\$5,774,541
TOTAL SYSTEM Cost	\$18,797,212	\$69,124,671	\$69,522,520	\$70,628,671	\$133,643,687	\$136,079,301	\$139,684,701	\$143,387,447	\$147,190,167	\$151,095,560	\$155,106,399

Based on input from PA managers regarding their budget needs to ensure effective management, the total cost of managing the BNPAS would be about \$18.8 million in 2017, and would increase to about \$155.1 million by 2027. Effective PA management will cost significantly more for BNT, DMR, and the Forestry Unit than status quo management. Additional expenses for effective management include adequate staff, equipment, training, and other resources for activities including monitoring, enforcement, park maintenance, education, and more. The total costs in Table 4 above also include potential capital costs, which are incurred in specific years and are not reflected in the estimated costs per acre. Effective management costs per acre for BNT, DMR, and the Forestry Unit are similar, with the Forestry Unit incurring slightly higher management costs and BNT incurring slightly lower management costs. Clifton's projected costs are much higher, and assumed to be equal to their status quo costs. DMR has the highest total annual cost for effective PA management in 2027, which is due in part to the significant PA acreage that the entity is assumed to be allocated in 2018 and 2021.

Funding Sources and Projections

In addition to estimating PA management costs for each entity, we estimated their available funding for PA management over the coming 10 years. Where possible, we based our projections on existing PA management budgets, but in some cases, we drew on anecdotal information to estimate funding amounts.

All PA management entities receive funding from the Government of The Bahamas, and some draw on additional sources of funding. For example, BNT and the Forestry Unit receive some funding from philanthropic sources, including grants and donations. BNT also generates revenue from user fees, events and memberships, and investment income. The Interim Report includes more detail about the funding sources that each management entity accesses to support PA management activities.

Table 5 below shows estimated funding for each PA management entity, based on current budgets, inflation, and additional information including government budget forecasts, anticipated grants, and other adjustments throughout the 10 years. Many PA management staff expressed uncertainty regarding funding levels over the next 10 years due to potential changes in the availability of government and philanthropic funds and potential additional revenue mechanisms such as the BPAF. We estimate that current funding available for PA management totals about \$8.3 million currently, and could increase to about \$15.4 million by 2027. In addition to the direct PA management funding represented in Table 5, many governmental and non-governmental organizations (NGOs) provide in-kind support and other contributions to PA management (see the Interim Report for more information).

Table 5. PA Management Funding Projections

	Current	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
BNT	\$4,526,326	\$4,608,037	\$5,045,457	\$5,569,481	\$6,238,772	\$7,035,925	\$7,987,622	\$8,203,288	\$8,424,777	\$8,652,246	\$8,885,856
DMR	\$50,000	\$51,350	\$52,736	\$54,160	\$55,623	\$57,124	\$58,667	\$60,251	\$61,878	\$63,548	\$65,264
Forestry Unit	\$209,045	\$745,599	\$747,891	\$551,400	\$551,400	\$551,400	\$551,400	\$126,400	\$126,400	\$126,400	\$126,400
Clifton	\$2,587,500	\$2,587,500	\$2,587,500	\$2,587,500	\$2,657,363	\$2,729,111	\$2,802,797	\$2,878,473	\$2,956,192	\$3,036,009	\$3,117,981
RBDF	\$917,600	\$2,744,750	\$1,935,639	\$1,987,901	\$3,415,294	\$2,788,607	\$2,863,899	\$2,941,224	\$3,020,637	\$3,102,195	\$3,185,954
SYSTEM TOTAL	\$8,290,471	\$10,737,236	\$10,369,223	\$10,750,442	\$12,918,451	\$13,162,168	\$14,264,385	\$14,209,636	\$14,589,883	\$14,980,397	\$15,381,455

10-year Projected Financial Gaps

Using our estimates of management costs and projected revenue, we calculated the projected financial gap for PA management for each entity and for the BNPAS under status quo and effective management scenarios. The financial gap for status quo management represents the difference between the projected revenue and the projected cost of status quo PA management, which accounts for inflation and the addition of new PAs. The financial gap for effective management represents the difference between projected revenue and the projected costs of effective management, which also accounts for inflation and the addition of new PAs. Below, we describe the estimated financial gap for each management entity over the coming 10 years as well as for the BNPAS as a whole.

Projected Gaps by PA Management Entity

Figures 1 and 2 below show the PA management financial gap for each entity under status quo (Figure 1) and effective management (Figure 2) scenarios. Figures 3-7 illustrate the financial gap for each entity individually. Please note that the y-axis scale (dollars) varies among graphs, and the financial gaps are indicated as negative values on the y-axis. For all entities, the gap for effective management is larger than that of status quo management, indicating the need for increased funding in support of PA management.

Figure 1. Status Quo Management Financial Gap for all Entities

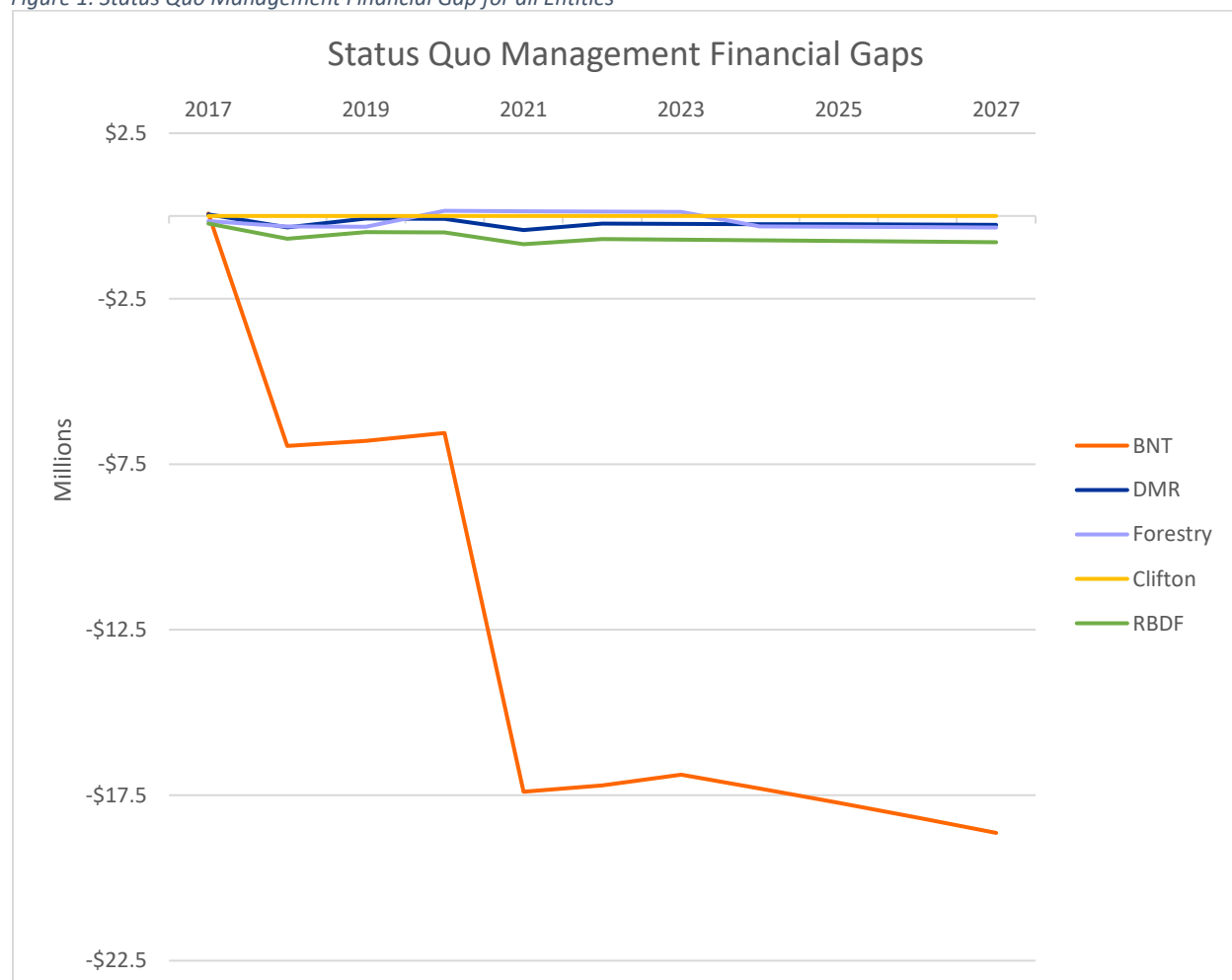


Figure 2. Effective Management Financial Gap for all Entities

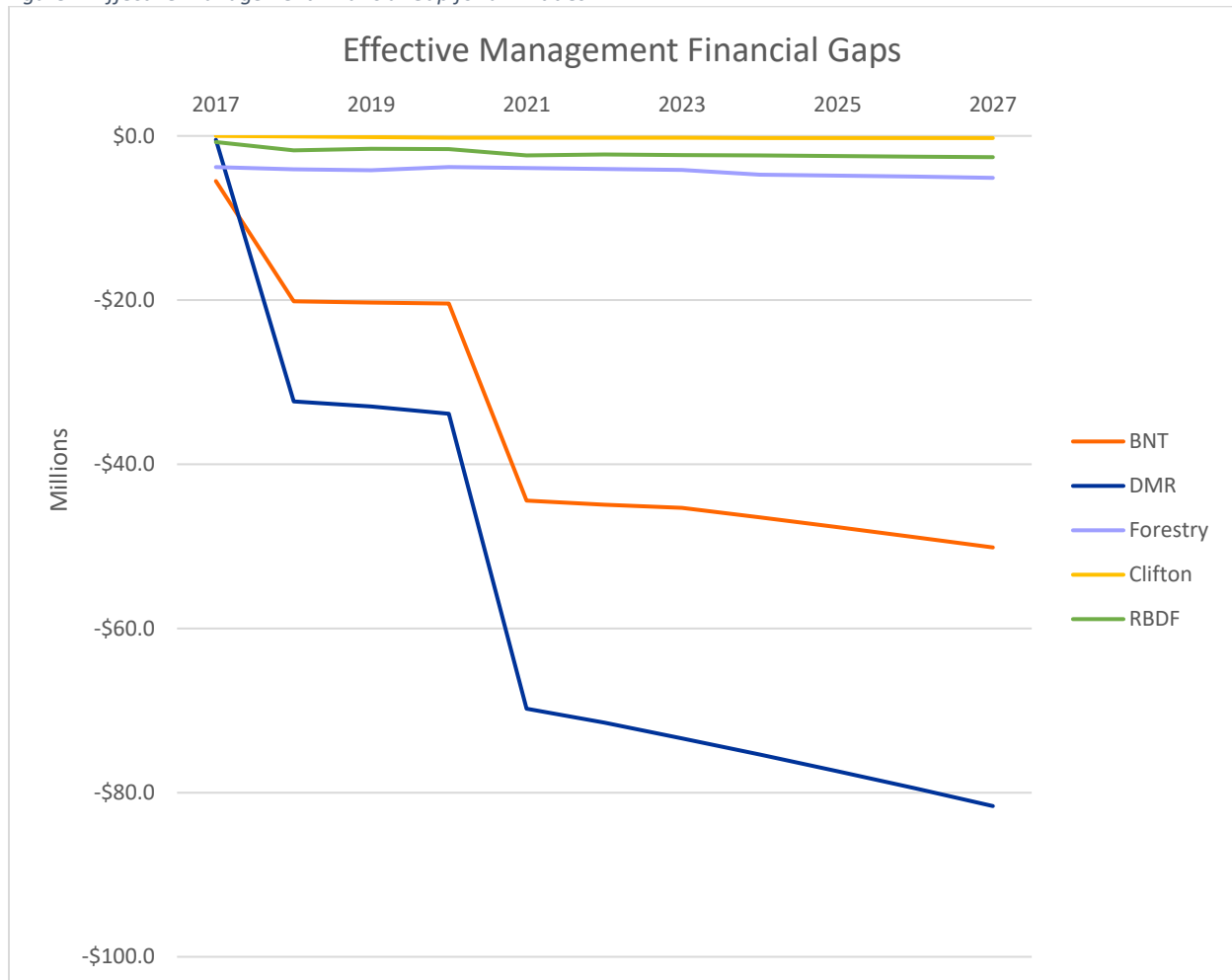


Figure 3. Financial Gap for BNT

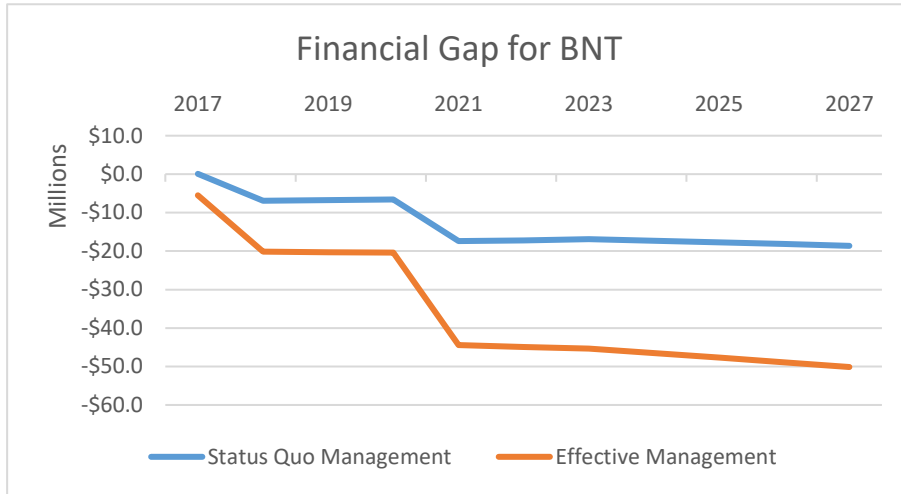


Figure 4. Financial Gap for DMR

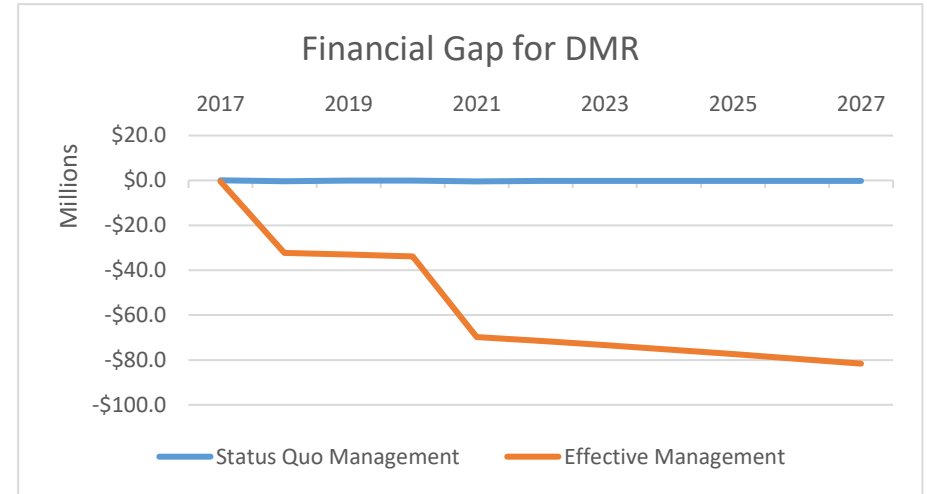


Figure 5. Financial Gap for the Forestry Unit

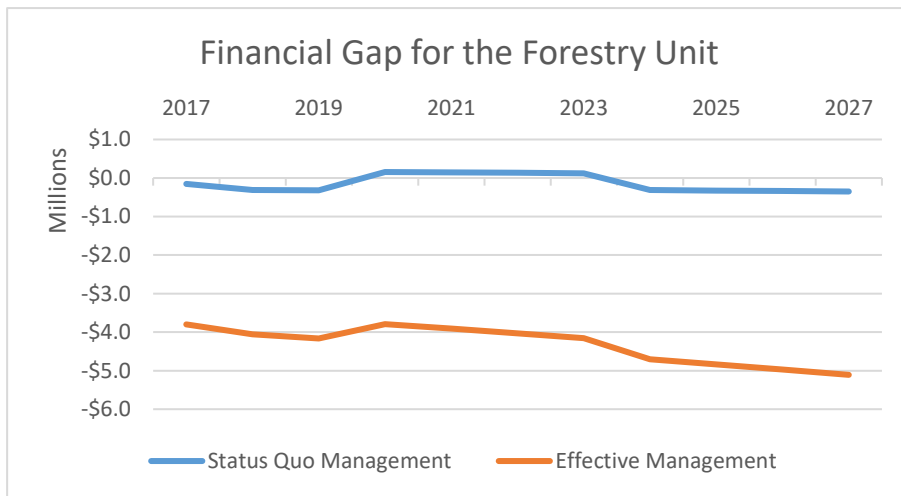


Figure 6. Financial Gap for the Clifton Heritage Authority

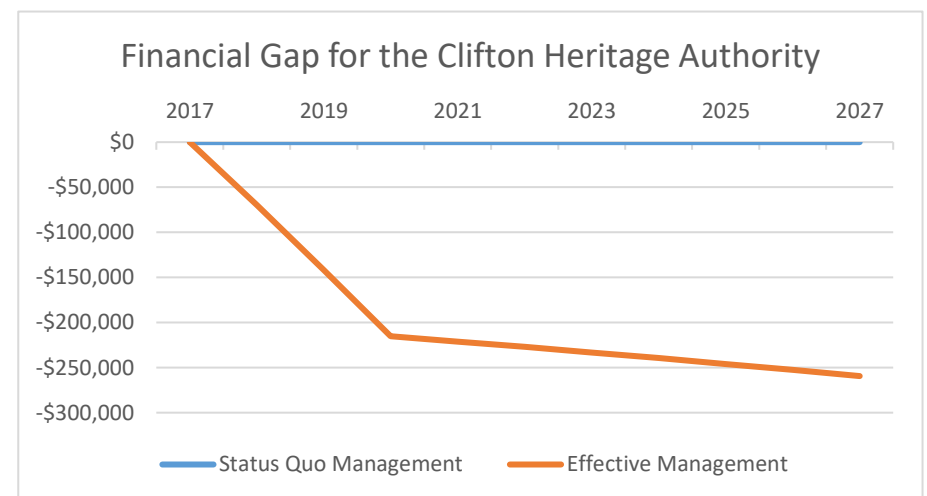
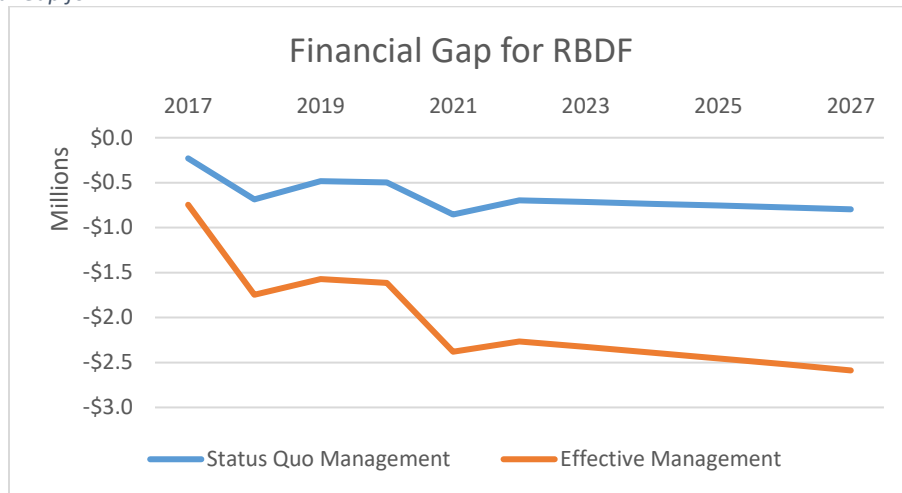


Figure 7. Financial Gap for RBDF



As illustrated by Figures 2 and 4, DMR has the largest projected gap for effective management, which is estimated to reach about \$81.6 million by 2027. BNT has the second largest gap in 2027, which is estimated to reach about \$50.1 million. Clifton has the lowest projected financial gap in 2027 because expense projections are based on a stable government revenue allocation and no additional PA allocations. The Forestry Unit's and RBDF's financial gaps for effective management are projected to increase to about \$5.1 million and \$2.6 million respectively by 2027. These estimates are more moderate because substantial increases in PA area are not assumed for these entities.

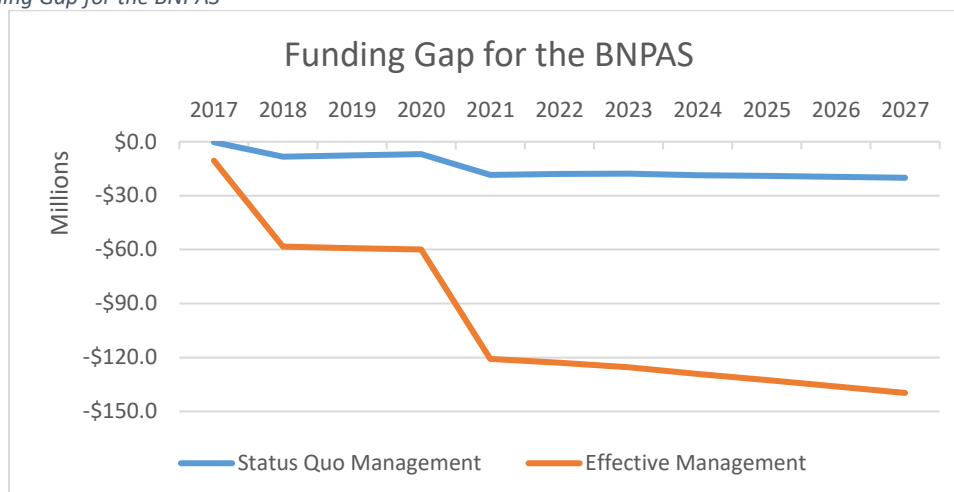
Projected Gap Across the BNPAS

Figure 8 shows the projected financial gaps under status quo and effective management scenarios across the BNPAS, estimated by summing the financial gaps for all entities. The financial gap for status quo management of the BNPAS is currently estimated to be about \$262,000 and is projected to be total about \$20.1 million in 2027. The financial gap for effective management of the BNPAS is estimated at about \$10.5 million currently and projected to increase to about \$139.7 million by 2027.²⁴ Both scenarios have peaks in 2018 and 2021 that correspond with anticipated allocations of new PAs, including capital costs. For comparison, a recent study by the National Capital Project found that the total economic benefit of The Bahamas' PA network (from tourism, coastal protection, and spiny lobster nurseries) was nearly \$900 million. Adding their estimated value of carbon sequestration causes this figure to jump up to more than \$5 billion.²⁵ Nevertheless, given the magnitude of the projected gap for effective management, managing entities will need to generate increased funding for PA management, and may also pursue options for reducing total costs for managing the system.

²⁴ For comparison, the 2008 financial gap analysis estimated a financial need of \$13.1 million for management of the BNPAS, resulting in a gap of \$7.1 million (Higgins 2008).

²⁵ Arkema, Fisher, and Wyatt 2017

Figure 8. Funding Gap for the BNPAS



Opportunities for Reducing the Financial Gap

Considerable opportunities exist for managing entities to coordinate their efforts to reduce the total cost of managing the BNPAS. This section describes opportunities for cost sharing and cost reduction based on initial input collected during phone interviews, as well as discussions with PA managers in October 2017. In addition to the opportunities included below, the Interim Report contains considerations for cost efficiency as well as barriers to cost reduction and methods for overcoming those barriers.

Opportunities for Cost Sharing

The BNPAS spans numerous islands and cays throughout the Bahamas, and the extent to which PA managers can share resources and coordinate management activities across the system will reduce total management costs. At one of the in-person October meetings, representatives from PA management agencies had the opportunity to brainstorm and prioritize opportunities to collaborate and share PA management costs. PA managers focused their discussions on several key themes for cost sharing, listed below (see Appendix C for notes from this meeting). The Interim Report contains more detail regarding opportunities for cost sharing recommended by interview respondents.

- Centralized coordination:** PA managers proposed developing a centralized coordination role for the entire BNPAS. This role could be fulfilled by revitalizing the National Implementation Support Partnership (NISP), which led the PA siting process; alternatively, the BPAF could fill this role, though this could require revision of the BPAF Act. The centralized body could lead advance planning, support PA management activities across the system, and oversee centralized resources (e.g., equipment, a data repository, library of communication and training materials, monitoring and data collection protocols, funding opportunities, etc.). The centralized body could also lead coordination with NGOs and other groups that support PA management, helping managing entities to fill capacity gaps. Centralized coordination would include sharing resources and capacity related to many of the other areas for cost sharing listed below.

- **Development infrastructure funding:** PA management entities could work with government ministries to secure commitments for capital improvement projects that would benefit multiple entities, and coordinate with the BEST Commission for funding from bi-lateral and multi-lateral donors and funding for infrastructure.
- **Education and outreach:** Managers suggested collaborating on education and outreach efforts, such as conducting joint outreach and public education campaigns to reach communities and schools. Some management entities, such as BNT, have communications expertise and could support the development of public relations (PR) strategies to raise awareness of the BNPAS.
- **Enforcement:** Entities could share resources and capacity to enhance enforcement throughout the BNPAS. Enforcement agencies like the RBDF and Royal Bahamas Police Force play important roles in PA enforcement, and engaging them further in PA management could help reduce overall enforcement costs while also ensuring consistency across enforcement activities. In addition, DMR could share legal authority for enforcement by appointing BNT staff as superintendents under the Fisheries Act. Entities could also consider conducting joint patrols where PAs are located near each other, and sharing enforcement equipment such as drones and patrol boats.
- **Facilities, vehicles, and boats:** By developing a shared inventory for facilities, office space, vehicles, and boats, PA managers could increase opportunities for sharing resources. Building from the inventory, staff could coordinate when management entities have funding available for expenses such as fuel or new equipment. Other ideas include sharing office space, particularly on more remote islands where establishing an office can be costly, and aligning rotation schedules to promote sharing rides between field stations and as other travel needs arise.
- **Monitoring and research:** PA managers could share costs by collaborating on monitoring efforts in PAs, such as by standardizing monitoring protocols for marine and terrestrial PAs and sharing monitoring equipment. Identifying management entities, such as BNT, that may have capacity to lead data collection, and collaborating with groups such as RBDF who can provide divers for data collection, may also help reduce overall costs. Coordinated research and monitoring will be particularly important for co-managed PAs to ensure that efforts are not duplicated.
- **Training and capacity enhancement:** Management entities could hold joint trainings and learning exchanges (e.g., leadership trainings, diver trainings) to build capacity for staff from all entities. Entities could pursue opportunities to share knowledge and skills, such as by holding trainings for RBDF and/or police officers regarding rules and regulations for PAs. In addition, scientific staff could lead trainings on monitoring to ensure consistency and build expertise.

Next Steps for Pursuing Top Cost Sharing Opportunities

PA managers identified centralized coordination and sharing facilities and infrastructure as two of the top opportunities for sharing costs, and discussed initial steps and key partners necessary for pursuing both options.

To implement centralized coordination, PA managers proposed drawing upon the expertise of the NISP and involving more PA management entities and national NGOs. Initial steps could include convening individual meetings with key stakeholders and developing a brief concept paper including a needs statement and next steps for implementing centralized coordination. After the concept paper is developed, partners will hold consultations with agencies to refine the approach to central coordination, and then provide the revised concept paper to ministers for possible submission to the Cabinet. Key

partners in the centralized body will include designated PA management entities and potentially other entities and organizations involved in PA management, the BPAF, BREEF, TNC, the BEST Commission, representatives of local government, the Ministry of the Environment, and other key ministries and government units as needed.

To implement infrastructure and facilities sharing, PA managing entities could create an inventory of key assets by island (e.g., office space, vehicles, boats, housing, and staff). Then, managing entities will need to develop a memorandum of understanding (MOU) and seek approval from the Cabinet to mobilize resource sharing. Partners in the MOU will develop templates to ensure effective and consistent implementation of resource sharing, such as a form that parties will fill out and approve when requesting the use of each other's equipment. Key partners for realizing an infrastructure and facilities sharing approach would include the key PA management entities (e.g., BNT, DMR, the Forestry Unit, and RBDF).

Opportunities for Cost Reduction

In addition to opportunities for cost sharing, interview respondents and workshop participants recommended strategies for reducing their individual entities' costs for PA management and the cost of managing the BNPAS as a whole. These strategies are described below.

- **Considering PA proximity:** In the process for designating new PAs (e.g., those that are expected to be designated in 2020), consider the implications of various siting choices on overall management costs. For example, one of the criteria for selecting new PA sites could be the site's proximity to other PAs, where closer proximity is favorable. Given the vast extent of The Bahamas archipelago and significant costs that can accumulate from accessing remote sites, siting PAs closer together will help managers perform joint management activities and reduce overall costs.
- **Allocation of responsibilities based on strengths and obligations:** Each managing entity has its own set of PA management obligations and capacities. Managing entities could assess their obligations and capacities and identify those activities that are core to their mission and strengths, and work with other entities to ensure they are addressing other necessary activities.
- **Partnering with local organizations:** Local organizations such as Friends of the Environment, University of The Bahamas, and others can provide extra "boots on the ground" to support PA management activities like monitoring and outreach. Other organizations operating in The Bahamas, like TNC, could also continue to provide support by sponsoring training and capacity-building for staff locally and abroad, and providing equipment (e.g., boats, drones) and funds.
- **Utilization of volunteers:** PA managing entities may draw upon volunteers and interns, which could include locals and students from around the world. For example, local fishers may volunteer to support PA enforcement.
- **PA training for existing staff:** Existing staff with extra time and capacity can be trained to take on PA management duties. For example, RBDF divers could help with scientific monitoring, and existing DMR staff could lead and support PA management. Even though this method may not reduce costs, it could help minimize cost increases for achieving effective management.

- **Reduced size of managed area:** In the case of the Forestry Unit, there may be the opportunity to reassess and reduce the size of the area to be managed. This would require land surveys, which might identify areas where land ownership and use designations have changed.

Revenue Options for the BPAF

As a second main element of this project, Blue Earth performed research to identify and assess various financing options for the BPAF to consider. This section provides an overview of our research and engagement methods, revenue option selection criteria, initial recommended steps for the BPAF to prepare itself to pursue funding options, and a list of priority funding options to vet and possibly pursue in the near term.

Methods and Selection Criteria

Methods

Blue Earth conducted document review and stakeholder and expert interviews to identify and assess possible funding options for the BPAF. Specifically, our research and prioritization process included following steps (see the Interim Report for more detail):

- Conducted review of key documents, including PA agency management budgets, previous studies about PA financing in The Bahamas and other geographies, financial and revenue information for The Government of The Bahamas, and more
- Developed list of criteria for prioritizing potential revenue options (see *Funding Option Selection Criteria* section below)
- During gap analysis stakeholder interviews, asked for preliminary input on potential high-priority revenue options for the BPAF
- Compiled and consolidated an initial list of more than 125 potential revenue options drawn from document review and interviews, and consolidated to 21 types of potential revenue sources
- Developed a worksheet for stakeholders to score the 21 revenue options using a subset of the selection criteria, and held 11 stakeholder phone interviews to discuss scoring
- Prioritized revenue options using information from document review, interviews and completed scoring worksheets, and selection criteria to identify potential high-priority revenue options
- Presented research findings and suggested priority funding options at stakeholder workshop in The Bahamas, discussed and added to the options, and stakeholders voted to identify top options for further consideration
- Presented outcomes of stakeholder workshop to the BPAF Board, who selected eight of the top-ranked funding options to vet further in the near term; developed an implementation plan for the Board with “roadmaps” for further vetting and initial steps to implementation for each of the eight options (see the Implementation Plan)

Funding Option Selection Criteria

Below are the funding option selection criteria that Blue Earth referenced throughout our research, and which the BPAF can continue to use for future vetting of financing options. These selection criteria

reflect several additions and modifications shared at the stakeholder workshop and BPAF Board meeting.

Financial Feasibility

- Annual revenue generated is secure, stable, and greater than the cost of establishing and implementing the new revenue source, thus helping meet funding gaps for the BNPAS
- There will be minimal conflicts between BPAF accessing the funding option and current funding sources utilized by PA management agencies

Administrative and Management Capacity

- Implementation of the option is feasible within a short time frame (e.g., 1-2 years maximum)
- Sufficient capacity and systems exist or could feasibly be developed to administer, enforce, and collect funds from the funding option

Social Context

- The option will be perceived as equitable and is not expected to cause disproportionately negative social impacts to any stakeholder groups
- The option targets appropriate audiences and aligns with available information related to willingness to pay
- The option is supported by stakeholders and/or capacity exists to promote the option among stakeholder groups

Environmental Compatibility

- The option is consistent with the conservation goals of the BPAF and other local and national conservation objectives
- Implementing the option will not cause perverse incentives or threaten biodiversity

Legal and Political Feasibility

- Existing laws, rules, or policies allow implementation and regulation of the funding option; any new legislation or other political support required to establish the option can be feasibly developed in an appropriate timeframe (e.g., 1-2 years)
- The option and the use of funds generated can be monitored by an external oversight body (e.g., courts, media, NGO “watch dog” groups, particular user groups, or an independent board of directors) to ensure appropriate use
- The funding option is economically feasible, with minimal adverse effects on the national economy
- Funds must flow directly to the BPAF, rather than to the government’s consolidated fund

Steps for Preparing the BPAF to Implement Funding Options

BPAF Board members noted the need to identify initial steps that will be needed internally to prepare for implementing any revenue options. Below are the initial steps as outlined in the Implementation Plan.

Due Diligence on Financial Systems, Policy, and Funding Options

- Confirm that the BPAF can legally accept funds as a statutory authority
- Ensure that the BPAF has the appropriate bank accounts (e.g., for endowment and sinking funds, as laid out by BPAF Act) and accounting capacity to accept and manage funds

- Review the BPAF Act and suggest revisions, such as a statement that the BPAF will be among the entities considered for allocation of a portion of heads of agreement contributions
- Contract research to understand the potential investment required and return on investment from each of the funding options addressed in this document, as well as feasibility and necessary policies and legislation
- Consider forming a committee (e.g., BPAF, TNC, and government representatives) to maintain progress and momentum

BPAF's Purpose and Pitch

- Determine what percent of the projected financial gap the BPAF will aim to fill
- Establish fundraising goals and develop a fundraising plan outlining the BPAF's approach for generating target fundraising amounts
- Discuss and determine what role the BPAF aims to play in PA management; for example, whether it will simply act as a fundraiser and granter of funds, or take on a centralized coordinating role for PA management in the country (this could be addressed as part of the strategic visioning process mentioned in the activity below); consider costs associated with each role and any revisions to the BPAF Act that a coordinating role would require
- Refine the BPAF's strategic direction, such as by developing a vision statement, mission statement, and grant-making goals that fit within and fulfill the requirements of the BPAF Act
- If the BPAF will take on a coordinating role for PA management, consider updating Blue Earth's cost projections to include a line item for the BPAF's costs and estimating reductions in managing entities' costs due to streamlining and cost sharing that the BPAF's coordination role would facilitate
- Develop a pitch, including a short deck of slides and talking points, that describes the value of PAs to The Bahamas, the BPAF and its purpose, an overview of relevant findings from Blue Earth's gap analysis research, percent of the financial gap that BPAF aims to fill, and return on investment from supporting the BPAF;²⁶ this pitch may be tailored for the relevant Ministers or other leaders relevant to each funding option
- Engage the Minister of Environment and/or another minister or government official to champion the BPAF's efforts and help determine which revenue options are politically viable

BPAF Membership

- Identify potential government representatives to advocate joining the Board
- Encourage the Minister of Environment to appoint chosen government representatives to the current Board vacancy
- Identify and recommend to the Minister of Environment top candidates for Board appointments in June 2018

²⁶ When developing the pitch, it will be important to consider how information in the gap analysis may be interpreted; for example, Ministers could perceive the projected financial gap for effective management as overwhelmingly large and reconsider the addition of new PAs in the future to meet the goals of the CCI. Clearly articulating the BPAF's role in providing centralized coordination (if this is the strategic path that the BPAF chooses) and the costs offset by that role may help allay concerns about high projected costs.

Priority Revenue Options for Further Consideration

The BPAF Board selected the following revenue options for further vetting in the near term. These options were among the top options based on scoring at the stakeholder workshop, focusing on those that may be more feasible to implement in the near term (e.g., one to two years to begin collecting revenue).

- Contributions through heads of agreements for large developments
- Access a portion of gaming house tax or secure gifts from gaming houses
- Cruise ship tax on passenger tickets
- Reallocation of existing revenue streams currently being channeled to the consolidated fund
- Additional hotel room tax
- Tourism opt in/out (e.g., on cruising permits, boat rentals, car rentals, dive trips)
- National PA entry fee or “passport”
- Securing proceeds from a National Lottery

The Implementation Plan includes a roadmap for each of these funding options to help guide the BPAF in further vetting and potential first steps for each of these revenue options. The BPAF will consider these options along with other potentially promising revenue streams.

Conclusion

As an expansive small-island archipelago in the tropical Atlantic, The Bahamas is home to valuable marine and terrestrial natural resources. National and regional leaders are dedicated to protecting these resources for generations to come, with PAs as a core strategy. These PAs are made possible by programs like the Bahamas Protected project and the CCI, supported in part by organizations like the CBF and GEF. Based on research through this consultancy and previous studies, The Bahamas’ PA managing entities do not currently have adequate resources to implement effective management of the BNPAS, and in some cases PA management activities like development of management plans, surveillance and enforcement, scientific monitoring, and education are lacking due to these financial constraints. Blue Earth’s financial gap analysis estimates that the overall gap for effectively managing the BNPAS is around \$10.5 million currently and will grow to more than \$139.7 million in 2027. This gap reflects management costs per area that are, for most managing entities, in line with the estimated costs of managing PAs in the wider Caribbean region and other parts of the world.

This report, as well as the Interim Report for this consultancy, outline some ways that PA managing entities in The Bahamas identified to reduce the financial gap through cost sharing and cost reductions. In addition, an important outcome of this consultancy relates to the development of a centralized coordinating body for the BNPAS. Specifically, the BPAF or NISP may have the opportunity to take on a coordinating role for the BNPAS, streamlining functions across all managing entities and thereby reducing overall management costs for the system. Developing an active centralized body would support The Bahamas’ positioning as an innovative leader in PA management.

This consultancy also resulted in a prioritized list of potential funding options for the BPAF to vet further and consider pursuing, which will ultimately lead to resources that will support PA managing entities. The BPAF will require a diverse portfolio of revenue sources, including some that are implementable in

the short and long terms, access to funds from a variety of sectors, and a continual pipeline of options to vet for potential future implementation. Efforts to reduce the financial gap through cost sharing, cost reduction, and centralizing core functions will reduce the fundraising need and help The Bahamas move toward effective management of the BNPAS.

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Appendices

Appendix A: Interview and Survey Respondents

Online Survey

The following respondents completed the online survey:

Name	Affiliation
Danielle Hanek Culmer	Forestry Unit
Catherine Pinder	BNT
Phillip Weech	BEST Commission

Gap Analysis Interviews

The following respondents participated in gap analysis interviews:

Name	Affiliation
Lakeshia Anderson	BNT
Henry Daxon	RBDF
Lester Gittens	DMR
Danielle Hanek Culmer	Forestry Unit
Stacy Lubin	BEST Commission
Paige McLeod	Consultant
Karen Panton	BPAF
Michael Pateman	AMMC
Eleanor Phillips	TNC
Catherine Pinder and Lynn Gape	BNT
Kristin Williams and Olivia Patterson	Friends of the Environment

Revenue Option Interviews

The following respondents participated in interviews to identify priority revenue options for the BPAF. In addition, Blue Earth and TNC held meetings with government representatives following the October workshop in The Bahamas to gain further insight to specific funding options identified as high priority by the workshop participants. Specifically, we spoke with Philip Weech of the BEST Commission and Joy Jibrilu of the Ministry of Tourism to discuss revenue options.

Name	Affiliation
Yabanex Battista	CBF
Robbie Bovino	TNC
Matt Jeffrey	Audubon Society
George Maillis	BPAF
Casuarina McKinney-Lambert	BREEF
Karen Panton	BPAF
Eleanor Phillips	TNC
Catherine Pinder and Eric Carey	BNT

Name	Affiliation
Lorenzo Rosenzweig	Fondo Mexicano para la Conservación de la Naturaleza (FMCN) ²⁷
Adam Snyder and Julia Fiala	TNC
Rob Weary	TNC
Phillip Weech and Sydnei Cartwright	BEST Commission

²⁷ We interviewed Lorenzo Rosenzweig for qualitative information about his experience with financing for conservation funds in Mexico, therefore his responses did not factor into the revenue option scoring.

Sustainable Financing for the Bahamas Protected Areas Fund:

Mid-Term Workshop Summary

Workshop Background

Timing and Location

October 17, 2017, 9:00am-4:45pm
Public Hearing Room, Department of Physical Planning
John F. Kennedy Drive and Bethel Avenue
New Providence

Objectives

1. Share and discuss findings related to current PA management costs, costs of effective management by agency and across the BNPAS, and the projected funding gap for effective PA management.
2. Share and discuss findings related to potential sustainable revenue options for the BPAF to consider.
3. Apply key selection criteria and discuss potential revenue options to help identify one option for further development of an implementation plan.

Agenda

Time	Agenda Item	Facilitator
9:00am	Welcome and Project Overview Opening Remarks by The Bahamas Protected Areas Fund	Shenique Smith, TNC, BPAF
9:30am	Introductions Review of Workshop Objectives and Agenda	Marcia Musgrove, TNC Blue Earth Consultants
9:45am	Presentation on Financial Gap Analysis For the BNPAS <ul style="list-style-type: none">• Question & Answer	Blue Earth Consultants
11:00am	<i>Break</i>	
11:20am	Presentation on Sustainable Financing for the BPAF findings	Blue Earth Consultants
11:45am	Group Discussion on Feasibility and Ranking of Sustainable Financing Options	Blue Earth Consultants
12:45pm	<i>Lunch</i>	

Time	Agenda Item	Facilitator
1:30pm	Plenary Discussion on Feasibility and Ranking of Sustainable Financing Options	Blue Earth Consultants
2:30pm	Discuss Key Elements of an Implementation Plan	Blue Earth Consultants
3:30pm	<i>Break</i>	
3:45pm	Wrap-Up Activity	Blue Earth Consultants
4:15pm	Next Steps and Closing Remarks	Marcia Musgrove, TNC
4:45pm	<i>Adjournment</i>	

Participant List

The list below represents the invitee list to the stakeholder workshop; please see the final column for notation of whether each person attended the workshop.

Organization	Name	Title/Position	Attended?
Abaco Fly-fishing Guides Association	Pinder, Cindy	Vice President and Secretary	Y
Bahamas Hotel & Tourism Association	Smith, Basil	Executive Director Assoc. of Bahamian Marinas	Y
Bahamas Hotel & Tourism Association	Pattusch, Suzanne	Executive Vice President	Y
Bahamas Chamber of Commerce (Andros)	Bethel, Darin	President, Andros Chamber of Commerce	Y
Bahamas Chamber of Commerce (New Providence)	Deal, Deborah	Director (Energy & Environment)	Y
Bahamas Fisheries Council	Caroll, Capt. Keith	Co-Chair	N
Bahamas Investment Authority (BIA)	Ferguson, Candia	Director	N
BIA	Moxey, Shari		N
BNT	Carey, Eric	Executive Director	Y
BNT	Gape, Lynn	Deputy Executive Director	Y
BNT	Jupp, Lashanti	Conservation Planner	Y
BNT	Pinder, Catherine	Director of Finance & Operations	Y
BPAF	Benjamin, Lisa	Board Member	Y
BPAF	Lockhart-Charles, Gail	Board Chairperson	N
BPAF	Maillis, George	Board Treasurer	N
BPAF	Panton, Karen	Executive Director	Y
BEST Commission	Cartwright, Sydnei	Environmental Officer	N
Blue Earth Consultants	Hoffmann, Tegan	Vice President	Y
Blue Earth Consultants	Jacobsen, Kelsey	Director	Y
Bonefish & Tarpon Trust	Lewis, Justin	Bahamas Initiative Manager	Y
BREEF	Adderley, Ryan	Communications Officer	Y
BREEF	Mckinney-Lambert, Casuarina	Executive Director	Y
DMR (Ministry of Agriculture & Marine Resources)	Gittens, Lester, Ph.D.	Fisheries Officer	Y

Organization	Name	Title/Position	Attended?
Forestry Unit (Ministry of the Environment and Housing)	Russell, Christopher	Director	Y
GEF Small Grants Programme – The Bahamas	Stewart, Deon	National Coordinator	Y
Grand Bahama Port Authority	Gardiner, Olethea	Environmental Inspector	Y
HD Wells	Moultrie, Stacey	Manager	Y
Inter-American Development Bank	Roberts, Syreta	Senior Analyst	Y
Island Conservation	Newbold, Rochelle	Bahamas Program Manager	Y
KPMG in The Bahamas	Townend, Simon	Partner, Head of Advisory	Y
Ministry of Financial Services, Trade & Industry	Sawyer, Angelique	Financial & Trade Officer	Y
Ministry of Financial Services, Trade & Industry	Newbold, Alexandria	Project Manager, Trade & Industry Unit	Y
Ministry of Foreign Affairs	Rahming, H.E. Reuben, M.P.	High Commissioner of The Bahamas to the Caribbean Community (CARICOM)	Y
Ministry of Tourism – Bahamas Tourism Office, Family Islands	Ramsey, Jacqueline	Director, Domestic Sustainable Tourism	Y
Moss, Sharrah	Moss, Sharrah	Environmental Consultant	Y
Office of the Prime Minister (OPM) – National Development Plan (NDP) Secretariat	Jones, Kemi	Senior Project Officer	Y
OPM – NDP Secretariat	Lashley, Brett	Programme Manager	N
OPM – NDP Secretariat	Virgill-Rolle, Nicola, Ph.D.	Director of Economic Development & Planning	N
San Salvador Living Jewels Foundation	Goffe, Michael	President	Y
TNC	Albury-Smith, Shenique	Bahamas Program Director	Y
TNC	Musgrove, Marcia	Policy Advisor	Y

Workshop Notes

Welcome and Project Overview

Shenique Albury-Smith of TNC provided introductory remarks to set the stage for the day's workshop. Topics covered included a Nature paper illustrating that a shortfall in capacity hinders MPA performance; The Bahamas' efforts to date to improve PA management; 2014 legislation and seed funding of \$2.5 million for the BPAF; and gap analysis and funding needs.

Karen Panton of the BPAF then provided introductory remarks. Her comments focused on the need to offset the funding gap and increase effectiveness of the BNPAS, and about the BPAF's role as a grant-making entity.

Marcia Musgrove of TNC introduced the workshop facilitators and presenters, Tegan Hoffmann and Kelsey Jacobsen of Blue Earth.

Mid-way through the day, His Excellency Reuben Rahming, Non-Resident High Commissioner designate of the Commonwealth of The Bahamas to CARICOM arrived, and provided comments regarding the

value of The Bahamas' rich marine and terrestrial natural resources, and the comparatively small cost of managing those resources.

Introductions

Each participant provided a brief introduction to their involvement in PA management and funding.

Presentation on Financial Gap Analysis For the BNPAS

Kelsey Jacobsen presented a summary of findings from Blue Earth's research to estimate the financial gap for managing the BNPAS. Following the presentation, there were several clarifying questions, including:

Q: Are in-kind contributions from other entities involved in PA management included in the gap analysis?

A: No, this would be an entirely separate endeavor to estimate, not within the scope or budget for this consultancy. The study focuses on managing entities mentioned in the BPAF Act, with the addition of the RBDF.

Q: Why are Clifton's costs projected to increase through time?

A: They are projected to increase with inflation.

Q: How did entities estimate their costs of effective management?

A: There were different approaches for each entity modeled based on the amount of budget information and insight we were able to gather from them.

Q: How did you determine the revenue projections:

A: We used existing budgets, management plans, and anecdotal insight about possible future grants or changes in funding.

Q: Did RBDF confirm that their revenue would be increasing in the future?

A: RBDF was unsure, but the best estimate was that there would be some increases in funding, especially to support infrastructure development.

Q: In the Natural Capital Project study cited, does the ecosystem service value of stored carbon equal carbon sequestration offsets:

A: Not necessarily, to our understanding.

Q: When modeling revenue, was there consideration of the risk of losing funding from global sources?

A: We assumed that there would be no funding if it was not secured. For example, if there were no grants lined up for later years we assumed that grant income will be zero.

Presentation on Sustainable Financing for the BPAF Findings

Kelsey Jacobsen presented findings from Blue Earth's research regarding sustainable financing options for the BPAF, including a list of seven potential priority options for further consideration:

- Increased or new taxes or fees collected from tourists

- PA contributions and/or mitigation fee included in agreements with resort/property/industrial developers
- Revenue from resource extraction and/or exports
- Conservation contributions that require payees to “opt out” to avoid paying
- New or additional taxes/fees on the gambling/gaming industry
- National recreation membership program
- Proceeds from the creation of a national lottery

Group Discussion on Feasibility and Ranking of Sustainable Financing Options

Tegan Hoffmann began the session by facilitating a discussion of the criteria used to prioritize funding options. Participants made two additions to the criteria, noted in bold below in the list of abbreviated criteria:

1. Secure annual revenue greater than the cost of establishment
2. Lack of conflicts with existing PA managing entity funding sources
3. Feasible within short timeframe
4. Adequate capacity exists
5. Perceived as equitable
6. Targets appropriate audience(s)
7. Supported by stakeholders
8. Consistent with BPAF goals and conservation objectives
9. Will not cause perverse incentives
10. Legislation/regulations in place or feasible to implement
11. Can be monitored by third party
12. Economically feasible with no adverse effects on the economy
13. Funds must flow to the BPAF, not to the consolidated fund

Participants then shared insight on the list of seven recommended financing options to prioritize for further consideration, and brainstormed additional options to add to the list. Below is a full list of options that the group considered, as well as a summary of comments regarding each option. After discussion of each option, the group voted on the top options for deeper discussion. Each participant was given four votes to allocate among the options as they pleased. In addition to the options listed in the table, the group decided to consider income from recreational fisheries in the future. Also note that the idea of a fee structure related to fisheries exports or foreign fishing agreements, and one participant voiced a strong objection to foreign fishing agreements. The group also determined that it would be helpful to determine some short- and long-term options to pursue simultaneously.

Funding Option	Participant Comments	Votes
Heads of agreement for large developments	<ul style="list-style-type: none"> • Could be resistance from real estate market • The Bahamas charges climate change fees for coastal development, and PAs could benefit from those funds since they are a form of adaptation to climate change • Would simplify contributions if every developer contributes a set amount or percent; for example, every acre of wetland destroyed results in a certain fee 	13
Access portion of gaming house tax or secure gifts from gaming houses	<ul style="list-style-type: none"> • Unclear whether the 2-3% tax on gaming houses is in legislation or being collected • Could try to access a portion of those funds for the BPAF • Coordinate with gaming houses through the Gaming Association • Advocate with government to include BPAF on the list of causes where the funds will be allocated • There could also be the opportunity to accept gifts from gaming houses and they have indicated interest in the past, but would need to ensure no conflicts of interest and BPAF board approval • Could also approach individual gaming houses, e.g., Island Luck, to partner 	13
Cruise ship tax	<ul style="list-style-type: none"> • There are existing examples like in Jamaica where the Tourism Enhancement Fund collect \$20 per airline ticket in a bipartisan-supported approach • A willingness-to-pay study in The Bahamas showed that most visitors are willing to pay at least \$5 to support environmental and social causes • Air visitors are contributing through in-country spending and departure fee, but cruise line passengers are not • Bahamas has not supported even a voluntary option for cruise line taxes, so could be difficult to gain political will • There would be competition for the resources among other causes • Could be a longer-term option as the government is focusing on building tourism sector and reducing debt • ~5 million visitors come to The Bahamas annually on cruise ships 	12
Sand export tax	<ul style="list-style-type: none"> • There is no current export tax for sand, or for moving sand among islands within The Bahamas • Florida has raised the possibility of purchasing sand from The Bahamas to replenish beaches 	11
Reallocation of current revenue streams	<ul style="list-style-type: none"> • Could lobby Cabinet to rechanneled all environmental funds to the BPAF • The Crown has land real estate, and if it is leased the proceeds from the leases could be channeled to the BPAF 	9

Funding Option	Participant Comments	Votes
Insurance agency tax	<ul style="list-style-type: none"> • There may be difficulties securing income from this industry given that it is not directly linked to the environment or PAs • Could include an electric vehicle “sintax” 	5
Additional hotel room tax	<ul style="list-style-type: none"> • Could be a small nightly tax, like ~50 cents per night 	5
Tourism opt in/out (e.g., on cruising permits, boat rentals, car rentals, dive trips)	<ul style="list-style-type: none"> • Willingness to pay surveys show that voluntary contributions could help raise profile of BPAF • Could apply to things like yacht cruising permits, boat rentals, car rentals, where customers check a box to donate, say, ~10 to marine and coastal conservation • Might not be worth the effort to set up an optional mechanism if people do not opt in to paying 	5
National PA entry fee, “passport” to all PAs	<ul style="list-style-type: none"> • Could be a different fee structure for locals and visitors • Must determine where fees are collected – try to centralize rather than collecting at each park • Enforcement and policing are important, especially given the expansive geography of The Bahamas • Utilizing technology could be important for fee collection and monitoring • Must determine how to set up fee structure (e.g., annual or multi-year pass with a reduced park entry fee, or day pass to all parks, etc.) • Must determine how funds are allocated to BPAF and/or managing entities, and would require close collaboration and commitment to effective management • Ministry of Tourism could put information about the pass on their website • Natural Capital paper estimated 333,000 visitor days to PAs in The Bahamas 	4
Property tax	<ul style="list-style-type: none"> • There have been major improvements recently in tax collection structure; foreigners pay property taxes currently • Could be opportunity to tax property owners on islands within parks • Could also include an option for foreign residents during the application process to contribute to the BPAF 	4
Bioprospecting fees	<ul style="list-style-type: none"> • The Bahamas is currently not benefiting economically from extraction of bioprospecting resources like tunicates • Chemical compounds found in the biological resources will likely be replicated in the lab, removing the need to continually extract • Longer-term option; would rely on passage of Access and Benefits Sharing legislation 	3

Funding Option	Participant Comments	Votes
Establish and secure an allocation from a national lottery	<ul style="list-style-type: none"> • This is one of the few options that targets Bahamians instead of non-Bahamians as the source of funds • Could advocate for development of national lottery by explaining how some of the profits will support PA management • Necessary to get government to buy into allocating a portion of proceeds to BPAF, among other entities and causes 	3
Fee on yachts and/or moorings	<ul style="list-style-type: none"> • Sailboats have a larger per capita impact on the environment than cruise ships, but are difficult to track • Could institute a nightly fee, e.g., \$200 per night, if you have a good mooring, but this would require creating the mooring infrastructure 	3
Offshore banking nominal transaction fee	<ul style="list-style-type: none"> • Could be a small transaction fee, such as \$2 • People could accept the fee if the purpose is explained and if the fee is small • Offshore banking is a dying industry • Might be difficult to track transactions • There may be difficulties securing income from this industry given that it is not directly linked to the environment or PAs 	2
Fee for passage through national airspace	<ul style="list-style-type: none"> • Government currently looking into legislation to govern national airspace; could charge for passage over 10,000 feet like the US does • Longer-term option; would need to develop a disaster response team which would have a significant cost • Funds might have to be channeled to consolidated fund 	1
Aragonite mining fee	<ul style="list-style-type: none"> • Some aragonite is currently exported 	1
Fee from Airbnbs/private rentals	<ul style="list-style-type: none"> • Overnight tourist industry is changing with Airbnbs and private rentals; government considering how to make money from this change • There was previously a fee on private rentals, but was taken away when VAT was instituted; could try to reinstitute the fee • Airbnbs and private rentals are difficult to monitor 	1
Corporate sponsored regattas in PAs	<ul style="list-style-type: none"> • Could host events like regattas in MPAs and televise on national television (TV) that is broadcast throughout the Caribbean • Could bring locals and visitors alike to show off their boats • Could hold the event in a different PA each year • There could be conflict of revenue sources with BNT, but individual parks could set up their own events 	1

Funding Option	Participant Comments	Votes
Fee for cargo ship docking	<ul style="list-style-type: none"> • Bahamas Maritime Organization considering environmental protection measures like underwater historic sites and mitigating pollution, and could be a good partner • Could apply to shortcut through northern passage • Longer-term option; would need to develop a disaster response team which would have a significant cost • Apply to all pass-through vessels including those owned by Bahamians • Probably cannot charge for innocent passage under international maritime law • Funds might have to be channeled to consolidated fund 	1
Hazardous materials transshipment or ballast water disposal fee	<ul style="list-style-type: none"> • This is already being explored, possibly for the short term • Trans-shipment is occurring in Grand Bahama 	1
Penalty payments from violating environmental regulations	<ul style="list-style-type: none"> • Government not performing well at collecting funds from violators of regulations; Ministry of Finance interested in tracking down people who are not paying • Could be difficulties channeling funds to the BPAF • Longer-term option; would likely require increasing fees and/or passing new legislation • Possibility of rechanneling funding from environmental levy on purchasing tires or oil 	1

Based on the outcomes of the voting, the group discussed in more detail the top three voted options: 1) heads of agreement for large developments, 2) Accessing a portion of gaming house tax, and 3) cruise ship tax.

Discussion of Heads of Agreement for Large Developments

The group determined that this option could focus on an arrangement with large property developers for developments above a threshold value.

Participants in Discussions would need to include:

- OPM is the top tier decision-maker
- BIA is the second main decision-maker
- Ministry of tourism will provide input
- Ministry of Environment (MoE) will provide input; BPAF required by law to consult, and must do environmental impact assessments
- Ministry of Finance
- Ministry of Public Works

The process for gaining support for this funding option would include:

- BPAF approaching MoE with a pitch
- Make the case for protecting the environment, such as valuation of the benefit of mitigation
- Review models from other regions in the Caribbean, such as Florida or Barbados

Steps for implementing the funding option, which may take 2-3 years to complete would include:

- Understand Ministry of Tourism duty concessions and development concessions and build that into the heads of agreements; could be a percent of the investment, percent of revenue after profits begin, or an environmental levy
- BPAF develop a thought paper and submits to Minister of the Environment for buy-in; develop Cabinet paper for the Cabinet to approve, and Minister of Environment lobby for some revenue to be made available to the BPAF; recommend a standard allocation from all developments above a certain value threshold
- Cabinet must approve the given standard allocation and develop a policy
- Could approach Prime Minister to include in BPAF act, such as a clause stating that the BPAF must be made aware of development proposals received

If this option were to be implemented, the process for developing agreements would include the following:

- Developer approaches the OPM to pitch the development project and ensure it meets the country's development plan
- BIA produces social, economic, and environmental impact statements
- Heads of agreement negotiated, and during drafting, government inserts any compensatory costs the developer must pay

As an alternative to a levy or standard percent, there could be a fee on all development applications. However, in the past there have been legal suits brought by developers when they were made to pay a fee to submit a proposal that was not accepted.

Accessing a Portion of Gaming House Tax

This option would include allocating a portion of the 2-3% tax on gaming houses to the BPAF.

Key players include the following:

- Gaming Association
- Minister of Tourism
- Gaming Board of the Bahamas

Steps for implementing this funding option include:

- Confirm that there is a policy establishing the 2-3% tax on gaming houses and add to the schedule detail on where those funds are allocated
- Assess whether there are any conflicts of interest
- Make the case that gaming houses need to contribute to economic and social well-being of the country
- Get agreement for allocating some funds, increasing the % slightly, etc. (if working through the Gaming Association, can go around government)

As an alternative to collecting a portion of the gaming house tax, participants discussed the option of TNC, BREEF, and others approaching the gaming community to encourage them to support The Bahamas in protecting its environment. For example, Island Luck is open to sponsoring activities and could be asked to sponsor a park for a given period of time. Offering a tax write-off could help encourage these contributions. This could result in one-time or recurring gifts; however, they may require lobbying each year to secure recurring gifts.

Cruise Ship Tax

Key players include the following:

- Ministry of Tourism
- Florida and Caribbean Cruise Association, which includes Disney, Norwegian, Carnival, and other cruise lines
- Ministry of Finance

Steps to implementing this option include:

- Follow the ongoing revamping of current agreements through the Cruise Incentive Act, where ships get a rebate for passengers who come ashore
- Make a case to cruise lines that they should pay a fee for environmental protection
- Build willingness on part of government
- Given that cruise lines operate on a regional level, may need a more regional approach through the CCI, CARICOM, or Caribbean Hotels and Tourism Association rather than just the Bahamas approaching them individually.

Discuss Key Elements of an Implementation Plan

We did not spend time on this agenda item, which would be discussed further in the BPAF Board meeting later in the week.

Wrap-Up Activity

The meeting participants provided reflections on the pluses, potential, concerns and methods for overcoming the concerns, gleaned from the day's workshop.

Pluses

- Meeting kept on track
- Sharing of new ideas
- Concept of generating new funds
- New people added to the conversation
- Open interactions
- Robust discussion/passion
- Good food
- Diversity of individuals in attendance
- Numbers presented in the gap analysis presentation

Potentials

- BPAF is still an active discussion at the very least
- Sharing information with other groups
- Utilizing information for other purposes at Ministry of Tourism
- Further collaboration and new partnerships
- Build public support for the project overall; find a way to get information on status quo and effective management to the public to highlight the gap
- Cost versus what the resources are worth
- BNT or other PA managers could use some ideas (e.g., regattas) themselves

Concerns and Methods for Overcoming

Concern	Methods for Overcoming
Lack of political will to make change and ensure enforcement	<ul style="list-style-type: none">• Show value in dollar terms and how environment benefits the country• Ensure action on the financing options now, since this is the right time early in the new administration's cycle• Identify a champion in the Cabinet to tell the Prime Minister and colleagues that this is an important cause• Need community outcry because government acts faster if the community is making the ask – newspaper, TV, press release
Time for implementation	<ul style="list-style-type: none">• Perform a feasibility study soon• Plan honestly and perform follow-up

Concern	Methods for Overcoming
Uncertainty in cost projections and possibility that they are underestimated	<ul style="list-style-type: none"> • Track down actual budgets for increased transparency; this is possible but will take a lot of work • BPAF, Oceans 5, and others would need to work with government agencies to find budget information • Build stronger relationships with managing entities to find internal champions

Sustainable Financing for the Bahamas

Protected Areas Fund:

Managers' Meeting Summary

Workshop Background

Timing and Location

October 18, 2017, 10:00am-1:00pm
The Retreat, Village Road
New Providence

Meeting Goal

Discuss and prioritize opportunities for cost sharing among PA managing entities and cost reduction within individual PA managing agencies

Agenda

Time	Agenda Item	Facilitator
10:00am	Welcome & Introductions by TNC Meeting Overview by Blue Earth	Shenique Smith, TNC Blue Earth
10:15am	Brief Recap of Relevant Points from Yesterday's Workshop	Blue Earth
10:30am	Review, Discussion, and Prioritization of Cost Sharing Opportunities among Managing Entities	Blue Earth
11:30am	<i>Break</i>	
11:45am	Discuss Specifics of Prioritized Cost Sharing Opportunities and Next Steps/Milestones for Implementing	Blue Earth
12:15pm	Report Back from Break-Out Groups	
12:30pm	Discuss Opportunities for Cost Reduction Within Managing Entities	Blue Earth
1:00pm	Wrap Up	Marcia Musgrove, TNC

Participant List

Name	Affiliation
Lashanti Jupp	BNT
Philip Weech	BEST Commission
Sydnei Cartwright	BEST Commission
Christopher Russel	Forestry Unit
Catherine Pinder	BNT

Name	Affiliation
Fred Arnett	TNC
Marcia Musgrove	TNC
Karen Panton	BPAF
Shenique Albury-Smith	TNC and BPAF Board
Lynn Gape	BNT
Lester Gittens	DMR
Danielle Hanek Culmer	Forestry Unit
Eric Carey	BNT

Workshop Notes

Welcome and Introductions

Shenique Albury-Smith of TNC welcomed the group and introduced the workshop and the facilitators, Tegan Hoffmann and Kelsey Jacobsen of Blue Earth. Tegan Hoffmann then provided a brief overview of the meeting and led introductions of meeting participants. Each participant provided a brief introduction to their involvement in PA management.

Brief Recap of Relevant Points from September 17th Workshop

To start the meeting, Blue Earth provided a brief recap of key points from the stakeholder workshop held the previous day (9/17/17). An important take-away from the previous day's discussions included a focus on open collaboration and communication among PA managers to support effective and efficient PA management.

Brainstorm and Prioritization of Cost Sharing Opportunities among Managing Entities

Following the introduction and recap, Tegan Hoffmann led a brainstorm and discussion of cost sharing opportunities among managing entities.

Initial Brainstorm of Cost Sharing Ideas

Meeting participants engaged in a brainstorm of cost sharing ideas, where each participant jotted down ideas on post-it notes. They then shared each idea and arranged them on the wall into main themes. Participants were encouraged to think about the strengths of their organization, skills or activities they could contribute, and organizations that could help with cost sharing. The main themes that participants identified for ideas for cost sharing are listed below in no particular order.

- **Monitoring and research/science:** Collaborating on monitoring efforts in PAs, such as standardizing monitoring of marine and terrestrial PAs; aligning on management goals, especially for co-managed PAs; BNT collecting data on marine and terrestrial areas within their capacity; collaborating with RBDF divers for data collection
- **Enforcement:** Sharing resources and capacity to enhance enforcement throughout the BNPAS; DMR could share legal authority for enforcement by appointing BNT staff as superintendents under the Fisheries Act.

- **Facilities/vehicles/boats:** Developing a shared inventory for facilities, office space, vehicles, and boats; coordinating when management entities have funding available for expenses such as fuel; sharing office space
- **Development infrastructure funding:** Approaching ministries for capital improvement projects; coordinating with the BEST Commission for infrastructure funding
- **Centralized coordination:** Implementing centralized coordination and funding for the entire BNPAS, which could be based on revitalizing the NISP; the NISP or other centralized body could lead advanced planning and oversee centralized a centralized library/data repository
- **Training and capacity enhancement:** Holding trainings and learning exchanges (e.g., leadership trainings, diver trainings); coordinating infrastructure enhancement
- **Education and outreach:** Collaborating on education and outreach efforts, such as outreach and public education campaigns to reach communities and schools; BNT could support the development of PR strategies to raise awareness of PAs.

Discuss Next Steps/Milestones for Implementing Prioritized Cost Sharing Opportunities

Meeting participants selected three high-priority options for cost sharing from the previous brainstorm activity and discussed two of those options – central coordination and facilities and infrastructure – in greater detail.

Centralized Coordination

The group first discussed specifics and next steps for implementing central coordination for the BNPAS.

Centralized coordination could include the following:

- Training opportunities for staff of all partner entities that could be implemented through local, centralized hubs that would provide training (e.g., leadership and management training, technical training, regional learning exchanges), outreach, and signage materials.
- Partners could contribute to centralized training based on their strengths (e.g., TNC can provide in-kind support for workshops and draw upon international expertise, access to funding, and other in-kind contributions; BNT continuing to share trainings focused on certification).
- The centralized coordination body could also facilitate sharing of equipment and infrastructure (e.g., drones, vehicles, boats, fuel, facilities) for monitoring and other management efforts, as well as personnel for surveillance (e.g., DMR can appoint superintendents to support monitoring and enforcement; RBDF can help with patrols, diving, and trade skills). Participants noted that agencies already collaborate on activities including monitoring on Andros, where patrol costs are shared, as well as on fire management.
- Regarding communications, BNT could support the development of a system-wide communications plan for the centralized body.
- Additional components of centralized coordination could include shared office space, shared transportation between islands (e.g., RBDF transporting construction materials), coordination of capital improvements across the PA system, and shared fundraising initiatives and grant proposals that could be led by the BPAF and supported by TNC. BNT could share discounts on fuel and space rentals with the new coordinating entity.

Participants discussed revitalizing and updating the NISP as a potential step, and noted the following considerations:

- The NISP was created following a recommendation that came out of the CBD for countries to implement programs of work on PAs, and could be revitalized to lead centralized coordination efforts. In the Bahamas, the BEST Commission leads coordination of the NISP, and the BEST Commission is the operational focal point for the CBD in the Bahamas. One participant suggested establishing a body that would supersede the NISP and set national monitoring standards that could be formalized and implemented across PAs and dictate how to market/brand PAs. This body would be different from the NISP because it would be a formal, legal body with rotating members, and could require a legislative mandate.
- There is a need to involve PA managers in decision-making and coordination around the national vision for the BNPAS and elements of the system. Involving PA managers in the NISP would provide more equity in decision-making about PAs and provide a platform for PA managers to interact more formally.
- Currently, interaction is informal and there are significant gaps (e.g., information about wild bird reserve management). PA managers need to communicate to address items that are being overlooked and update the vision for the system.
- For example, the master plan for the BNPAS is almost 10 years old, and the landscape of PA management has evolved since it was created and now includes the Forestry Unit and a role for the BPAF.
- To revitalize leadership of the NISP, participants stated that convening a meeting would not be the most effective next step. Instead, one-on-one meetings with BEST and other key stakeholders could be held to develop a needs statement. These meetings and discussions could inform the development of a 1-2-page concept paper on next steps.

Next, participants discussed key partners for implementing central coordination for the BNPAS. Partners may include:

- Forestry Unit
- DMR
- BNT
- BPAF
- TNC
- BEST (under OPM)
- Potentially AMMC
- Clifton
- RBDF
- Police
- Local government representatives
- The Ministry of the Environment
- The National Development Planning Unit (under OPM)
- BREEF

Participants discussed the roles that partners could potentially have with regards to centralized management, noting the following:

- AMMC is not a natural resources management entity, and is not responsible by law for blue holes. However, AMMC is involved in the management of blue holes because of the archaeological significance of the areas and importance of recovering artifacts.
- NGO involvement will need to be coordinated, given that there are many NGOs involved, in addition to TNC. The government has decided that TNC will serve as an advisor. In addition, participants noted that BREEF should be involved because of their strategic focus on MPA outreach and education. Participants also recommended including Friends of the Environment. In general, coordinated efforts should be more inclusive of NGOs rather than exclusive, though the focus could be on NGOs that operate on the national scale rather than local.
- Participants proposed two tiers of organizations who could participate in central coordination. Entities with legal responsibility for PAs (BNT, DMR, Forestry Unit, Clifton, MoE, and BPAF) would comprise the core Tier 1 group. In addition, Tier 1 could include TNC because of its status as a core partner in CCI, and the BEST commission because of their relationship with the CBD. RBDF could be in Tier 1 or in Tier 2 with a strong stake in participation. Meetings with the Tier 1 and Tier 2 may focus on different topics to ensure relevance.

Following the discussion of partners, the group discussed the process for developing a concept paper that will outline the approach to centralized coordination:

- TNC will lead the development of the concept paper with support from BPAF. To develop the paper, the group will identify a concept of the NISP from CBD and look for examples of other countries with working NISPs, as well as the Program of Work on Protected Areas. Participants noted that this would take the NISP back to its roots, away from its role as an implementer of a project.
- Participants noted that PAs fall under national biodiversity interest, but it will be important for the NISP to think about purpose of PAs specifically.
- The timeline for drafting the concept paper is to be determined.

Participants discussed next steps after developing the paper, which could include:

- Initial sharing and advertising of the paper; TNC could lead consultations with agencies to refine the concept and outline the approach to central coordination.
- Participants noted that the Minister of Marine Resources will need to be included in this process because marine resources will have largest portfolio by area of PAs in the country and this person will have a strong interest.
- Following the consultations, the group will provide the refined paper to Ministers in meetings and suggest sending a joint information paper to the Cabinet. There is a possibility that the paper may not need to go through the Cabinet, but this step is likely given that it is a national system. Going through the Cabinet is a helpful step to inform government officials and build buy-in for the process and securing government funding. Government buy-in will help institutionalize the system, establish communication and authority, and other elements. These processes will help attract to international funders like the GEF that may require government backing.

- With regards to potential challenges and/or barriers, participants noted that involving the government in the process could also slow down the process. However, the group can move forward with some steps while seeking government approval.

Sharing Facilities and Infrastructure

Participants next discussed sharing facilities and infrastructure as an approach to cost sharing.

Key partners for implementing this approach could include:

- BNT
- RBDF
- DMR
- Forestry Unit

Initial steps for moving forward with coordinating shared use of PA managing entities facilities and assets could include creating an inventory of infrastructure and assets by island (e.g., office space, vehicles, boats, housing, staff). Participants noted that this information is readily available, as PA management entities have inventories of existing equipment and infrastructure.

As a next step, participants discussed needing a cabinet-approved MOU or another specific agreement to enable managers to mobilize resource-sharing. Participants noted the following considerations:

- Forestry Unit and BNT already have an MOU.
- In the absence of an MOU and/or before an MOU is developed, managers can focus on relationship building. Managing entities already have relationships, and can reach out for support when needed. However, liability issues can inhibit resource-sharing without an MOU.
- One approach could include developing an overarching MOU, and supplementing with template agreements that include insurance, liability, written permission, and a description of what entities will be lending that can be customized for each agreement. Templates could be developed for lending equipment, use of office space and sharing of bills, etc.
- The resource-sharing MOU would be very simple and high-level; it would be signed by a person with signatory authority representing each agency.
- Blue Earth can share an MOU between California's Ocean Protection Council, other State Agencies and MPA Collaboratives that could be used to help develop the template.
- The group discussed including TNC in the MOU, but noted that this process would likely take too long, so TNC should not be included in the MOU. However, TNC can provide legal assistance with developing MOU.

Regarding the timeline for implementing sharing of facilities and infrastructure, participants agreed to take the following steps:

- BNT will use the existing MOU with Forestry Unit as a model and develop the draft MOU and agreement templates, potentially by 11/17.
- Catherine Pinder will shop the draft MOU around to the agencies for vetting, including Department of Legal Affairs.
- The group will consider having informal monthly gatherings before the MOU and concept are in place.

Cost Reduction

Following the brainstorm and discussion on cost sharing, the group discussed options for cost reduction within their individual entities. PA managers were given the opportunity to review their management budgets, as compile by Blue Earth during the gap analysis research. Lester Gittens suggested using proximity to existing PAs as one of the criteria for siting new PAs to enable cost sharing.

In addition, participants from BNT, DMR, and Forestry Unit provided some suggestions for how to fine-tune the gap analysis calculations. Suggestions included:

- Remove several capital costs listed in the GEF budget from the cost-per-area calculation for the Forestry Unit.
- Update wilderness area costs in the BNT budget.

In the DMR budget, account for sharing fuel and patrols with RBDF, the Police Force, and Customs. The budget should also be updated to account for the heads of agreement with a developer who is going to construct a facility and purchase a boat for the South Berry Islands Marine Reserve (SBIMR). These costs should be removed from the SBIMR budget, but DMR will need to check heads of agreement to determine how much to reduce costs. However, the costs of infrastructure should be included the cost projections for additional PAs.

Sustainable Financing for the Bahamas Protected Areas Fund:

Bahamas Protected Areas Fund Board Meeting Summary

Workshop Background

Timing and Location

October 19, 2017, 4:00-6:00pm
The Nature Conservancy Office, 29 University Drive

Meeting Goal

Finalize the selection of one sustainable financing option for which Blue Earth will develop an implementation plan, and outline key elements to include in the implementation plan.

Meeting Agenda

Time	Agenda Item
4:00-4:20 pm	Greetings and Project Overview by TNC
4:20-4:30 pm	Introductions and Review Meeting Goal and Agenda
4:30-4:45 pm	Brief Recap of Tuesday Workshop Presentation and Discussions
4:45-5:30 pm	Revisit Prioritization and Feasibility of Sustainable Financing Options to Determine One Option for Preparation of an Implementation Plan
5:30-5:55 pm	Discuss and Identify Key Elements of an Implementation Plan for the Selected Financing Option
5:55-6:00 pm	Wrap Up and Next Steps

Participant List

- Lisa Benjamin
- George Maillis
- Eric Carey
- Shenique Albury-Smith
- Gail Lockhart-Charles (over phone; Board Chair)
- Karen Panton
- Marcia Musgrove
- Jason Pinder (not present)

- Casuarina McKinney-Lambert (not present)

Workshop Notes

Greetings and Project Overview by TNC

TNC welcomed the group and introduced the purpose of the meeting and the facilitators, Tegan Hoffmann and Kelsey Jacobsen of Blue Earth.

Brief Recap of Tuesday Workshop Presentation and Discussions

Blue Earth started the meeting with a brief recap of the workshop held on September 17th, which included a preliminary prioritization of sustainable financing options for the BPAF.

Revisit Prioritization and Feasibility of Sustainable Financing Options

Participants first shared their input on the selection criteria used to prioritize revenue options. They suggested two revisions:

- For the criteria requiring a lack of conflicts with existing revenue sources, modify to say “minimize” conflicts instead of “lack of” conflicts
- For the criteria added by 10/17 workshop participants regarding economic feasibility without adverse effects on the economy, revise to say, “minimize economic effects”

The group then discussed BPAF’s statutory status, noting the following:

- The BPAF’s legal status will have bearing on whether and how it is able to collect funds, and participants discussed whether the BPAF is a statutory authority/corporation with the ability to directly collect funds.
- One participant noted that any government-collected funding goes to consolidated fund, some of which is then allocated to agencies through annual budget allocations. The government will want to have oversight over the funds if they are enforcing fund collection. Therefore, if it is a statutory authority, the Board could set up a system for the BPAF to collect its own revenue directly.
- Meeting participants requested clarification on the corporate status of the BPAF. Following the meeting, it was confirmed that the BPAF has non-profit charity status through the Ministry of Finance, and BPAF revenue is tax free provided it is used for charitable purposes.
- The BPAF could consider being the collector of funds or seek out another party to collect the funds. If the BPAF delegates responsibility for collecting funds, the fund collector would have to be a statutory authority/corporation, such as the Airport Authority.
- A primary concern with delegating fund collection responsibility to another entity is ensuring that the full amount of funding collected is going to the BPAF. For example, if the airport authority collects money for the BPAF, the BPAF would need to ensure that they are transmitting 100% of collected funds to BPAF accounts. Therefore, the preference of the group was for the BPAF to collect funds itself if possible.

Heads of Agreements

The group then discussed specific financing options that the 10/17 workshop participants prioritized, focusing first on the possibility of contributions from Heads of Agreements with property developers. Considerations shared by meeting participants included the following:

- This revenue option could cause a perverse incentive because the BPAF could be put in a position to advocate for big developments that will bring in revenue, despite the negative environmental impacts that these developments may have.
- One participant suggested that a better option could be an allocation from something that is occurring consistently already, such as aragonite mining. Alternatively, Heads of Agreements could work better if the BPAF had an agreement with government to receive a set percentage of the revenue from all developments.
- It may not be possible to add any provisions to the BPAF Act guaranteeing a certain percentage of revenue from developments. The government will not write anything into legislation that could tie their hands with regards to money coming from developers. However, the BPAF could secure an agreement from the Cabinet that BPAF will be one of the organizations they will consider when allocating funding.

Cruise Ship Tax

Meeting participants also discussed the possibility of a cruise ship tax, noting the following:

- This tax would not necessarily need to go through government. It could be implemented either as a partnership venture with cruise companies or as a mandatory tax through the government.
- Pursuing private agreements with cruise lines has been used in other geographies. For example, FMCN generates revenue through an agreement where Lindblad Cruises raises donations from guests for FMCN, which then receives a match from the Packard Foundation on funds raised.
- BPAF could consider trying to make partnerships with the cruise industry first, and then pursuing the approach involving the government if initial partnership efforts are unsuccessful. However, it would be important to keep the government informed of plans to develop private partnerships to avoid potential backlash.

General Discussion

Participants raised a few points relevant to all potential revenue options:

- One participant noted that the BPAF has three options: 1) to pursue revenue through the government; 2) to work with private businesses; and 3) collect revenue independently. During the workshop, most people focused on options that would involve the government. Some options could have private and/or government sub-options, like the cruise line option discussed above.
- In general, any of the potential revenue options have risk of being unsuccessful, so the BPAF will need to diversify its revenue streams.

Discuss and Identify Key Elements of an Implementation Plan

Following the discussion of revenue options, the group discussed what type of implementation plan would be most useful for the BPAF in approaching and implementing initial revenue options. Comments included:

- It could be useful to explore practices that have been useful in other similar funds in implementing sustainable financing.
- The concept of sustainable financing in perpetuity is part of the BPAF Act, as well as requirements to maintain a register of PAs. The BPAF needs to better understand what is involved in the long-term management of PAs.
- The implementation plan could include a deep dive into one option plus a roadmap. For example, cruise ship passenger fee is an option that the BPAF could begin implementing in the near future and could be the focus of the deep dive.
- One participant noted that the BPAF's biggest challenge has been to determine its role and purpose. Tegan Hoffmann suggested that Blue Earth could draft vision, mission, goals, and strategies and facilitate a webinar with the BPAF Board to help address this issue. Board members felt that Blue Earth should focus on the implementation plan. The issue of vision, mission, goals etc. would be dealt with separately.
- The BPAF could pursue some options in the interim before developing its pitch. For example, the list of potential revenue options includes some options that could be pursued in the short term before the BPAF has developed a pitch (e.g., a gaming house tax).
- Participants indicated that they want a roadmap on what needs to happen to achieve funding options, including what the BPAF needs to do internally. BPAF want a checklist for things that need to be done no matter which financing options are pursued.
- It would be helpful to have a process roadmap to help solidify which options the BPAF will move forward with. This would include political, financial, capacity, and legal considerations and the process for addressing each. It would also include rough numbers for income from each option and steps to convince the government to get onboard.
- The processes outlined in the implementation plan will be similar across a number of potential revenue mechanisms.
- The motioned and unanimously voted that the implementation plan will provide a roadmap to identify steps necessary to achieve implementation of revenue options. The plan will include the seven top short-term options identified during the stakeholder workshop, plus the option of a national lottery. The plan will also include internal steps that the BPAF will need to take to prepare to implement any revenue option.

Next steps

Finally, the group discussed next steps for implementing sustainable financing options for the BPAF. Participants initially focused the discussion on obtaining support and buy-in from the government. Discussion points included the following:

- Buy-in and support from the government will be an important early step. The BPAF may need to float some of the top ideas to ministers and government before even deciding what revenue options will receive further assessment.

- One participant noted that the BPAF will need to be well organized before conducting outreach to ensure a strong approach. When raising money, the BPAF will need to clearly communicate its vision to ensure transparency.
- Blue Earth emphasized that the BPAF should have a business case to approach the government with. The BPAF's business case will need to detail its assets, the revenue coming from the assets, the cost of management, the return on investment of helping the BPAF with a commitment, and demonstrate that this commitment will benefit the public.
- As part of its pitch, the BPAF needs to state what percentage of the funding gap for the BNPAS it is aiming to fill. In addition, the pitch may make the case for the BPAF's potential role as a coordinator for the BNPAS.
- The BPAF will need to make connections with government officials and get them to follow through on a commitment to BPAF. This will include conducting outreach to the government and other stakeholders so they understand the BPAF, its purpose, its goals. Part of this outreach could include sharing the results of the gap analysis and ideas of potential revenue streams. The BPAF will need to include government in its thinking about potential revenue streams, and seek input on the feasibility of different options. One participant noted that few government officials outside the Ministry of the Environment are familiar with the BPAF. The Board will need to address this, and not rely only on TNC.
- However, one participant noted that they don't think that the BPAF is ready to go to government yet for support.
- One major consideration the BPAF faces is determining how to use the results of the gap analysis when communicating with the government. Without proper framing, the government could reconsider its commitment to protecting 20% of The Bahamas' marine and coastal area given the magnitude of the funding gap for effective PA management.
- Blue Earth noted that most other funds have a designated Board seat for a government representative to solidify the partnership. This can enable attracting support from major funders, such as bilateral and multilaterals. The BPAF can lobby the minister for certain representatives on the Board.
- Meeting participants suggested as an initial step that Blue Earth seek initial input from the Minister of the Environment regarding all the potential revenue options identified through this project to determine if any are infeasible.

The group also discussed next steps related to the BPAF's strategic direction:

- The BPAF will need to identify a vision and path forward. For example, if the BPAF takes a lead role coordinating the BNPAS and provides centralized infrastructure for PA management, this could be justification for more funding.
- The BPAF has a draft operational plan that was just sent to the CBF for comments. The BPAF also has a workplan, but it does not include a mission or vision.
- One participant suggested holding a 2-day retreat to review the BPAF Act and determine the vision within the confines of the Act. The Board may also need to clarify the structure of the fund as described in the Act. For example, the BPAF Act Legislation indicates that the BPAF will have both an endowment fund and a sinking fund. Another participant noted confusion about the BPAF's role with respect supplementing the budgets of PA management agencies.

- In order to ensure a coordinated approach, the BPAF will need a grantmaking framework (similar to frameworks that Blue Earth prepared for other funds in St. Lucia and Antigua and Barbuda) that defines its grant-making goals.

The BPAF Act paints the organization as a fund to support agencies; therefore, the BPAF will need to think about how to spend the money it brings in. Also, the BPAF will need to report on the impact of its grants and grantee activities.