Dutch Caribbean Nature Alliance
Safeguarding nature in the Dutch Caribbean

St. Eustatius National Parks

Financing solutions for the future of Statia

Statia's Nature: An island's asset under pressure

St. Eustatius is home to fragile tropical ecosystems and endangered species that are sensitive to the strong pressures of for instance marine invasive species, coral diseases or coastal development. A study conducted by Wolfs Company and VU Amsterdam in 2014 showed that the marine and terrestrial ecosystems in Statia contributed **US $25 million per year** to the island's economy. Tourism, a main sector that depends on the quality of Statia's nature, represents **US $3 million per year** of this amount. The state of ecosystems such as the coral reefs and the forests on the hillside of Boven and the Quill are critical to the society of Statia. Keeping these ecosystems healthy also supports local culture, recreation, research, fishing and carbon sequestration, among other basic aspects of well-being and economic development.

Setting goals to protect Statia for the future

The *Nature and Environment Policy Plan 2020-2030* (NEPP) defines four strategic goals with the aim to "ensure a prosperous society and cultural identity in balance with a resilient and healthy natural environment". Each of these four goals has its own specific targets.

1. Reverse coral reef degradation to enhance wellbeing in the CN	**2. Restore and conserve unique habitats and species in the CN**	**3. Sustainable use of land and water for the development of the local economy**	**4. Create the local conditions to ensure sustainable results of the nature policy plan**
1.1 Control erosion and runoff	2.1 Conservation and restoration of key habitats	3.1 Sustainable Fisheries	4.1 Create awareness through education and training
1.2 Effective waste and wastewater management	2.2 Conservation of keystone and flagship species	3.2 Tourism Industry in balance with nature conservation	4.2 Create employment through investment in nature
1.3 Coral reef restoration	2.3 Prevent new and control established invasive species	3.3 Invest in sustainable local food production	4.3 Develop a structural research agenda

Protecting Statia's Nature from increasing pressures

St. Eustatius National Parks (STENAPA) has the full or partial responsibility to achieve all of these targets. The achievement of these targets depends not only on **protecting nature** from direct threats, but also on **restoration** and **active management** of ecosystems to make them more **resilient**; efforts that require daily action.

STENAPA's goal is to sustain and improve the value and benefits of ecosystems so that socioeconomic, political and cultural needs of current and future generations can be met. To achieve this, STENAPA is dedicated to managing, conserving and restoring Statia's ecosystems and to educating the community of their valuable services. As an example of STENAPA's activities, its *reforestation project* promotes the *control of erosion and runoff*, which ultimately contributes to *Reverse coral reef degradation to enhance wellbeing in the CN (NEPP Goal 1).* Other activities contributing to this goal include *roaming animal management, coral-* and *Diadema restoration* projects, the *culling of Lionfish*, *monitoring* and the provision of *expert guidance and advice*.

WOLFS COMPANY

Protection efforts need consistent support

Despite the crucial role of STENAPA in creating a sustainable economy on Statia, research conducted with the assistance of Wolfs Company in 2020 has shown that STENAPA lacks the appropriate resources to ensure optimal management of the island's ecosystems. (**Research product 1**). In order to fulfill its role in the achievement of NEPP goals and targets through means of **protection and active management**, STENAPA has estimated an additional **US $1.2 million** in financing to be required **annually**. This is an estimate that could be refined once the NEPP Implementation Agenda is finalized.

These additional resources could be used by STENAPA for capital investments in marine infrastructure, additional staffing, restoration projects or for other expenses such as monitoring- and species conservation. The need for additional financing is highest for achieving the goals *(1) Reverse coral reef degradation to enhance wellbeing in the CN* and *(2) Restore and conserve the unique habitats and species in CN,* which currently have an estimated finance gap of ~ **US$ 550,000 and US$ 400,000 per year,** respectively (**Research product 1**).

Collaborative solutions for a sustainable future

STENAPA's current funding comes from a combination of **grants, subsidies**, support from the trust fund accounts of the **Dutch Caribbean Nature Alliance** (DCNA) and a number of **fees**. These contributions taken together far from generate the adequate amounts needed to ensure that the value of the ecosystem services are to be retained and increased.

For this reason, STENAPA has taken a proactive role in initiating discussions with public and private sector representatives to identify and design suitable and feasible mechanisms that can generate consistent and structural funding for nature and that can close a portion of the financing gap mentioned above. A workshop held in November 2019 helped identify and select new potential financing mechanisms and solutions that involve either **public** or **private-led entities** for implementation. (**Research product 2**)

Public involvement	Private-led mechanisms
• Departure Tax or nature tax in relation to tourism • Botanical garden fees	• Donations and legacy • Nature and donations at hotels • Strategic grant writing • Monitoring services to oil terminal

Mechanisms like the **departure tax**, which need public involvement for implementation, can provide a more structural funding. STENAPA could also use additional support (and investments) to pursue the indicated **private-led mechanisms** in collaboration with the relevant stakeholders.

Prior to Covid-19 it was estimated that these mechanisms could yield **US $225,000 annually** and close a portion of the finance gap. STENAPA has made progress in the groundwork to implement these mechanisms and is currently securing the necessary agreements to deliver paid monitoring services to the oil terminal, which could bring in US $30,000 – 35,000 in the near future. However, further efforts are needed to cover the entire gap, either by introducing additional financing mechanisms or by government support.

Research product 1: Results of financial needs assessment of STENAPA for optimal Nature management and NEEP implementation

The financial needs of STENAPA were quantified with respect to the expected activities to achieve an optimal management and fulfill the role of the Park authority in the NEPP implementation. The table below presents the financial needs for an optimal management, as well as the average budget of STENAPA in a pre-COVID-19 situation, broken down by project and sub-project of their current Management Agreement:

Project	Sub-project	Current cost (in US $ per year)	Cost under optimal management (in US $ per year)	Financing gap (in US $ per year)
Terrestrial Park	Conservation	0	152,100	152,100
	Park Maintenance	30,100	68,900	38,800
	Monitoring	17,000	156,200	139,200
	Invasive species management	0	18,500	18,500
	Patrolling and enforcement	3,400	10,800	7,400
	Advisory role	4,100	15,000	10,900
Marine Park	Park maintenance	76,000	99,100	23,100
	Monitoring	15,400	137,700	122,300
	Conservation	16,600	569,100	552,500
	Invasive species management	4,800	13,900	9,100
	Patrolling and enforcement	2,600	16,100	13,500
	Advisory role	4,100	13,900	9,800
Administration and management	Administration and management	73,600	147,700	74100
	Advisory role	2000	9,900	7,900
Education and outreach	Education and outreach	33,600	78,300	44,700
	Advisory role	1,000	3,500	2,500
Total		**284,300**	**1,510,700**	**1,226,400**

The table below displays the financial needs broken down by the NEPP strategic goals and targets, displaying the needs in case of current management, optimal management and the resulting financing gap. The table also includes the administrative costs that are not directly related to any of the NEPP goals.

NEPP strategic goal	Target	Current Management needs (in US $ per year)	Optimal Management needs (in US $ per year)	Financing gap (in US $ per year)
1. Reverse coral reef degradation to enhance wellbeing in the CN	1.1 Control erosion and runoff	1,000	22,300	21,300
	1.2 Effective waste and water management	1,000	3,700	2,700
	1.3 Coral reef restoration	17,600	572,600	555,000
2. Restore and conserve unique habitats and species in the CN	2.1 Conservation and restoration of key habitats	1,000	180,000	179,000
	2.2 Conservation of keystone and flagship species	35,700	245,000	209,300
	2.3 Prevent new and control established invasive species	6,200	39,000	32,800
3. Sustainable use of land and water for the development of the local economy	3.1 Sustainable Fisheries	4,700	37,400	32,700
	3.2 Tourism Industry in balance with nature conservation	107,100	171,500	64,400
	3.3 Invest in sustainable local food production	1,000	3,700	2,700
4. Create the local conditions to ensure sustainable results of the nature policy plan	4.1 Create awareness through education and training	34,600	81,800	47,200
	4.2 Create employment through investment in nature	1,000	3,400	2,400
	4.3 Develop a structural research agenda	0	3,000	3,000
Administrative costs		73,400	147,300	73,900
Total		**284,300**	**1,510,700**	**1,226,400**

Research product 2: Potential options to generate additional funds for nature protection on Statia

As one of the results from the workshops held in November 2019, the potential for implementing new financing mechanisms was explored. The following tables contain the financing mechanisms that were identified in the course of these workshops, their potential to generate additional yearly revenue for STENAPA and the estimated period of time it will take for these mechanisms to generate revenue. These estimations have been made prior to Covid-19.

Public support		
Mechanism	**Funding potential (in US $ per year)**	**Mechanism to generate funds after a period of**
Departure Tax	50,000	~ 3 years
Botanical Garden Fee	15,000	~ 1 year

Private-led mechanisms		
Mechanism	**Funding potential (in US $ per year)**	**Mechanism to generate funds after a period of**
Donations and Legacy	80,000	~ 2,5 years
Nature Donations at Hotels	30,000	~ 1 year
Strategic Grant Writing	80,000	~ 1,5 year
Monitoring Services to Oil Terminal	35,000	~ 1 year