



Fee entrance payments in Mexican Marine Protected Areas

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Rights Definition



Rights, according to Art. 2nd of the Federal Fiscal Code are “the contributions established in law for the use or benefit of national public domain goods, as well as for receiving services provided by the State in it’s functions of public right...”



Rights Introduction

Conservation of nature requires an enormous investment to cover diverse operating expenses, which requires us to diversify and develop the sources of financing through partnerships with society as a whole and primarily with those who use it or benefit directly.

Those who utilize or receive benefits from natural resources, should contribute to their financing through different instruments such as rights, uses, and products.

These rights are a decisive tool to finance, manage, control and regulate natural resources: water, federal zone, ecosystems, protected areas, species charismatic or commercial importance, in danger or extinction.



Rights in Protected Areas

Introduction

Rights, as a control and financial instrument, should be a direct source of efficient financing, and should be defined according to the natural resource, demand of use, seasonality, and types of users.

They should comply with criteria such as:

- environmental effectiveness (like incentives)
- economic efficiency
- security
- low cost and administrative viability
- acceptance amongst users
- easy use and prompt collection

Rights in Protected Areas

México: 149 protected areas covering 17.5 million Ha., 9% of the national territory with protection status. Key point for conservation. 36 marine and coastal protected areas totaling 12 million hectares including land surface.

They represent well defined units and institutions for territorial management, solid legal infrastructure for management, efficient local organization structures, high certainty, and mechanisms of assembly among the different orders of government, private sector and local population.

Since many MPA are almost in totally national public goods, there are no obstacles regarding land ownership issues which facilitate application of the user fee (Título II, LFD).



Financial Instruments

Historical Background

The first financial instrument to cover costs for an MPA was created in 1996 with the Costa Occidental de Isla Mujeres, Punta Cancún y Punta Nizuc (CUN) and the Arrecifes de Cozumel (COZ) National Parks decrees.

Both National Parks have:

- High visitors rates
- Strong economical and political interests
- Important international Tourism profile (40% income in foreign currency)
- Public policy effectiveness testing ground

Their decree and operation represented a huge challenge in legal framework and detailed political negotiation.



Financial Instruments

Historical Background

Concerted Agreement between INE (National Institute of Ecology) of SEMARNAP and Aquatic Tour Operators (ATO) on joint conservation actions and creation of a Private Escrow Account to finance management and operation costs of both parks being that the entire Natural Protected Area Coordinating Unit's annual budget was insufficient (11 million pesos-1 million USD).

Between 1996 and 2001 the parks were financed under this scheme. At the time, the private escrow was the first of its kind in public policy and turned out to be of great value to finance both protected areas.



Financial Instruments

Historical Background

Down side of the escrows: entrance fee was a voluntary donation (from ATO not tourist), and revenues never were in line with visitation estimates, there were no internal rules and regulations specifying disbursement schedules, auditing, no government participation in the Technical Committee, or Director's Committee selection, etc. Park directors depended on the tour operator's will to use the budget. There were no clause to allow for surplus revenue transfers.

In spite of its limitations and failures it opened the doors to the private initiative, explore new forms of participation and understanding between that sector and the federal government (CUN escrow more success than COZ).

2001. The COZ trust is extinguished, while the CUN trust operates according to tour operators conditions, MPA with increasing financial needs and CONANP with more responsibilities and a fiscal budget of only 175 million pesos (17.5 M USD).

Rights and MPA

2000-2001

Due to the problems encountered with the private trusts and the low fiscal budget the following was established in the year 2000:

Article 198 of Federal Rights Law (MPA)

Rights (fee) for the use, enjoyment or benefit of marine natural elements of public domain within federal protected area for snorkel and scuba diving, water skiing, tours in motorized and non motorized vessels, and other recreational activities.

25 (2.5 USD) and 48 (4.8 USD) pesos per person per day, depending on polygon or MPA.

Effective January 2000 to December 2001: 8 MPA, no specific destination for the funds, CONANP responsible for compliance.

NOT VIABLE.

Rights and MPA 2000-2001

No specific destination for the collected funds and CONANP insufficient human and financial resources to carry out the fee.

MPA complexity (free access and no natural gateways), fee and surveillance costs surpass potential income.

Strong opposition by tours operators (fear of tax implications and loss of power over park management)

2000-2001 only Loreto and Arrecife Alacranes NP were able to put the fee in effect with a total revenue of 68 mil pesos (6,000 USD).





Rights and MPA 2002

Modifications January 2002

- **Mandatory for tour operators to charge the fee.**
- **Revenues earmarked to the MPA where the fees were collected.**
- Fee reduced and standardized to 20 pesos (2 USD) person day.
- Local residents and tour staff exempted from paying.
- Contoy Island and all other MPA were added to the list where the fee was in effect.

Earmarking revenues for the MPA where it was collected was a viable and attractive incentive within environmental policy since it would internalize benefits directly to those activities which are having an effect on the natural resources.

Rights and MPA 2002

COMISIÓN NACIONAL DE ÁREAS NATURALES PROTEGIDAS

ÁREA NATURAL PROTEGIDA
PAGO DE DERECHOS CONFORME AL ART. 198
DE LA LEY FEDERAL DE DERECHOS
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CONTROL
México

Application of the fee required careful administrative planning to design collection procedures, official federal payment forms and, besides, particular requirements relevant to the administration of protected areas such as quick return of funds, and of each MPA such their visitors and types of tours had to be taken into account.

Rights and MPA 2002

10 MPA (7 able to apply fee)

PN Cancún

PN Cozumel

PN Isla Contoy

PN Puerto Morelos

RB Sian Ka'an

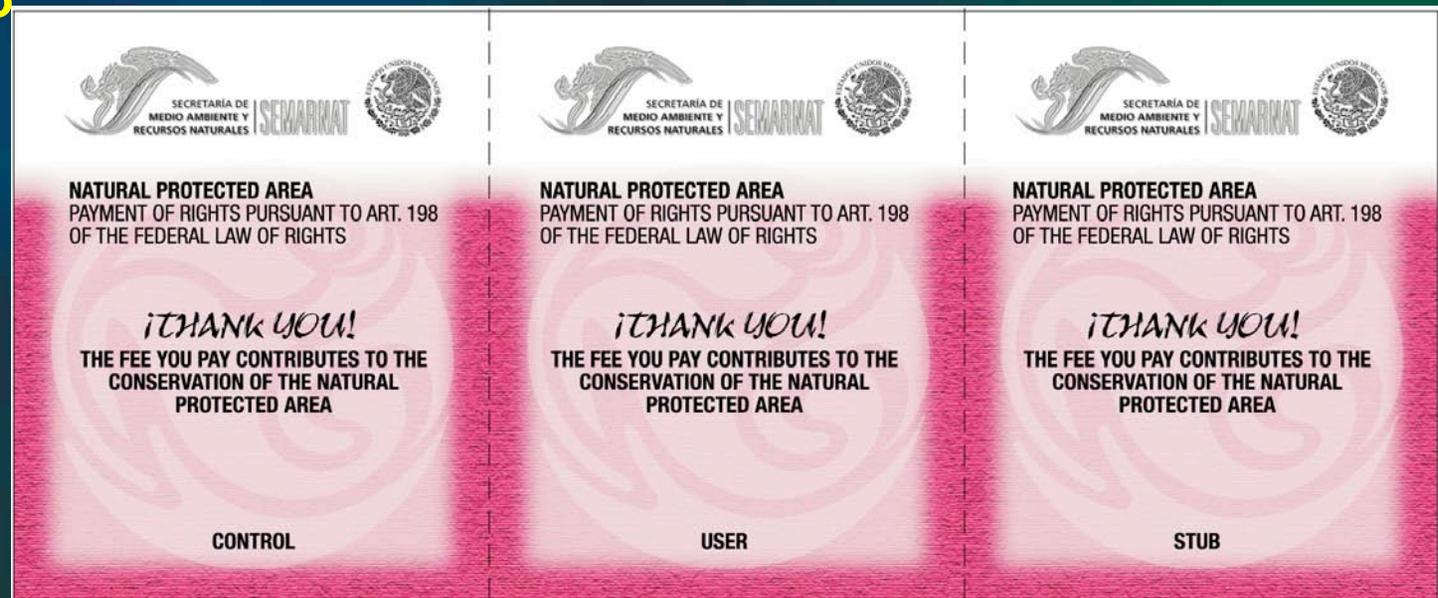
PN Arrecife Alacranes

PN Loreto

PN Sistema Arrecifal Veracruzano

PN Huatulco

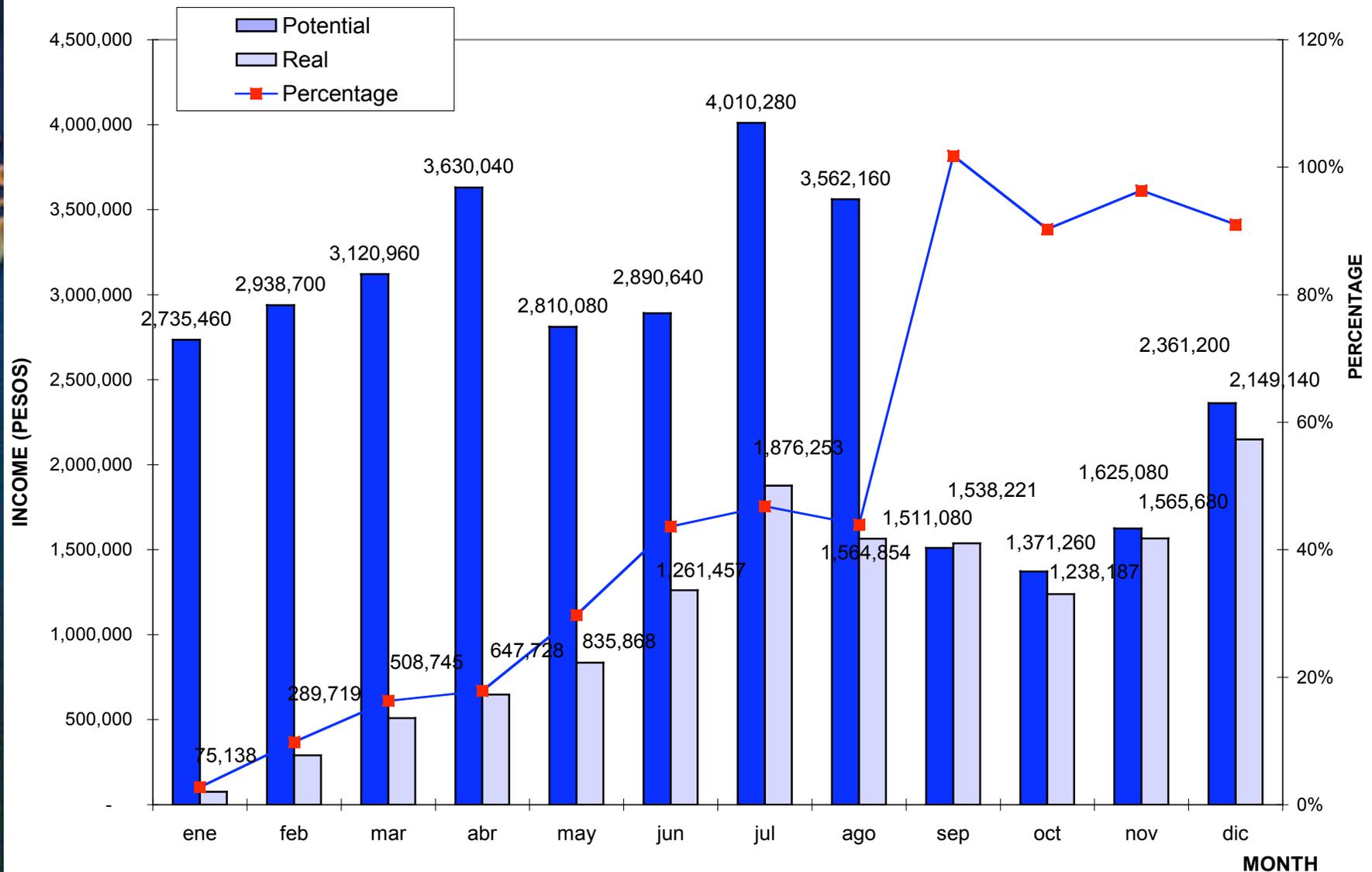
PN Cabo Pulmo



Rights and MPA

2002: 13.5 mdp (1.3 M usd)

2002 Revenues collected



Rights and MPA

2003

19 PA (13 applying fee): Cancún, Cozumel, Isla Contoy, Sian Kaan, Puerto Morelos, Chinchorro, Xcalak, Alacranes, Ría Lagartos, Ría Celestún, Pantanos Centla, SAV, Huatulco, Isla Isabel, Loreto, Cabo Pulmo, Cabo San Lucas, Islas del Golfo y El Vizcaíno.

Earmarking of funds changed to be applied in all PA managed by CONANP allowing to transfer surplus funds.

Island elements are covered in the legal framework of Art. 198

Exemptions approved for toddlers, seniors and handicapped.

A fraction was added to the law to define a fee for commercial filming and videotaping requiring more than one camera operator, as follow

- | | |
|---------------------------|-------------|
| a). Per day | \$2,000.00 |
| b). Per week (continuous) | \$10,000.00 |

Rights and MPA 2003



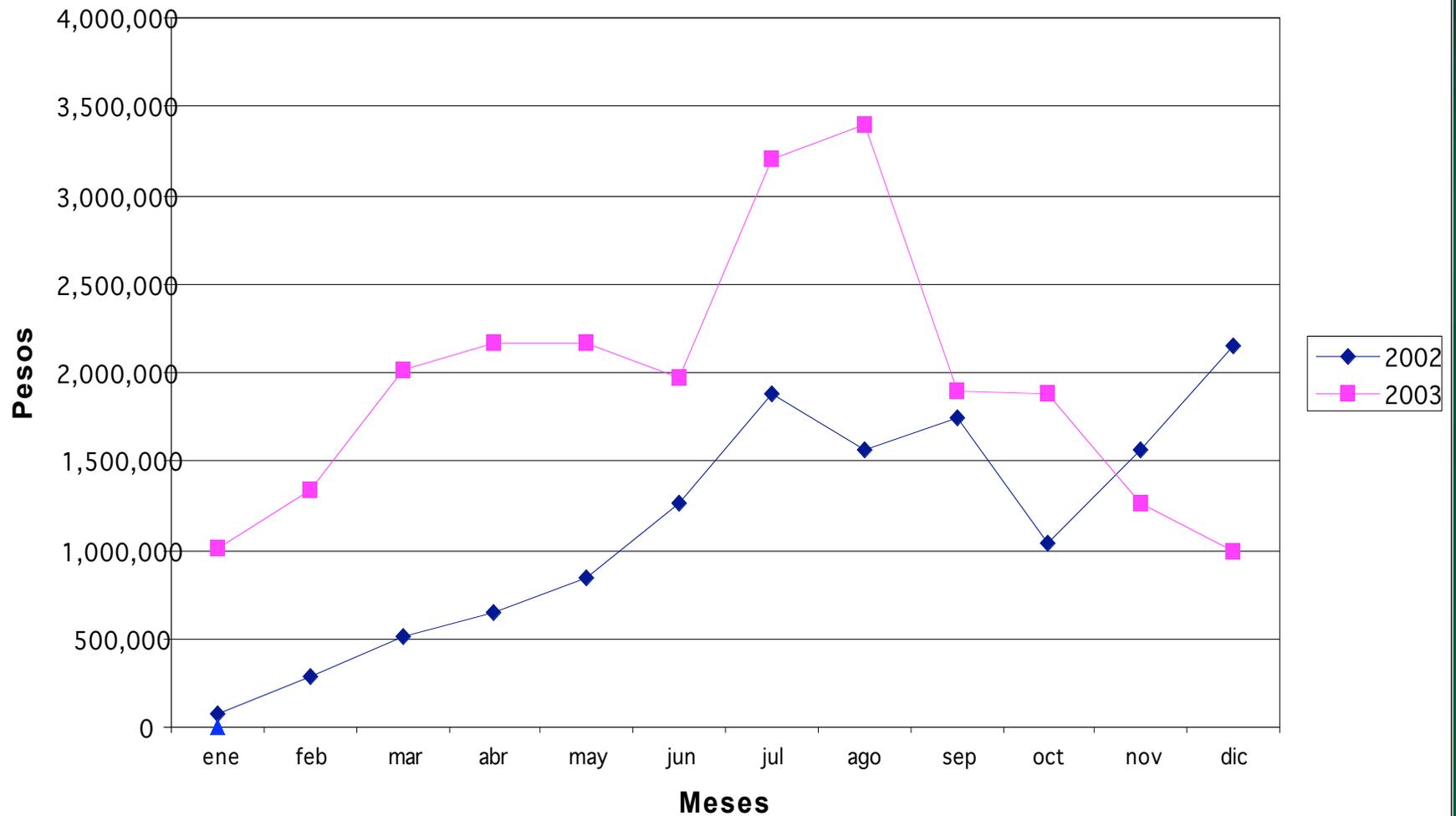
For the first time, CONANP used bracelets,
instead of tickets

Rights and MPA

2002-2003 revenues collected

2002: 13.5 mdp (1.3 M usd)

2003: 24.6 mdp (2.4 M usd)



Rights and MPA

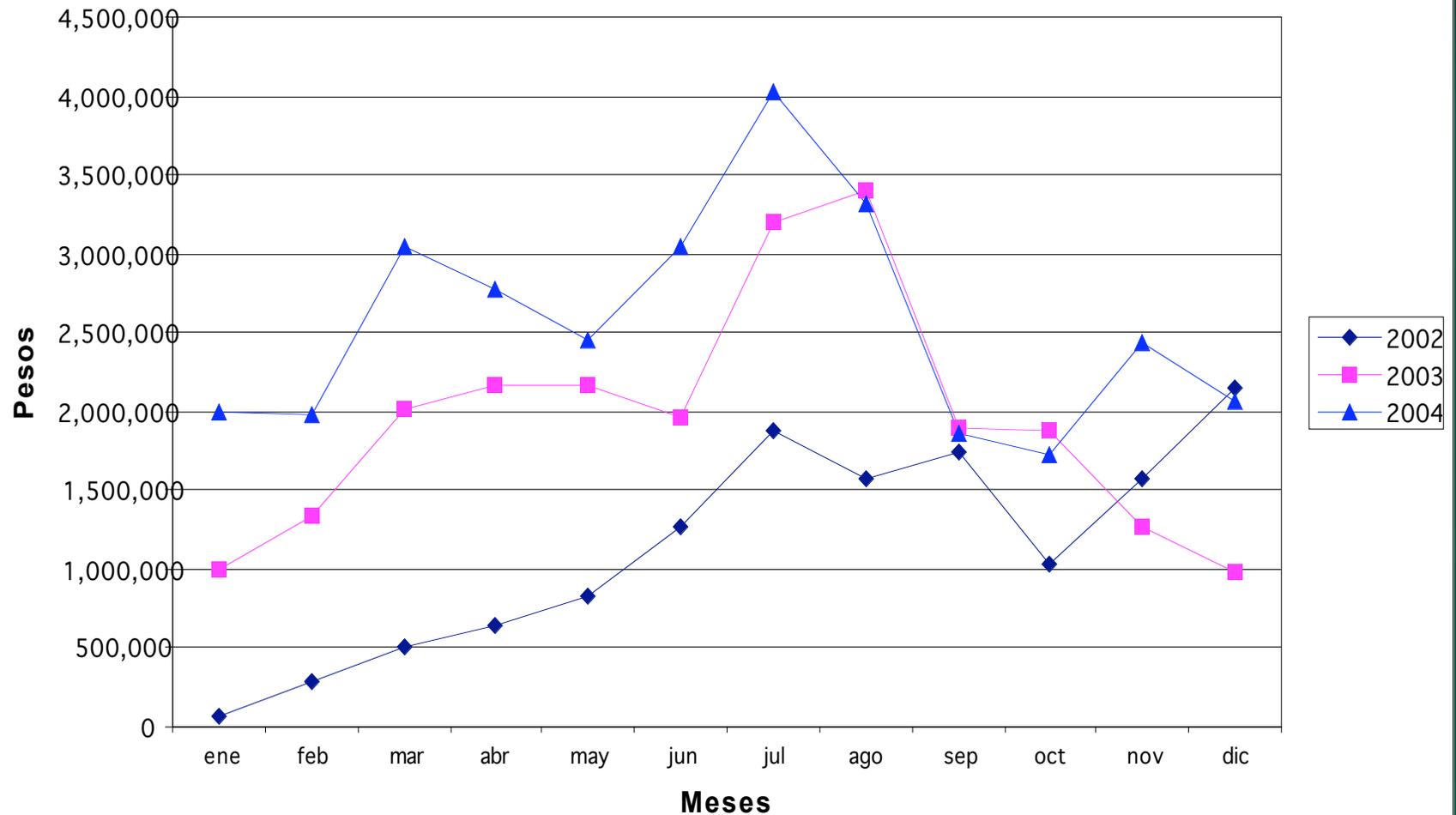
2002-2004

2002: 13.5 mdp (1.3 M usd)

2003: 24.6 mdp (2.4 M usd)

2004: 30.7 mdp (3 M usd)

2 new MPA: RB Revillagigedo y Arrecifes Sian Ka'an



Rights and MPA

2004

30.7 mdp collected from January to December

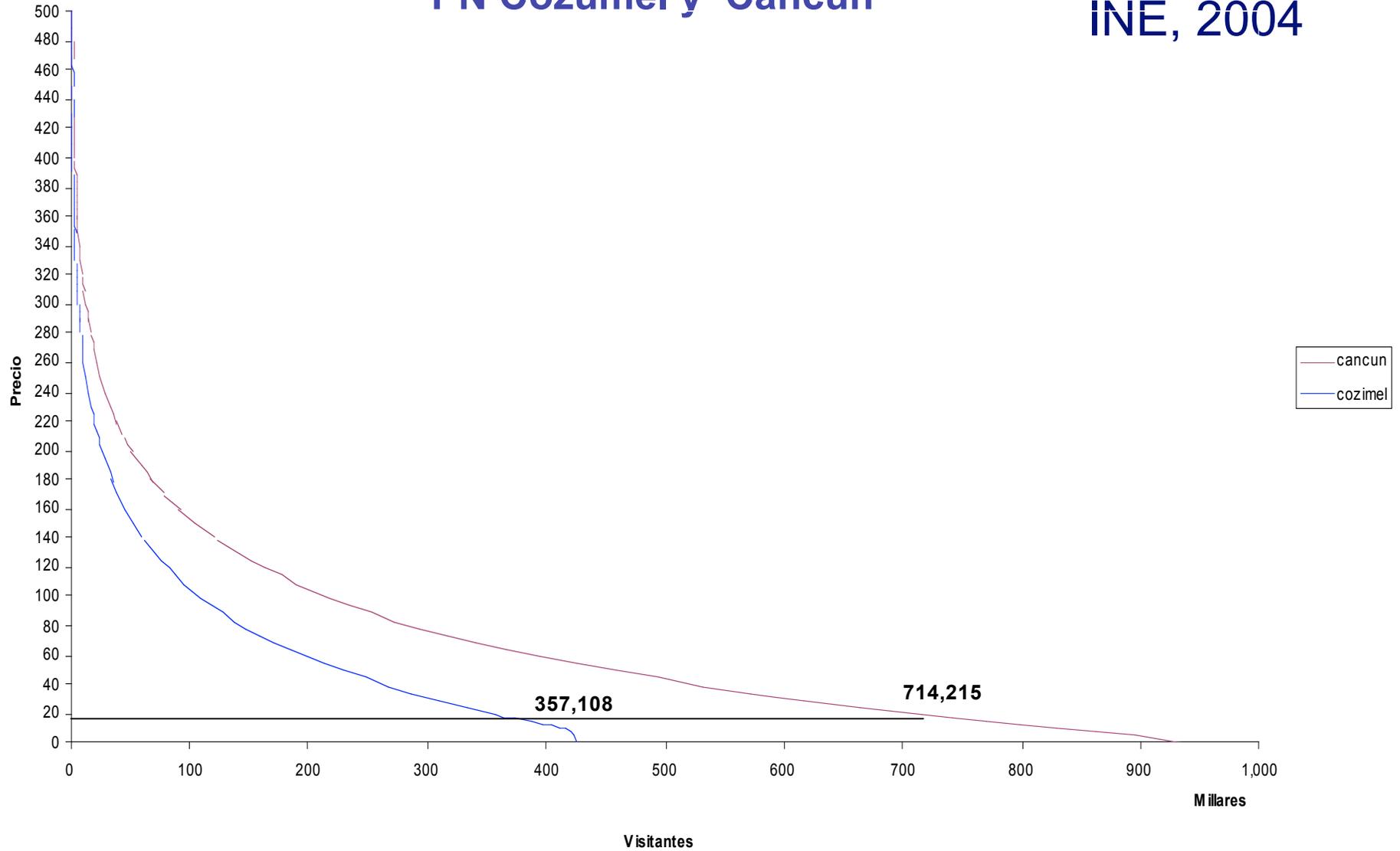
Collections became more efficient.

It's seems an apparent inelasticity between demand and the instrument's application (with a tariff of 20 pesos person day). For example, Cancun NP estimated a nearly 100,000 visitor increase during 2004.

Tourist annual demand & willingness to pay

PN Cozumel y Cancún

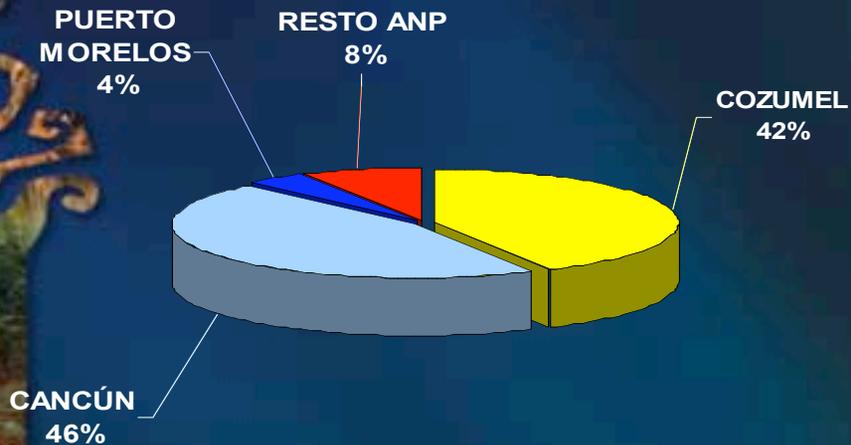
INE, 2004



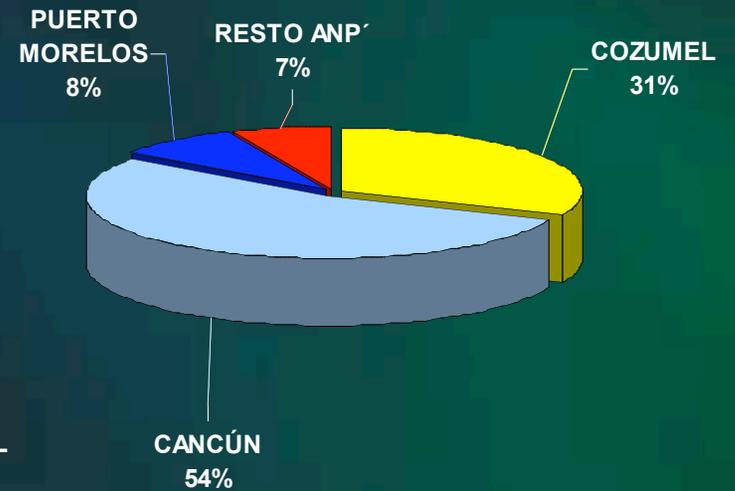
Rights and MPA

2002-2004 income composition per MPA

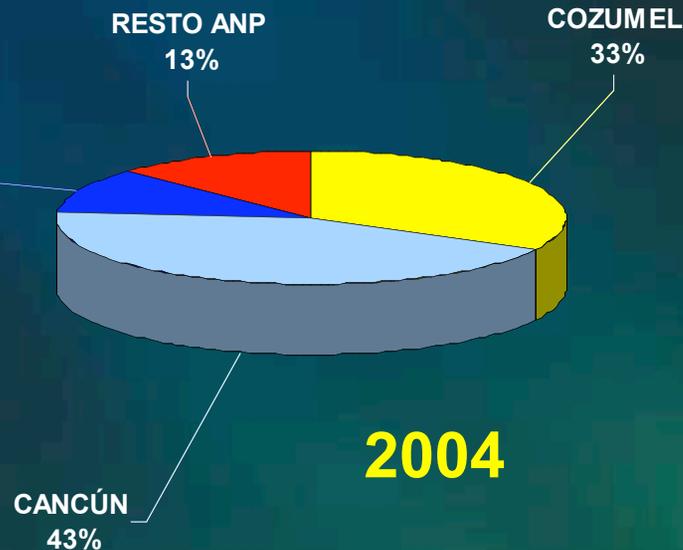
2002



2003



2004



Rights and MPA

2002-2004

Operation and equipment

- +25% personnel (45 positions for park rangers, boat captains, wardens, lawyers).
- 23% equipment and infrastructure: vhf radios, boats, outboards, buoys.
- 37% projects and activities for management, monitoring, restoration, fishing equipment changes, waterways, demarcation and tie up buoys, public use areas, reef restoration, beach and underwater clean ups, piers, trails, observation towers, visitor centers, etc.
- 10% conservation culture: publicity, signage, information materials, etc.
- 5% administrative costs.
- Increased enforcement, important social demand in MPA.
- Special operatives with regulatory agencies (CONANP-PROFEPA) (SHCP)



Rights and MPA

2002-2004 considerations

Quintana Roo

3 full time lawyers to attend enforcement cases.

For the first time CONANP is able to revoke permits to repeat offenders ok park regulations.

- PROFEPA case registry
- PROFEPA record process
- Report to SHCP (IRS)

CONANP rights

2000-2004

A photograph of several divers swimming underwater in clear blue water. The divers are wearing scuba gear, including tanks and masks. Bubbles are visible around them, indicating they are breathing. The scene is set in a deep, clear blue environment, likely a marine protected area.

CONANP has searched for alternative finance, regulatory and management mechanisms to reach sustainable tourism in protected areas controlling carrying capacity within each territorial unit maintaining adequate planning and ordinance according to pre-established environmental and administrative efficiency criteria.

CONANP rights 2000-2004

Total Income/year Terrestrial and MPA (pesos)

2000-2001	68,000
2002	13.5×10^6
2003	27×10^6
2004	37×10^6
2005	45×10^6

Income from the federal rights represented during 2003 10.2% of CONANP's total budget (263 million pesos). In 2004 it accounted for 11.6% of the 318 million pesos budget.

Significant change of PA public image due to monitoring, signage, outreach and rehabilitation of public sites.



CONANP rights

Perspective 2004-2006

Rights as a true economic instrument it's more than mere income generator: promotes tourism use intensity management and environmental education and consciousness, consolidates other current legal instruments impelling better control and order of commercial activities within PA: permits, user registry (Huatulco, CSL).

Inclusion of all federal PA in 2006.

Agencies and local governments attempting to be awarded the revenues (earmarking specifically for them)

Differentiated tariffs in MPA.

Conservation Pass: 200 pesos person year, for people interested in supporting PA and for frequent users.