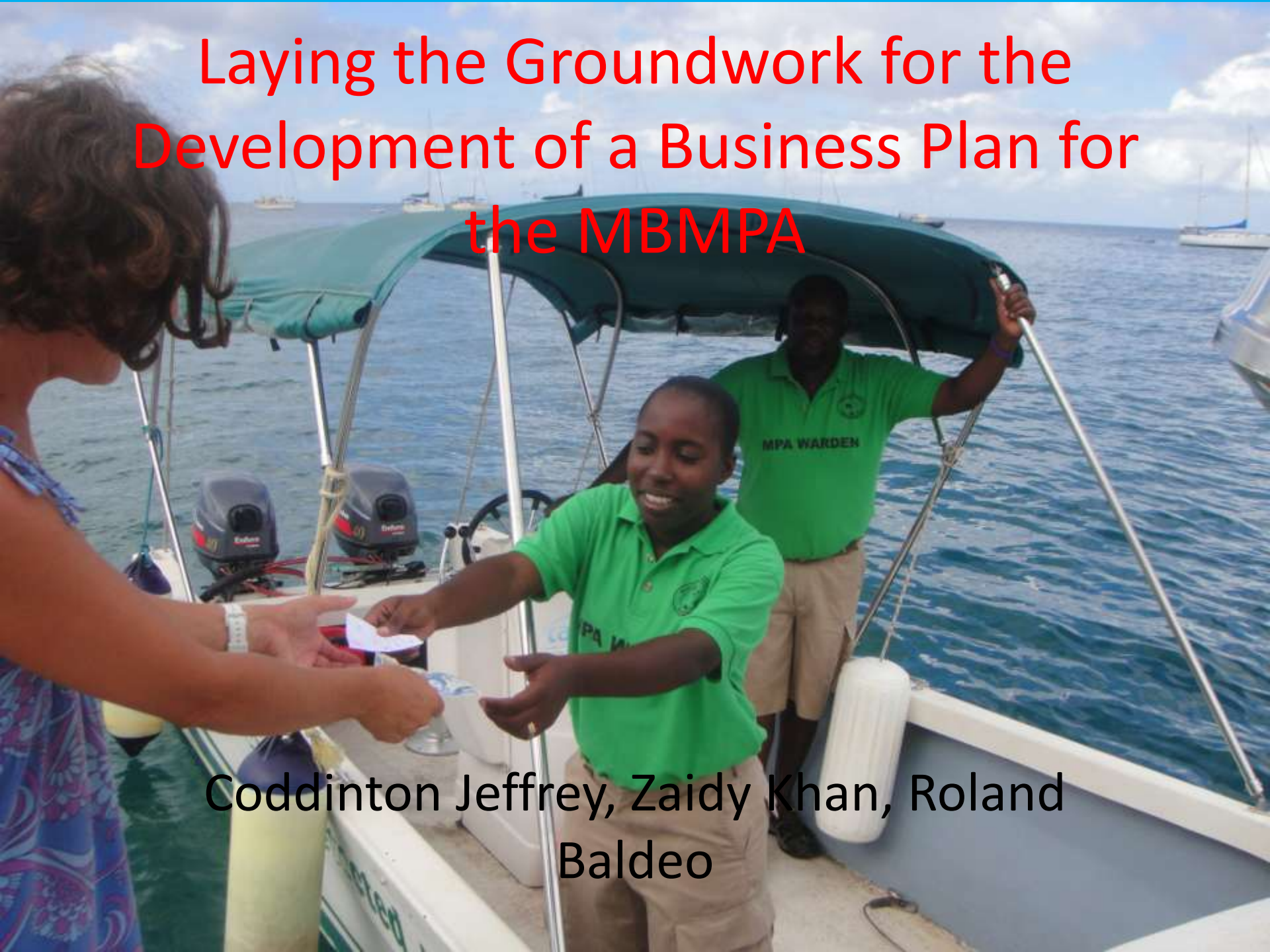


Laying the Groundwork for the Development of a Business Plan for the MBMPA



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Background

- The Moliniere/Beausejour Marine Protected Area (MBMPA) was designated in 2001.
- It is 60 ha (0.23 sq. miles), 1.4 miles (2.2km) long.
- Adjacent to the MPA are six communities that have a stake in the MPA.
- The MBMPA Stakeholder Committee was formed in 2009 to assist with decision-making and implementation of the management plan
- This Committee has since been acting as an advisory committee to the Fisheries Division for the day-to-day operation of the MPA.

Background

- The Moliniere / Beausejour Marine Protected Area Management Board was established in February 2012 to act as an advisory body to the National MPA Management Committee
- It comprises of mainly stakeholder organizations to facilitate the implementation of the *Management Plan* for the MBMPA.
- After consultation with stakeholders collection of user fees started in August 2011.

Concept

The guidelines are based upon a number of principles:

- That business plans should be developed within the overall context of the Protected area management plans and legal frameworks, thus ensuring that generating revenue remains a means towards the end of more effective biodiversity conservation and does not become an end in itself;
- That a business approach should be adopted towards financing protected areas, which entails defining relevant consumers and identifying ways of capturing a fair return from them; and
- That both public and private revenue streams are important, with public revenue streams linked to public goods and private revenues to private goods.

Figure 3 A planning hierarchy for protected areas



Specific objectives

- To lay the groundwork for a business plan and inform the board on this process and requirements.
- This all will help to prepare the management board for future management of funds by providing a financial and business plan base line

Method

- A “terms of reference” (TOR) was developed
- Outlining specific duties and responsibilities
- Competencies
- Required skills and experience
- Took 2 months to get a consultant
- MBMPA data was made available

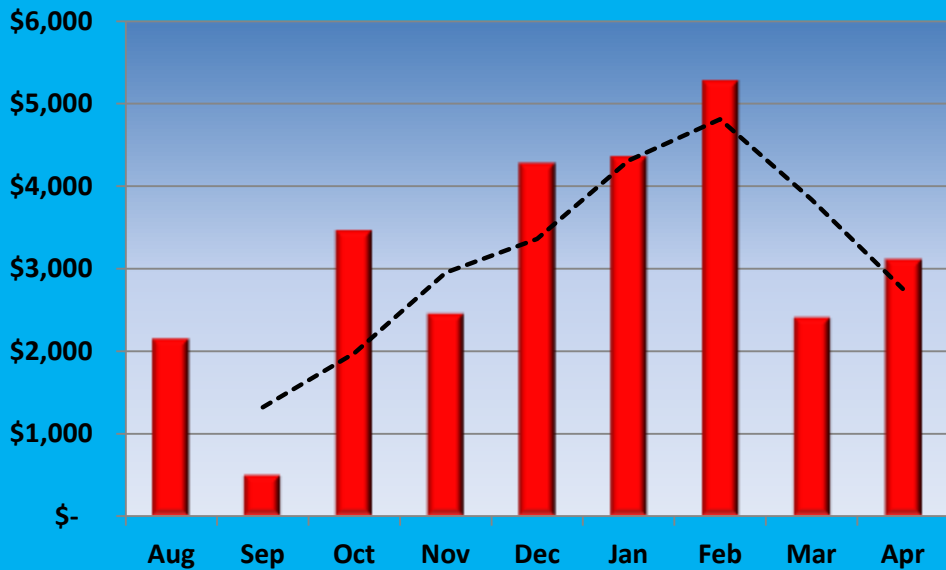
**Snorkelling provides 56% of revenues;
followed by diving bands with 20%; and yacht
moorings with 13%; dive tags 11%**

	<u>Tags</u>	<u>Bands</u>	<u>Snorkel</u>	<u>Moorings</u>	<u>Total</u>
Mooring Fees	\$ -	\$ -	\$ -	\$ 6,381	\$ 6,381
Day Charters	\$ -	\$ -	\$ 20,749	\$ -	\$ 20,749
Dive Operators	\$ 5,500	\$ 10,130	\$ 7,209	\$ -	\$ 22,839
Total	\$ 5,500	\$ 10,130	\$ 27,958	\$ 6,381	\$ 49,970
<i>Percent of Total</i>	<i>11.0%</i>	<i>20.3%</i>	<i>56.0%</i>	<i>12.8%</i>	<i>100.0%</i>

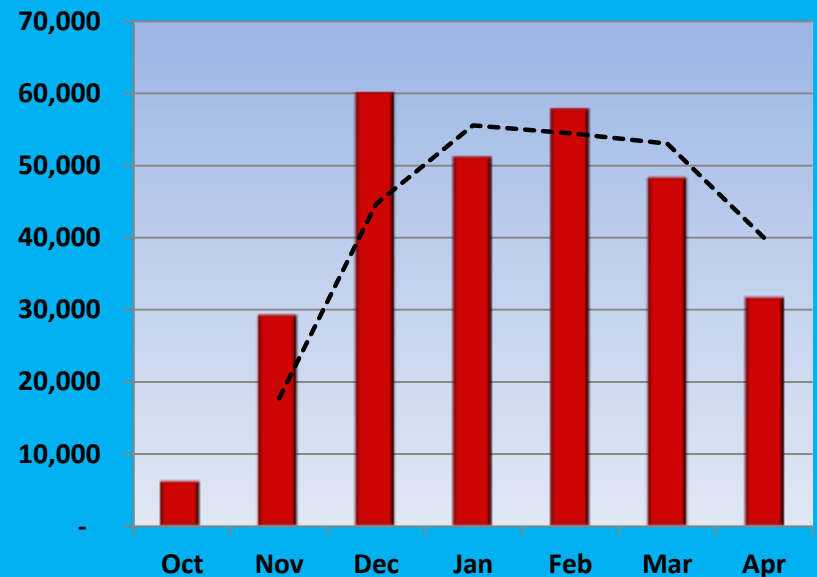
A rough estimate of the amount of cruise ship visitors:

Estimated Grenada Cruise Ship Market for 2011-2012 Season		
Total capacity of Cruise Ships		284,277
Actual occupancy (90%)		255,849
Passengers Disembarking (80%)		204,679
Pre-paid excursionists (20%)		40,936
"Walk-arounds"		163,744
Cruise ship calls		190
Excursionists per cruise ship day		215
Walk-arounds per cruise ship day		862

Snorkel sales tend to follow the Cruise Ship Season



2011-2012 Snorkel Sales



2011-2012 Cruise ship arrivals

Base Year estimates:

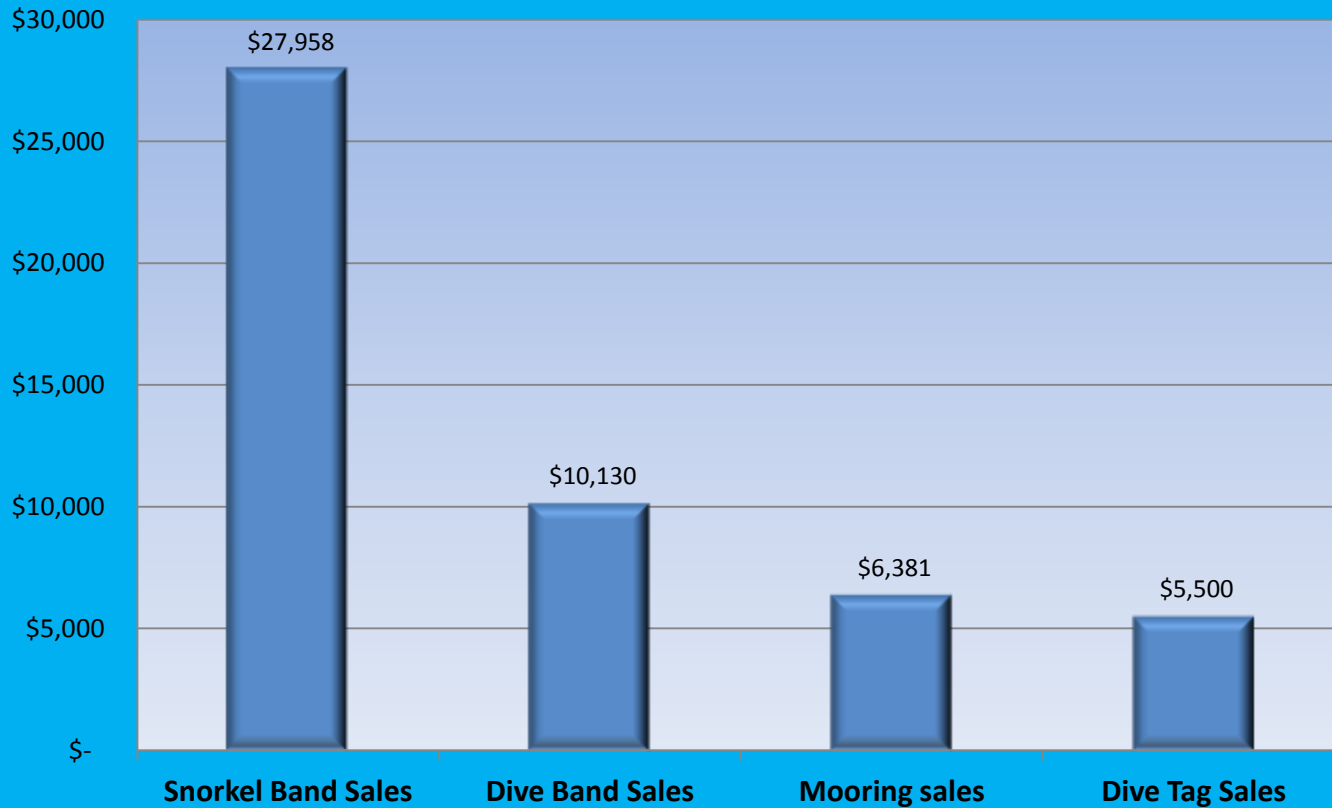
Revenues:	<u>Base Year</u>
- Snorkel	\$ 28,890
- Divers	\$ 16,672
- Yachts	\$ 7,658
- Commercial Sales	\$ -
Total Revenues	\$ 53,220
<u>Less:</u>	
Salaries	\$ 105,600
Gasoline	\$ 14,400
Depreciation (over 10 years)	\$ 15,000
Misc office expenses	\$ 24,000
Maintenance	\$ 3,000
Total Costs	\$ 162,000
Deficit	-\$ 108,780

The significance of the cruise ship to the MBMPA

- Data shows that most snorkelers are cruise ship passengers
- The MBMPA is an important element in Grenada's overall attraction as a tourist destination

Day Charter Snorkellers to MBMPA	7,771
= percent of cruise passengers disembarking	3.8%
= percent of pre-paid excursionists	19.0%

MBMPA Earned Total Income of EC\$49,970 in the 2011-2012 Winter Season



Questions for consideration

- How can we deal with this deficit?
- What can be done to increase users
- What about local users
- How can we increase revenue from users
 - increasing fees
 - Selling merchandise
 - seeking donations
- What about sourcing grants, donations, etc.
- What can be done to close down leakages.

User fees could grow as a result of increased cruise ship arrivals and better collections:

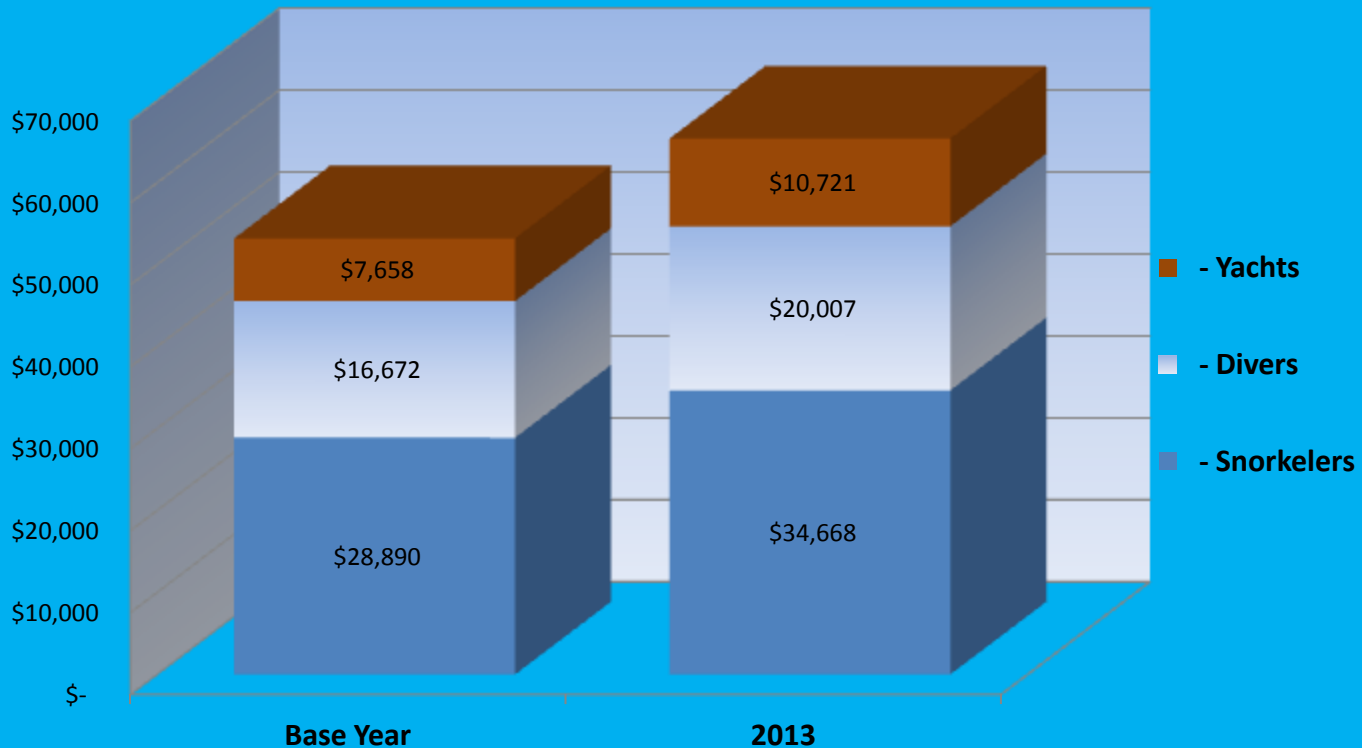
Forecast Snorkelers in 2012-2013:	
Snorkelers Aug-April	10,471
Est. May-Jul @10%	349
Total snorkelers in Base Year	10,820
Est. % increase yr 2	20%
Forecast snorkelers 2013	12,984

Forecast Scuba Divers in 2012-2013:	
Total divers Aug-April	2,927
Est. May-Jul @20%	195
Total scuba divers Base Year	3,122
Est. % increase yr 2	20%
Forecast scuba divers 2013	3,747

Forecast Yacht Calls in 2012-2013:	
Total yachts Aug-April	239
Est. May-Jul @60%	48
Total yacht calls in Base Year	287
Est. % increase yr 2	40%
Forecast yacht calls 2013	402

User fees in 2013 could grow by over 20% over the Base Year:

Potential Growth in User Fees



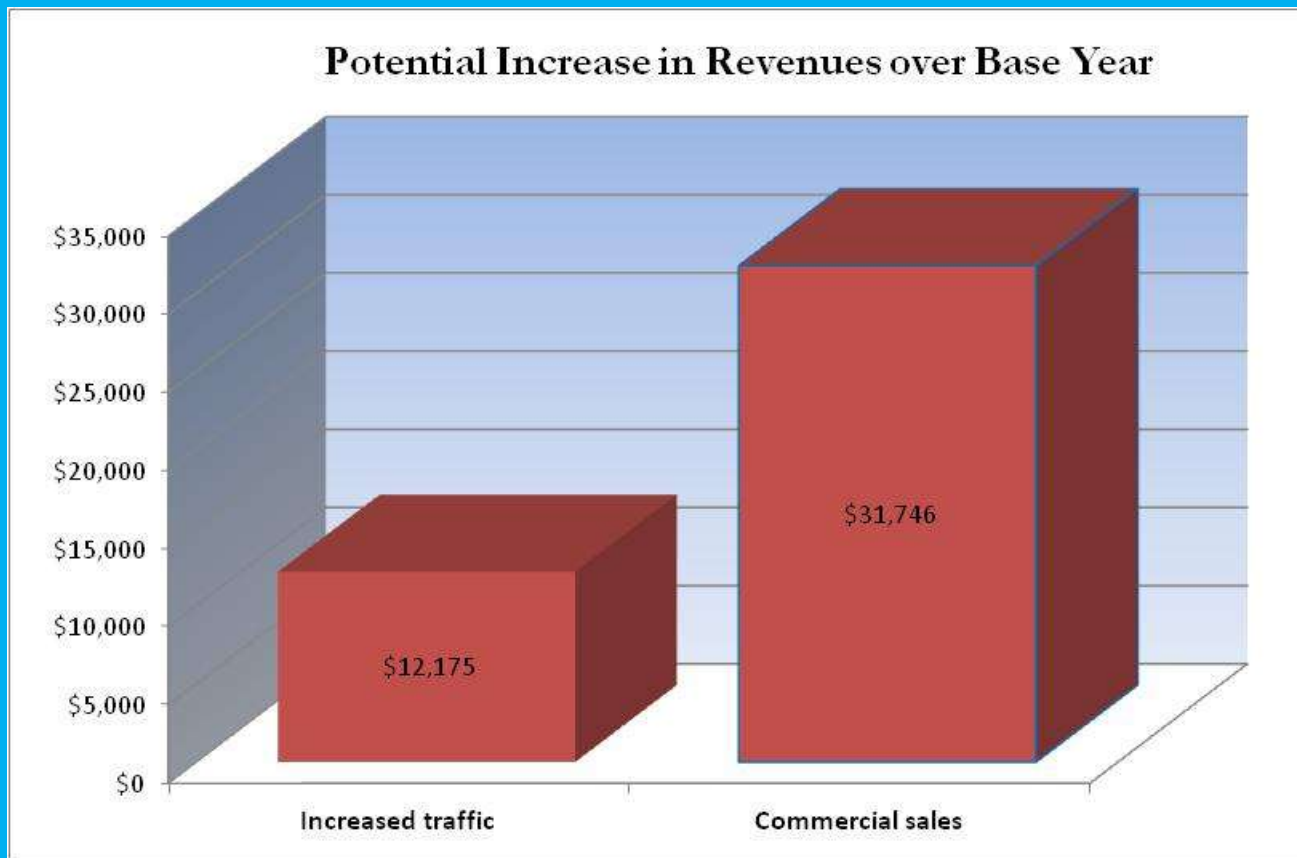
MBMPA's users are a potential source of collateral revenue:

<u>POLO-SHIRT SALES:</u>	
Total MBMPA users	17,935
If 3% buy Polo-shirts	538
Revenue @ US\$25 each	35,916
Cost @ EC\$30 each	16,142
Profit for the Year	19,774

<u>WRISTBAND SALES:</u>	
Total MBMPA users	17,935
If 5% buy Wristbands	897
Revenue @ US\$5 each	11,972
Cost: up to 5,000 = free	-
Profit for the Year	11,972

- High-quality products can be marketed sensitively to a target audience of potential buyers, who by their very presence in MBMPA are in support of its goals and objectives
- Other commercial possibilities exist: posters; advertisements; endorsements; etc.

Commercial sales offer more potential than increased user fees:



Including commercial sales, total MBMPA revenue could almost double over the base year:

POTENTIAL INCOME FOR 2013:	
FEE INCOME:	
- Snorkelers	\$ 34,668
- Divers	\$ 20,007
- Yachts	\$ 10,721
TOTAL FEE INCOME	\$ 65,395
Plus:	
PROFIT ON POLO SHIRT SALES	19,774
PROFIT ON WRISTBAND SALES	11,972
TOTAL POTENTIAL REVENUE	\$ 97,141
Percent increase over base year	83%

With more users and new revenue sources; MBMPA's annual deficit could be significantly cut:

Revenues:	<u>Base Year</u>	<u>2013</u>	<u>% change</u>
- Snorkel	\$ 28,890	\$ 34,668	20.0%
- Divers	\$ 16,672	\$ 20,007	20.0%
- Yachts	\$ 7,658	\$ 10,721	40.0%
- Commercial Sales	\$ -	\$ 31,746	N/A
Total Revenues	\$ 53,220	\$ 97,141	82.5%
<u>Less:</u>			
Salaries	\$ 105,600	\$ 105,600	0.0%
Gasoline	\$ 14,400	\$ 17,280	20.0%
Depreciation (over 10 years)	\$ 15,000	\$ 15,000	0.0%
Misc office expenses	\$ 24,000	\$ 24,000	0.0%
Maintenance	\$ 3,000	\$ 3,000	0.0%
Total Costs	\$ 162,000	\$ 164,880	1.8%
Deficit	-\$ 108,780	-\$ 67,739	-37.7%

Key learning



Major changes needed in legislation & culture:

- Changing legislation is a long, cumbersome process; do it once; and do it all; including commercialization provisions
- The MBMPA will need to be run along business principles; as it will be collecting revenues; purchasing supplies; maintaining inventories; marketing itself; etc
- Who is the ultimate decision-maker on policy and practical matters?
- There will inevitably be occasional conflict between MBMPA and its stakeholders; with whom does the buck stop; who has the final say?
- MBMPA needs to be ring-fenced; given financial autonomy; a budget with approved annual subsidy/grant until it achieves financial self-sufficiency
- Also need to look at issue of policing powers of MPA Wardens – long process to get enforcement of no-fishing regulations

Marketing the MBMPA:

- What is MBMPA's market; what are its main characteristics?
 - MBMPA's market is a subset of the overall Grenada tourism market
 - MBMPA's fortunes will rise and fall with the broader Grenada tourism market
- Who are MBMPA's "clients": the marine operators; or their customers?
 - MBMPA's clients are the divers/snorkelers, the operators just take them there
- What is MBMPA's competition?
 - St George's town, island tours, Grand Anse Beach, Concorde Falls, etc
- Can we think of a trading name; e.g. "Molinier Marine Park"?

Passive vs. active marketing:

- MBMPA already has brand recognition; but “passively”
- The recognizable brand in MBMPA is the Sculpture Park
- MBMPA must be more than “home of the Sculpture Park”
- We must learn lessons of best practice in marketing MPAs in other parts of the world
- Tobago Cays has brand recognition – and high fees to match
- Internet marketing is free and effective; let satisfied customers spread the word: Website; Facebook; TripAdvisor; Youtube; Twitter – people love to share their experiences online
- MBMPA needs its own website;
- The marketing objective is for clients to **ask** to go to MBMPA; not just be taken there by the day charter and dive operators

Marine resources are like any other natural resources: They have a price!

- In simple commercial terms: the GoG invested in the creation of MBMPA; and now needs to earn a return on its investment
- Grenada's marine resources have a value; it costs money to maintain that value; so the principle of "user pays" is valid
- Up to now, there has been widespread acceptance of user fees
- BUT: beware of killing the goose that lays the golden egg
- From a business point of view, after only 1 year, it is too soon to raise fees, optically if nothing else
- We can predict the costs simply enough; predicting revenues is more problematic

If we are not going to increase user fees, revenues could grow by 2 methods:

- Revenues could grow “organically”:
 - Increase in cruise ship arrivals
 - Increase in hotel arrivals
 - Better collection ratio (less leakage)
 - MBMPA becoming “branded”
- Or Revenues could grow from new sources:
 - Merchandise sales
 - Donations from users/others
 - Website advertisements
 - Grants and donations

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Thank you!!!