



## ***Transforming Risk into Opportunity: Biodiversity and Ecosystem Services in the Tourism Sector***

From a webinar by Christina Heyniger and Josh Donlan  
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The tourism sector operates at the intersection of environment and big business. As the industry has matured, it has had to face difficult realities with respect to its environmental impacts. Tourism businesses are looking for ways to mitigate environmental impact and positively influence environmental issues. As access to travel expands and consumer preferences change, these efforts are timely and essential.

### **Tourism and Environmental Risk**

Tourism businesses and destination managers use a variety of methods to influence the impacts of tourism. These include:

- Philanthropic programs
- Destination management and planning frameworks
- Regulations
- Capacity-building initiatives

There are also numerous examples of governments and communities using the money generated from tourism to help fund environmental protection efforts, thereby reducing their risk. For example:

- Ecuador's Galapagos Islands National Park collects a \$100 park entry fee from each of its annual 80,000 foreign tourists. Fees are used to maintain tourism infrastructure and services, eradicate non-native species, and extend educational programs.
- Australia charges commercial tourism operators \$4 per tourist per day to explore its Great Barrier Reef. Revenues are channeled back into conservation and research programs.
- The Caribbean island of Bonaire receives a \$10 annual flat fee from scuba divers to protect its coral reefs and coastal environment.

These programs all concern *inputs*, as opposed to desired environmental *outcomes*. They stop short of being outcome or performance-based strategies for managing the environmental impacts of tourism.



How can outcomes-based approaches be applied to the tourism sector? Consider the complex situation of the Sundarbans of West Bengal, where a combination of human impacts and environmental challenges threaten the ecosystem. In the Sundarbans, tourism is expanding and seen as a source of necessary revenue, yet simultaneously threatens the environment. Two desired environmental outcomes for tourism businesses in the Sundarbans would be stopping the destruction of mangrove swamps and reducing water pollution.

### **Biodiversity and Ecosystem Service Investments Mitigates Environmental Risk Carried by Tourism Businesses**

Biodiversity and ecosystem services are publically – or privately – provided services that benefit the natural environment so that it can support local businesses, including tourism. These services include clean water, carbon sequestration, protection of charismatic species, and disaster preparedness to name a few. Valuating and providing frameworks for biodiversity and ecosystem services allows the private sector to mitigate potential environmental risk and fund positive environmental outcomes.

One ecosystem services-based approach of rewarding desired environmental outcomes in Sundarbans could involve “[environmental mortgages](#).”

Environmental mortgages blend microfinance approaches with incentive for environmental stewardship. Lines of credit and business services could be offered to rural communities and local tourism businesses for economic development. Those services and access to capital are explicitly linked to the community’s management of their environmental assets – in this case the mangrove forests and water. For example, the terms of a microloan are tied to the deforestation rate of a local mangrove stand (i.e. less deforestation = lower interest rates).

### **Conclusion**

Tourism businesses and destination managers have a vested interest in the care and preservation of nature – rich ecosystems. By encouraging and supporting outcomes –based programs that strengthen biodiversity and ecosystem services, the tourism industry will reduce risks, improve service delivery and provide benefits to the destination communities.

### **For More Information contact:**

Christina Heyniger  
Strategic Accounts & Sustainable Tourism  
Vital Wave Consulting  
**Christina.Heyniger[at]vitalwaveconsulting.com**

### **Case Study: Shellcatch**

Among the new ventures focusing on environmental risk mitigation, biodiversity and ecosystem services, Shellcatch is a standout. The small business leverages mobile and information technology to trace seafood products from their origin to the consumer, decreasing the chances of false advertising.

***Advanced Conservation Strategies (ACS)*** and Shellcatch are working together on a complementary program that could reduce bycatch of endangered sea turtles. They are providing financial incentives to small-scale fishermen to change where and how they operate, leading to measureable reductions in sea turtle bycatch.

For more information on how ACS is leveraging science, markets, design, finance, and behavioral economics for organizations trying to solve problems visit:

[www.advancedconservation.org](http://www.advancedconservation.org)