

Exploring Alternative Values: Economics and Heritage in the Phoenix Islands Protected
Area

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The South Pacific island nation of Kiribati is expected to be the first country in the world to lose its land to rising sea levels caused by global warming. In 2008 then-President of Kiribati, Anote Tong, was instrumental in the designation of The Phoenix Islands Protected Area (PIPA) as the world's largest Marine Protected Area (MPA) as part of his bid to bring attention to the plight of Kiribati and its 110,000 potential climate refugees. PIPA conserves 157,630 sq. mi. of marine and terrestrial habitats "exceptional in terms of the minimal evidence of the impacts of direct anthropogenic stressors both on the atolls and in the adjacent seas" (Rotjan et al., 2014, p. 298). Created under a unique multinational partnership with the New England Aquarium (since withdrawn) and Conservation International, PIPA was inscribed on the UNESCO World Heritage list in 2010.

PIPA and its host country of Kiribati face very different challenges than many other World Heritage sites when it comes to sustainable development. First, PIPA operates under a first-of-its-kind economic agreement which finances its management through a multinational donation-based trust. Second, because PIPA is uninhabited, has no infrastructure (such as fresh water), and is one of the most remote island chains on Earth, the potential for tourism development is slim. As such, an examination of economic and sustainable development opportunities within this unique heritage site revolves around the continued successful financing of the conservation trust as well as a thorough examination of alternative development potentials that preserve PIPA, serve the interests of the Kiribati people, and benefit the broader global community.

Historically, Kiribati's economy has centered around fishing—which is understandable considering more than 99 percent of the nation is ocean. As a developing nation Kiribati has also depended on support from international development assistance programs which have included

donors such as the European Union, United National Development Program, UNICEF, the World Bank, World Health Organization, and Asian Development Bank as well as neighboring countries Australia, Taiwan, New Zealand, and Japan. In order to convince the people of Kiribati to support the creation of PIPA the Kiribati government had to first ensure that its prohibitions—mainly a total ban on fishing within PIPA’s boundaries—did not adversely impact the country’s already delicate economy. As Rotjan et al. (2014) detail, “creating a sustainable financing mechanism to replace any lost revenue Kiribati might experience from closing the Phoenix Islands to commercial fishing, while simultaneously compensating Kiribati for any increased costs for PIPA management activities, was central to the strong political support from Kiribati and its people” (p. 296).

In order to achieve this, a model of forest conservation concession was borrowed from U.S. forestry management practices: instead of selling fishing licenses for the waters within PIPA’s boundaries, the people of Kiribati would be paid *not* to issue fishing licenses (Rotjan et al., 2014). The money to support this “reverse fishing license” scheme would come through establishment of an endowment separate from government budgets. The *PIPA Trust Act*, enacted by Kiribati’s government in 2009, led to the establishment of the PIPA Conservation Trust (the Trust). The Trust finances PIPA as a non profit entity and also oversees the Kiribati government’s compliance with PIPA’s management directives. The Trust is governed by a Board of Directors which includes members of the Kiribati government and appointees from its NGO members. In 2013 the PIPA Conservation Trust was financed with \$5 million USD, \$2.5 million gifted by the Kiribati government with a matching donation from Conservation International’s Global Conservation Fund. This capitalization was made with hopes of attracting additional contributions with a target goal of USD \$13.5 million by 2014. It can not be confirmed if that

target was met but the PIPA Conservation Trust maintains a 94/100 point rating with Charity Navigator (charitynavigator.com, n.d.).

Though it appears financing the Trust has been successful thus far, there has been concern that control of the Trust was weighted in favor of the non-governmental partners, creating an imbalance of power and scrutiny of the “extent to which a collaboration with US-based foundations affects the country's economic and political decision-making power” (Mallin et al., 2019, p. 2) over PIPA. As Meskell (2018) has warned, when it comes to World Heritage status “national patrimony is underwritten by, and constituted through, increasingly international arrangements” (p.120.) and this is no different for PIPA.

Perhaps in recognition of these issues, in late 2019 the management structure of the Trust was amended by the Kiribati government “in an effort to address the issues that have emerged over the nine years since the principal Act had been in force” (Republic of Kiribati, 2019, p. 7). This amendment removed language specific to former founding partners and replaced it with the more general term “members”. It also specifically named the nation of Kiribati the “owner” of PIPA. It appears these changes are meant to consolidate Kiribati's power over the Trust while also making room for additional fundraising “members” which now include the countries of Australia and New Zealand, the Waitt Foundation and Oceans 5 Alliance, the United Nations Environment Program, and the GEF Pacific Alliance for Sustainability (Ministry of Environment, Lands, and Agricultural Development, 2014). As Salazar & Zhu (2015) have noted, there is an “erroneous assumption in much of the world that inscription on the World Heritage list will inevitably result in increased income generation” (p. 310). The creation and evolution of the Trust proves that sustainable financing, to this point, can be as effective as income generation in the effective management of World Heritage sites.

Furthering this point, a review of PIPA's 2015-2020 draft Management Plan (a final version could not be located) specifies the continuing mission of PIPA not to be income development but “to implement effective integrated and adaptive management that ensures the natural and cultural heritage values of PIPA are maintained, and where necessary restored, to achieve PIPA’s Vision” (Ministry of Environment, Lands, and Agricultural Development, 2014, p. 27). The Vision statement reads along similar lines: “to conserve the natural and cultural heritage of the Phoenix Islands Protected Area for the sustained benefit of the peoples of the Republic of Kiribati and the world” (Ministry of Environment, Lands, and Agricultural Development, 2014, p. 27).

In sum, PIPA was set up not to generate income but to explore potential alternative economies of value including scientific value, ecosystem value, educational value, carbon offset value, and more (Bilmes, 2018, 1:04:20). As the draft Management Plan itself notes, PIPA is rich with these alternative values, “The remoteness of the area and absence of permanent human settlement provides a unique opportunity for a high standard of habitat protection for species and ecosystems of global importance to science and conservation, from atoll to deep sea and the open ocean” (Ministry of Environment, Lands, and Agricultural Development, 2014, p.18).

Still, as Conradin & Wiesman (2015) point out, “it is a fact that more and more promotional developments take place around WNH sites. Ignoring such developments not only means ignoring reality, but also represents a lost opportunity to define meaningful, constructive guidelines for such developments” (p. 699). Ensuring all realistic options for sustainable development are explored, the draft Management Plan does note PIPA’s World Heritage status has attracted attention from potential visitors. In response to the reality of tourism interest, PIPA management is exploring tourism as a potential opportunity, noting “tourism is seen as a

potential source of sustainable income and employment, but will pose risks to PIPA if not sustainably developed and regulated efficiently” (Ministry of Environment, Lands, and Agricultural Development, 2014, p. 51). This makes sense viewed from the lens of natural heritage limitations noted by Lowenthal (2005) that “unlike much of the cultural heritage, most of the natural heritage cannot be exported; its value inheres almost wholly in its locale” (p. 87).

Though PIPA’s nontraditional values (scientific, carbon offset, educational, etc.) can be exported, per say, the more traditional experience of it can not. With this in mind PIPA managers have committed to exploring tourism development that ultimately benefits and takes into account the sustainable needs of both PIPA and the Kiribati people. Balancing the possibilities with reality will be critical for PIPA management as, up front, it appears as though the cons of tourism development (lack of infrastructure, increased regulation/enforcement, accessibility, rising sea levels) far outweigh the pros. In addition, as Salazar & Zhu (2015) have documented “in many developing countries, most of the value added in the tourism industry tends to be captured by foreign investors, international tour operators, and foreign airline companies, while only limited benefits flow to the local poor Community” (p. 315). This would certainly be the case for PIPA as Kiribati, having very little tourism infrastructure in the country as a whole, would have to rely on other countries and outside developers. There is a real danger that communities would not be involved in planning processes and visitation to PIPA would become an experience accessible only to, and benefitting mainly, wealthy foreign interests.

On the flip side, “there is an urgent need for new ideas and concepts that reconcile tourism and preservation with the need for sustainable development” (Salazar & Zhu, 2015, p. 318). Here, again PIPA could prove a global leader. It is suggested that instead of tourism, alternative sustainable development value be explored in areas such as licenses from increased

scientific study as a living laboratory, the potential as a coral nursery for the rest of the world, ecosystem services, fishing stock replenishment, even pharmaceutical development.

PIPA's draft Management Plan (2014) notes:

PIPA is of crucial scientific importance in identifying and monitoring the processes of sea level change, assessing growth rates and age of reefs and reef builders (both geologically and historically), and evaluating absolute and relative effects from climate change. The reef systems are so remote and exhibit such near pristine conditions that PIPA can serve as a benchmark for understanding and potentially restoring other degraded hard coral ecosystems in Kiribati and elsewhere in the Pacific. The islands are acknowledged as critical sites for ongoing study of global climate change and sea-level events in that they are located in a region less affected by other anthropogenic stresses (p. 16).

Within this line of thinking, it is worth arguing that both the local and the global community would benefit more from PIPA as a conserved site versus as a developed tourism site. Though it is reasonable to explore the potential of tourism, the facts remain that climate change would soon wipe out any physical development and opening PIPA up to visitation, even by boat, would have detrimental effects in terms of human waste, garbage disposal, regulation, and more. These facts lend more reason to the idea of exploring alternative values—social and scientific—as sustainable development. PIPA's unique and powerful conservation value has the potential to spur international investment both to the Fund and to the government, ultimately producing a broader set of values, beyond simply economic, for both the Kiribati people and the global community.

Moving forward, the biggest economic challenge PIPA faces is the continued funding of the Trust. It appears recent changes to management of the Trust will allow the nation of Kiribati more control over funding the Trust and that these changes have already proven beneficial with the addition of new members and resulting financial contributions. Beyond this, PIPA has the potential to become another “first” of its kind by exploring alternate valuations beyond sustainable development in the form of tourism. Though these more traditional forms of development must be explored it is more realistic—considering the threat of global warming to Kiribati itself but also the Earth as a whole—to examine models of economic development that are in line with PIPA’s conservation goals. By choosing to focus on valuations that are social, scientific, experimental, and environmental it may be possible for the government of Kiribati to create an even more sustainable, successful economic plan for PIPA; one which endangers neither the place, nor its people, while simultaneously benefiting all of humankind.

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