



Section F

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People's willingness to pay for the conservation of coral reefs: A case study from Hikkaduwa, Sri Lanka

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The Hikkaduwa coastal belt in southern Sri Lanka is a popular attraction for both foreign and local tourists. This attraction is mainly based on the natural coral reefs. Despite its recognition as a national marine sanctuary and a Ramsar site, various economic activities have resulted in indiscriminate use of the Hikkaduwa coastal belt. While these activities have an adverse impact on the sustainability of the resource, its conservation is needed to sustain the incomes of the local population from tourist activities. This present study estimates the people's willingness to pay (WTP) for conservation of coral reef resources and the factors influencing the WTP of respondents.

Data were gathered using a survey carried out in Patuwatha, a locality near Hikkaduwa. A structured questionnaire was used. One hundred and two individuals from households selected randomly using the Grama Niladari list participated in the survey. Double bounded contingent valuation format was used in eliciting WTP values. Non-obligatory voluntary contributions for a hypothetical reef conservation program was used as the payment vehicle.

Eighty-three percent of respondents agreed to pay the initial bid. Sixty-four % of respondents agreed to a pay the higher value when asked at the second stage. Only 2 % of the respondents agreed to pay a lower amount when asked. This indicates that 85 % of respondents have positive willingness to pay for coral reef conservation. Estimated mean WTP from the first bid is SLR. 15.09. Regression analysis showed that the amount of bid negatively influences the WTP. As the current study is based on data obtained from the community, the findings could be used as baseline information in developing future projects in the area.