



Nature as an Economic Engine

THE CASE FOR INCREASED INVESTMENT IN CONSERVATION
TO DRIVE LATIN AMERICA'S TOURISM SECTOR

Executive Summary

Tourism plays a distinct role in Latin America's development by linking global demand with local economies in ways few other sectors can, particularly when it is effectively managed and integrated into broader development strategies. It supports employment across a wide range of skill levels, catalyzes investment in infrastructure and services, and generates income for communities in urban centers, rural areas, and remote regions alike. Tourism also employs a disproportionately high share of women compared to many other sectors. Because tourism is inherently place-based, it can support local economic development and strengthen value chains when managed effectively. At the same time, the sector's reliance on natural and cultural assets means that long-term tourism performance is inseparable from how these assets are protected, managed, and financed.

As global competition for visitors intensifies, sustaining and growing tourism demand has become an increasingly strategic economic priority for countries across the region. In this brief, we review recent evidence on the economic role of tourism in Latin America, the drivers of tourism demand, and the growing risks that ecosystem degradation poses to the sector. We examine how public tourism revenues can help finance conservation, and we assess how aligning tourism development with sustained investment in natural assets can support long-term sector growth and resilience. Together, this review points to the following set of core findings.

Tourism is a major economic driver in Latin America, with international tourism offering significant untapped potential to strengthen foreign exchange earnings. Travel and tourism in Latin America generated more than \$600 billion in GDP in 2023, representing roughly 10 percent of the regional economy. Yet nearly 80 percent of tourism spending comes from domestic visitors. Expanding international tourism offers a key opportunity to diversify foreign exchange revenues and enhance macroeconomic resilience.

Natural and cultural assets are core determinants of tourism demand across the region. Latin America's tourism appeal is rooted in its globally significant natural assets. The region is home to approximately 40 percent of the world's species, 30 percent of global freshwater resources, and 25 percent of the world's forests, including the Amazon rainforest, the largest tropical forest on Earth. It also contains the Mesoamerican Reef, the world's second-largest coral reef system. These assets are central to destination competitiveness and are frequently cited as primary or secondary motivations for international travel.



Ecosystem degradation presents a material and growing risk to tourism growth, revenues, and employment.

When forests, reefs, freshwater systems, and cultural landscapes are degraded, tourism value erodes through reduced demand, shorter visits, and lower spending. Climate change, unmanaged development, and overuse compound these risks, threatening jobs, fiscal revenues, and local livelihoods. These dynamics underscore that tourism does not inherently generate positive outcomes for nature and requires effective regulation and management to remain sustainable.

Tourism revenues can be mobilized through public fiscal mechanisms to finance conservation and protected-area management.

Governments across the region already use entrance fees, departure taxes, visitor levies, and concession arrangements to generate revenue. When paired with clear governance, revenue earmarking, and mechanisms that ensure benefits reach local and Indigenous communities, these approaches offer scalable ways to reinvest tourism revenue back into conservation while strengthening long-term sector performance.

Case studies show how tourism revenues can be directed toward conservation while reinforcing sector performance. Evidence from Peru and Guatemala, alongside private-sector examples like the Explora model in Chile, demonstrates the economic case for reinvesting tourism revenues into nature. In Peru, protected-area tourism generates over \$700 million in annual local economic impact and supports more than 30,000 jobs, with entrance fees and concession revenues funding park management and generating returns that far exceed management costs. In Guatemala, scenario modeling suggests that continued ecosystem degradation could lead to a decline in tourism of up to 12 percent by 2034,



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equivalent to an estimated \$170 million reduction in GDP and 74,000 fewer jobs, based on observed tourism patterns, proxy indicators of visitor preferences, and modeled assumptions.

Tourism, nature, and conservation function as an interconnected economic system that can generate strong economic and social returns when managed in an integrated way. Empirical evidence shows that tourism generates strong local income spillovers: each additional dollar of tourist spending increases real household income by approximately \$1.53 to \$1.83, as revenues circulate through wages, local supply chains, and service demand. Aligning tourism development with sustained financing for natural and cultural assets is therefore essential not only for protecting ecosystems, but also for maximizing tourism's economic and social returns over the long term.

Introduction

Travel and tourism is a major pillar of Latin American economies, generating over \$600 billion in GDP across the region in 2023, representing nearly 10 percent of the economy.¹ The sector is predicted to grow faster than the region's wider economy over the 2024 to 2034 period, 2.7 percent versus 2.2 percent and sustains millions of jobs and livelihoods.² Indeed, nearly one in ten people in Latin America work in jobs that are supported by the travel and tourism sector, equating to over 23 million people.³ Expanding Latin America's travel and tourism sector represents a key opportunity for economic growth at a time of heightened uncertainty in global good markets.

Travel and tourism can drive growth through job creation and increased investment.⁴ Research in Mexico showed that a 10 percent increase in local hotel revenues led to a 2.5 percent increase in local employment and a 4 percent increase in local GDP.⁵ Employment in tourism has lower barriers to entry than many other industries, meaning that the sector is able to employ a disproportionate share of women and youth; indeed, over half of people employed in tourism are women.⁶ Moreover, local tourism revenue can be strategically invested in local infrastructure, such as hospitals, schools, and natural areas, to support and enhance livelihoods.

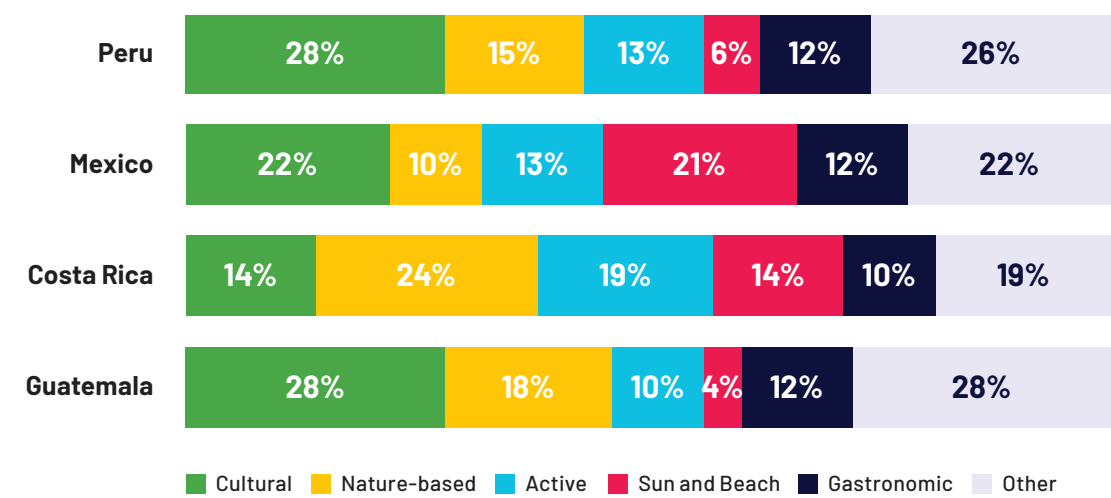
International tourism is also a critical source of foreign exchange for many countries, supporting balance-of-payments stability and broader macroeconomic resilience.⁷ Yet, in Latin America, as of 2023, spending by international travelers accounted for less than 20% of total travel and tourism spending in the region.⁸ By increasing the level of international tourists, Latin America can deepen its integration in the global economy and generate sustained alternative revenue sources.

Natural and cultural resources have been shown to be a defining feature of tourism attractiveness for international tourists as they help to diversify a country's offering beyond traditional leisure tourism.⁹ Uniquely positioned by this advantage, Latin America scores above average across all countries globally for its natural endowment of unique ecoregions and biodiversity as a foundation for driving tourism demand.¹⁰ A recent analysis of social media posts across four countries in Latin America (see figure on [page 2](#)) shows that over 50% of tourists mention trip components tied to a country's natural and cultural assets, reflecting activities like cultural, nature-based, active, and sun and beach enjoyment. Empirical analysis from other sources confirms that natural and cultural resource endowments are a significant driver of international arrivals across all world regions.¹¹ Protecting and investing in these assets is not only an environmental imperative, but an economic one.



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OVER 50% OF TOURIST MENTIONS ON SOCIAL MEDIA IN PERU, MEXICO, COSTA RICA, AND GUATEMALA RELATE TO THE COUNTRY’S SOCIAL AND CULTURAL ASSETS.



NOTES: Active includes adventure travel, cycling, hiking, surfing, and horseback riding. Other includes family, nightlife, wellness, and shopping. Based on social media mentions from Twitter/X and Instagram, analyzed by Mabrian (January to August 2024). Results reflect relative interest across tourism categories rather than absolute volume of posts.

SOURCE: Instituto Guatemalteco de Turismo (INGUAT), *Resultados de inteligencia de mercados: Turismo 2024* (Guatemala City: Instituto Guatemalteco de Turismo, 2024)

This brief examines the central role that nature plays in underpinning Latin America’s travel and tourism sector. It argues that tourism’s reliance on nature creates a self reinforcing dynamic: protecting ecosystems is not only an environmental priority, but a condition for sustaining tourism growth in the region. This dynamic creates a powerful opportunity: the very sector that depends on healthy ecosystems can also serve as a sustainable source of finance for their conservation and management when supported by appropriate governance, policy frameworks, and mechanisms that align tourism revenues with conservation outcomes. Drawing on economic evidence and selected case studies, the brief explores how tourism revenues can be aligned with biodiversity protection to support both sector resilience and durable conservation outcomes.

Ecosystem Degradation is Putting Tourism Growth at Risk

Latin America is a global biodiversity powerhouse. The region is home to 40% of the world’s species, 30% of the world’s freshwater resources, and 25% of the world’s

forests. The region contains the world’s largest rainforest, the Amazon, and the second largest coral reef system, the Mesoamerican Reef. On top of its vast natural assets, the region is home to hundreds of Indigenous nations and some of the world’s most iconic cultural destinations, such as Machu Picchu and the Maya Forest spanning Mexico, Guatemala and Belize.

Tourism in Latin America depends fundamentally on the integrity of these forests, coastlines, freshwater systems, and biodiversity-rich landscapes. Yet, a set of mutually reinforcing environmental, climatic, social, and institutional pressures is steadily eroding this natural asset base. The table below highlights four key risks to tourism in Latin America. These four risks – land use change, climate change, pollution, and governance failures – threaten both the integrity of natural assets and the long-term durability of the tourism sector.

Beyond natural assets, the health of the tourism sector also relies on the safety, health, labor quality, and digital connectivity of a country.¹² When these enabling conditions are weak, environmental pressures and climate shocks have more severe and lasting impacts. Together, these threats reinforce one another: ecosystem loss increases disaster risk; pollution degrades destination quality; exclusionary governance undermines stewardship; and weak institutions suppress innovation

and investment. Collectively, these threats undermine the resilience and competitiveness of Latin America’s tourism sector and highlight the need for proactive policy
and regulatory frameworks to manage tourism growth, reduce environmental pressures, and sustain the natural assets on which the sector depends.

ECOSYSTEM DEGRADATION AND GOVERNANCE FAILURES THREATEN THE FOUNDATION OF TOURISM IN LATIN AMERICA

RISK	RISK CHANNEL	IMPACT ON TOURISM
Land use Deforestation & unsustainable land-use change	Agricultural expansion, cattle ranching, extractive industries, and infrastructure development fragment forests and degrade buffer zones and wildlife corridors beyond protected area boundaries.	Reduces wildlife abundance and visibility, degrades watersheds, and increases fire, flood and landslide risk to tourism infrastructure. ^a Countries with greater forest cover and areas that sustain wildlife population achieve better tourism outcomes. ^{b,c}
Climate Climate change & disaster risk	Rising temperatures and more frequent and intense hurricanes, floods, droughts, and landslides damage tourism assets. ^a Ecosystem degradation of forests, mangroves, wetlands, and coral reefs removes natural buffers and compounds exposure. ^d	Undermines destination reliability and damages tourism infrastructure, particularly in tourism-dependent economies. Degradation of natural buffers increases disaster risk and reduces tourism appeal. ^d
Pollution Pollution & waste	Plastic accumulation on beaches, wastewater discharge and chemical runoff degrade coastlines and terrestrial ecosystems. ^e	Degrades visitor experience and ecosystem integrity. Higher pollution levels are consistently associated with lower tourism efficiency across Latin America. ^e
Governance Governance failures & social exclusion	Exclusion of Indigenous and local communities from tourism governance and benefit-sharing erodes cultural identity, weakens conservation stewardship, and generates social conflict. ^f	Destabilizes tourism operations and reduces long-term sustainability. ^f Indigenous-led governance rooted in traditional institutions produces stronger conservation outcomes and more resilient tourism development.

a European Investment Bank (EIB), *Climate Risks for Latin America and the Caribbean* (Luxembourg: European Investment Bank, 2023), <https://www.eib.org/en/publications/20230203-climate-risks-for-latin-america-and-the-caribbean>.

b Food and Agriculture Organization of the United Nations (FAO), *Global Forest Resources Assessment 2020: Main Report* (Rome: FAO, 2020), <https://doi.org/10.4060/ca9825en>.

c Claudia I. Pardo Martínez and Álvaro Cotte Poveda, “Efficiency and Sustainability of the Tourism Industry in Latin America,” *Regional Sustainability* 5, no. 4 (2024): 100178, <https://doi.org/10.1016/j.regsus.2024.100178>.

d Simone Lucatello and Irasema Alcántara Ayala, “Sustainable Synergy: Strengthening Disaster Risk Reduction in Latin America and the Caribbean through Nature Based Solutions,” *International Journal of Disaster Risk Reduction* 113 (2024): 104860, <https://doi.org/10.1016/j.ijdr.2024.104860>.

e Omar Garcés Ordóñez et al., “Abundance, Provenance, and Characteristics of Plastic Beverage Bottles in Human Settlements and on Beaches of the Latin American Pacific Region: A Citizen Science Study,” *Journal of Cleaner Production* 521 (2025): 146234, <https://doi.org/10.1016/j.jclepro.2025.146234>.

f Ana A. Sá et al., “Significance and Insights from Indigenous Communities in Latin America: Cultural and Societal Factors and Challenges in UNESCO Global Geoparks,” in *Geoethics for the Future*, ed. Silvia Peppoloni and Giuseppe Di Capua (Amsterdam: Elsevier, 2023), <https://doi.org/10.1016/B978-0-12-823329-5.00018-5>.

Tourism can also create risks for its own long-term sustainability, particularly when it places additional pressure on the natural assets that drive demand. Tourist visitations to Machu Picchu in Peru, one of the most iconic cultural sites in South America, have grown from roughly 100,000 annually in the 1980s to over 1.5 million today.¹³ As a result, tourist visits to parts of the site have been suspended.¹⁴ For coastal systems, research has shown that coastal tourism contributes to the subsequent degradation of coral reefs.¹⁵ The Global Coral Reef Monitoring Network estimates that

50 percent of all coral reefs in Latin America are already degraded and most remaining reefs face high risk of further degradation, with tourism-related impacts, such as sedimentation from coastal construction, wastewater discharge, anchor damage from boats, snorkeler and diver contact, and the use of reef-harmful sunscreens, contributing alongside climate stress.¹⁶ These feedback loops underscore that unmanaged tourism can contribute to ecosystem degradation, further emphasizing the need for effective regulation and conservation management.



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Case Study: Peru

HOW PROTECTING NATURE DRIVES TOURISM REVENUE AND FUNDS CONSERVATION IN PERU'S AMAZON

\$723 million	36,741	12:1	95%	\$1,158/ha
Annual local economic impact of protected area tourism (2017)	Jobs supported in and around Peru's protected areas	Return on every dollar invested in protected area management	Of surveyed visitors said the protected area drove their trip decision	Net present value of ecotourism-controlled land in Tambopata – higher than any alternative land use

WHY TOURISM DEPENDS ON NATURE	HOW TOURISM CAN INVEST IN NATURE	BENEFITS FOR COMMUNITIES & ECONOMY
Surveys across six protected areas show that 95% of visitors – both Peruvian and international – cited the protected area as an important or very important factor in choosing their destination.^a Intact forests and wildlife are critical assets for tourism demand: - Foreign tourists spend an average of \$170 per day around protected areas – three times more than domestic visitors – driven by the quality of natural experiences on offer.^a - Ecotourists in Tambopata specifically seek lodges based on wildlife abundance and forest quality.^b - Districts containing a protected area are associated with 33% more tourist overnight stays than comparable districts without one, all else being equal.^a Logging, agriculture, or mining on lodge-controlled land would destroy the very assets that generate visitor revenue. Research shows that deforestation near Tambopata would directly reduce tourism attractiveness and profitability.^b	In Tambopata, entrance fees paid by lodge operators generate revenues that exceed local national parks budget many times over, with the surplus transferred to Peru's national parks agency SERNANP.^b Key mechanisms for reinvestment: - Private concessions: Lodge owners lease state forest for 40-year renewable periods, giving them a direct financial incentive to protect it. Over 50,000 hectares of Amazonian rainforest in Tambopata came under private management as a result.^b - The Peruvian government invested \$8.6 million in 2017 to upgrade tourist infrastructure across protected areas, directly supported by evidence of tourism returns.^a - A 40:1 benefit-to-cost ratio means that fully funding the SINANPE system (estimated at \$61.5 million annually) would cost less than 10% of the direct local economic benefits it generates. Airlines, tour operators, and local businesses all benefit substantially from protected area tourism – representing a compelling case for the private sector to co-finance conservation management.	Across Peru's protected area system in 2017, tourism supported 36,741 jobs in hotels, restaurants, tour operations, and transport – with \$165 million flowing directly to household incomes and wages.^a Local economic ripple effects: - Around 78% of business inputs and 95% of labor are sourced locally, meaning tourist spending circulates within local communities rather than leaking out of the region. - In Tambopata, ecotourism generates more profit per hectare than cattle ranching, agriculture, or sustainable logging – making it the highest-value use of forest land and the best long-term option for local economic development.^b - Even smaller protected areas matter: 17 protected areas each generate over \$310,000 annually for surrounding communities. Ausangate and Gocta generated \$9 million and \$10 million respectively in 2017 despite being only proposed protected areas. When effectively governed, nature protection can support poverty reduction and local economic development. Communities near well-managed protected areas benefit from stable, growing tourism income – without depleting the natural assets that underpin it.

NOTES: All revenues have been converted from Soles to US dollars at the rate of 3.25 Soles per dollar.

a Thais Vilela et al., *El impacto económico local del turismo en áreas protegidas del Perú* (Washington, DC: Conservation Strategy Fund, March 2018), <https://www.conservation-strategy.org/publication/el-impacto-economico-local-del-turismo-en-areas-protegidas-del-peru>.

b Christopher A. Kirkby et al., "The Market Triumph of Ecotourism: An Economic Investigation of the Private and Social Benefits of Competing Land Uses in the Peruvian Amazon," *PLOS ONE* 5, no. 9 (2010): e13015, <https://doi.org/10.1371/journal.pone.0013015>.

Closing the Conservation Finance Gap Protects Tourism Driven Growth

Well-managed natural assets enhance tourism appeal, generate revenue, and create employment, but their long-term viability depends on sustained and adequate financing. In marine protected areas, research shows that staff and budget capacity are the strongest predictors of ecological success.¹⁷ In contrast, poorly financed protected areas can lead to deforestation and loss of biodiversity and wildlife.¹⁸

Globally, annual investment required for the adequate management of existing protected area systems has been estimated at \$68 billion, \$43.7 billion more than current annual spending on management.¹⁹ Protected areas in Latin America have been estimated to be underfunded by \$700 million annually, but this estimate is likely to continue to rise.²⁰ Addressing this funding gap

is a central strategy for safeguarding natural assets and ensuring their long term ecological and economic viability.

Adequately funding conservation not only sustains visitor numbers and tourism spend but also has wider economic benefits for the local economy. Case studies across four countries—Zambia, Fiji, Brazil, and Nepal—show that tourism in protected areas can create jobs for 3 to 30 percent of working-age populations in surrounding communities.²¹ Beyond jobs, tourism can raise the annual real income for nearby households more than the average tourist's expenditure; that is each additional dollar spent by a tourist raises real income for households between \$1.53 and \$1.83.²² In Latin America, every dollar of tourist spending has been shown to generate between \$1.37 and \$1.83 in total economic output.²³

Financing conservation and managing tourism effectively are not competing priorities but mutually reinforcing strategies for long-term economic growth. Well-funded protected area management sustains the natural assets that attract visitors, while a well-managed tourism sector can generate employment, local income, and national economic output. By reinvesting tourism revenues into protected areas, supported by clear governance and benefit-sharing mechanisms, countries can strengthen ecological outcomes, enhance visitor experiences, and ensure that the economic benefits of tourism continue to accrue to local communities and national economies over time. The figure on [page 7](#) illustrates this nature-tourism dependency and the benefits that flow from it.

The two country case studies included in this brief, focusing on Guatemala and Peru, reinforce this central point. Tourism performance is closely linked to the condition of natural assets and how tourism is governed and managed. Reinvesting tourism-generated revenues can help sustain those assets while supporting local livelihoods and sector competitiveness. In what follows, we focus on how public tourism fees and fiscal mechanisms can be used to capture tourism value and channel it into conservation and protected-area management.

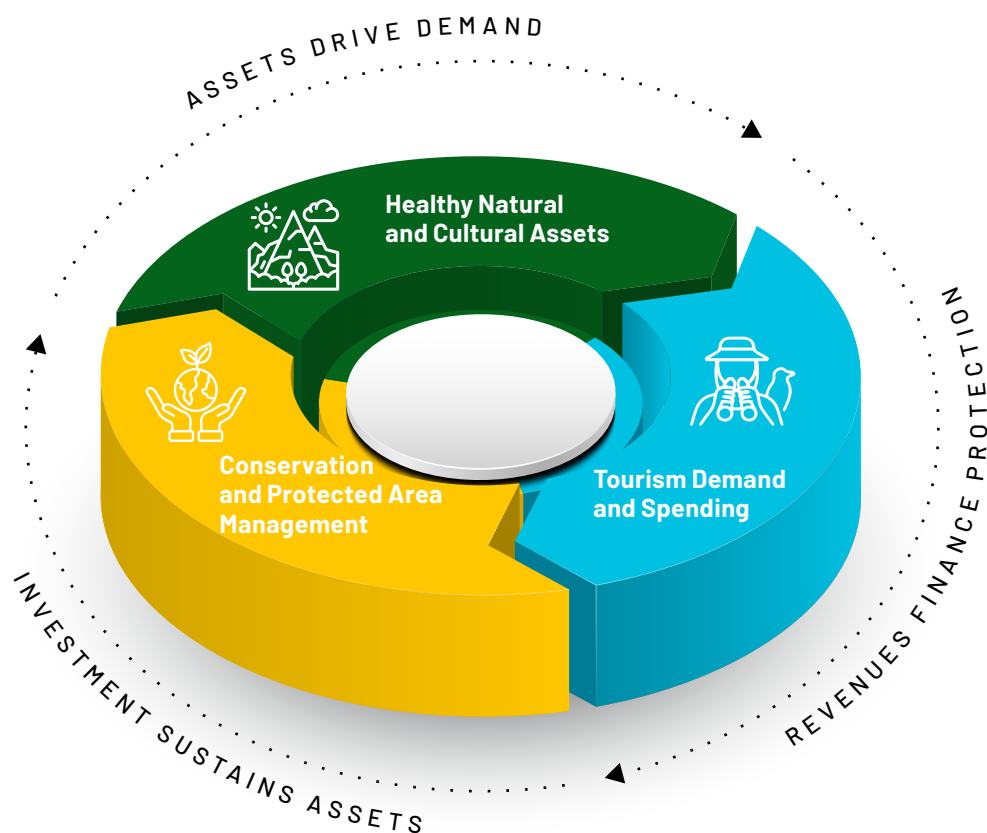


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TOURISM, NATURE, AND CONSERVATION FOR AN INTEGRATED ECONOMIC SYSTEM

RISKS AND PRESSURES

- Deforestation and land-use change
- Climate change and disaster risk
- Pollution and waste
- Over-tourism
- Governance failures and social exclusion



ECONOMIC IMPACTS

- Jobs and livelihoods
- Household income
- Local investment
- GDP and fiscal revenues
- Foreign exchange



ENABLING CONDITIONS AND POLICY LEVERS

- Tourism fees and fiscal mechanisms
- Tourism planning and standards
- Revenue earmarking and governance
- Protected area management capacity
- Public-private and community partnerships

Tourism Revenue Can Help to Close the Conservation Financing Gap

Tourism generates fiscal revenues that, if effectively structured and governed, can fund conservation and management of protected areas. Total tourism spending across Latin America in 2023 was over \$500 billion.²⁴ Even directing a modest share of this spending toward conservation could help close a significant portion of the biodiversity financing gap.

Government revenue from tourism can be generated through several different channels. Three of the most common mechanism are: (i) site-level fees;

(ii) accommodation-level fees; and (iii) entry/departure-level fees. A description of each of these mechanisms is laid out in the table below.

Across countries, fee structures and amounts can vary greatly, ranging from \$1 per night up to a \$100 entry fee.²⁵ Raising or introducing new tourist fees creates an inherent trade-off between revenue generation for the government and tourism demand. Yet evidence suggests that this risk is often overstated, particularly for nature-based tourism destinations with limited substitutes.²⁶ These fees can also be strategically set. For example, New Zealand set its tourism levy to be about 1% of the average visitor spend in the country to minimize tourism demand impacts.²⁷ In many instances, tourists are even willing to pay a premium for cultural and environmental protection.²⁸

TOURISM OFFERS MULTIPLE PATHWAYS TO FINANCE CONSERVATION

FUNDING MECHANISM	DESCRIPTION	EXAMPLE
Site-Level Fees	Entry fees to protected areas, activity and recreation permits, and concession revenues from operators providing accommodation, food, guiding, and transport. Captures only tourists engaging in nature-based tourism.	The Government of Zambia generated \$5.3 million in revenue from tourism in protected areas via park visitor fees, concessions, and other fees across two national parks. The total tourism revenue generated at these two parks exceeded their management costs (\$4.2 million), creating net surplus to the Government of Zambia of \$1.1 million. ^a
Accommodation-Level Fees	Per-night levies charged through hotels, resorts, or guesthouses. Captures all overnight tourists. When “nature” taxes are visibly called out on hotel and resort billing and tourism receipts they can also raise awareness and build a constituency in support of nature.	The Maldives Green Tax is levied on every tourist day of stay, up to \$12 per guest as of 2025, at resorts, hotels, and guesthouses. In 2024, the tax generated \$70 million in new revenue with a cumulative fund balance of over \$100 million. ^b
Entry/Departure-Level Fees	Fees levied on airline tickets, either on arrival or on departure. Captures all international tourists.	Guatemala introduced a departure tax of \$30 in 1998. The tax has remained at \$30 since its initial introduction. In 2023, Guatemala’s departure tax generated \$55 million in total revenue. ^c

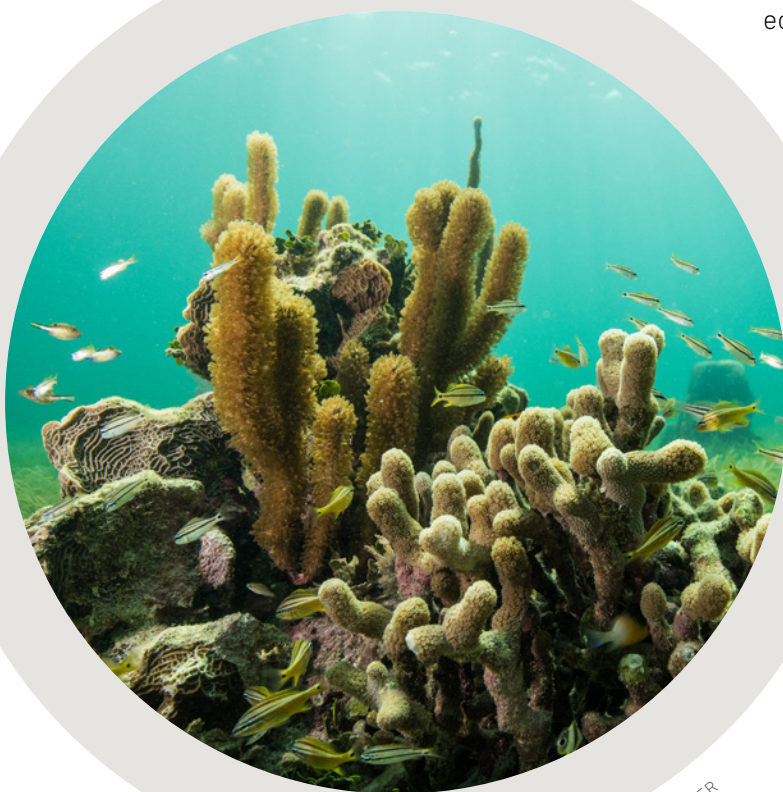
a World Bank, *Banking on Protected Areas: Promoting Sustainable Protected Area Tourism to Benefit Local Economies* (Washington, DC: World Bank, 2021), <https://openknowledge.worldbank.org/server/api/core/bitstreams/2f5a3c06-8ce4-5d7c-a803-3c925a38adcc/content>.
b PSM News, “Finance Ministry Reports USD 103.63 Million in Green Fund for 2024,” PSM News, February 21, 2025, <https://psmnews.mv/en/152941>.
c Oxford Economics, *Nature Based Tourism in Guatemala: Full Report* (Oxford: Oxford Economics, August 2025). Report prepared for The Nature Conservancy.

While the three fees noted above are avenues through which a government can collect tax revenue, the second step is ensuring that this revenue is channeled to conservation and protected area management. The first, and most straight-forward, approach is to establish these fee programs as dedicated green fees, where a significant portion of the revenue is dedicated to conservation. Many green fee programs exist and have raised hundreds of millions of dollars for conservation, such as in Palau and the British Virgin Islands.²⁹ A second approach is clear earmarking of general tourism fees and revenue for use in the conservation and management of protected areas. For example, in 2008, Costa Rica implemented a \$15 arrival fee for international travelers where one-third of the fee (\$5) is directed to the National System of Conservation Areas, which manages 28% of Costa Rica's Land.³⁰ Finally, government-raised tourism revenue can be redirected for investment through a conservation trust fund. Conservation trust funds are legally independent institutions that are managed by an independent board of directors that provide long-term sustainable funding to conservation and protected area

management, often in the form of grants.³¹ While tourism tax revenue is one means of funding conservation trust funds, they could also be funded through endowments, sinking or revolving funds. In practice, the effectiveness of these mechanisms depends not only on revenue generation but also on transparent governance, clear earmarking, and the inclusion of local and Indigenous communities in decision-making and benefit-sharing arrangements.

Across Latin America, governments are increasingly using tourism taxes, visitor fees, and regulatory frameworks to create dedicated funding streams that support both tourism infrastructure and the conservation of natural assets. The revenues from these fees are earmarked for airports, ports, roads, wastewater treatment, cultural and heritage sites, and the protection of natural assets that underpin tourism economies. For example, in Quintana Roo, Mexico, the VISITAX, introduced in 2021, channels resources to environmental protection and tourism infrastructure, including beach management and coral reef conservation along the Mesoamerican Reef.³² Mexico is also rolling out a federal cruise passenger fee to improve port and coastal infrastructure. Belize similarly deploys a multi-part departure tax that includes a designated conservation fee, which directly finances ecological conservation and tourism-related infrastructure.³³ These approaches build on approaches developed across Small Island Developing States to use tourism revenue to fund conservation.³⁴ Complementing these national efforts, regional institutions — including CAF–Development Bank of Latin America and UN Tourism — are supporting countries such as Peru, Ecuador, and Panama with investment frameworks and guidance to align tourism revenues with green, resilient, and regenerative tourism development pathways.³⁵

The Peru and Guatemala case studies illustrate how the relationship between tourism and conservation depends on the condition of natural assets, the design of policy frameworks, and the effectiveness of governance systems. In Peru, the case study draws on evidence from protected area entrance fees and concession revenues to examine how



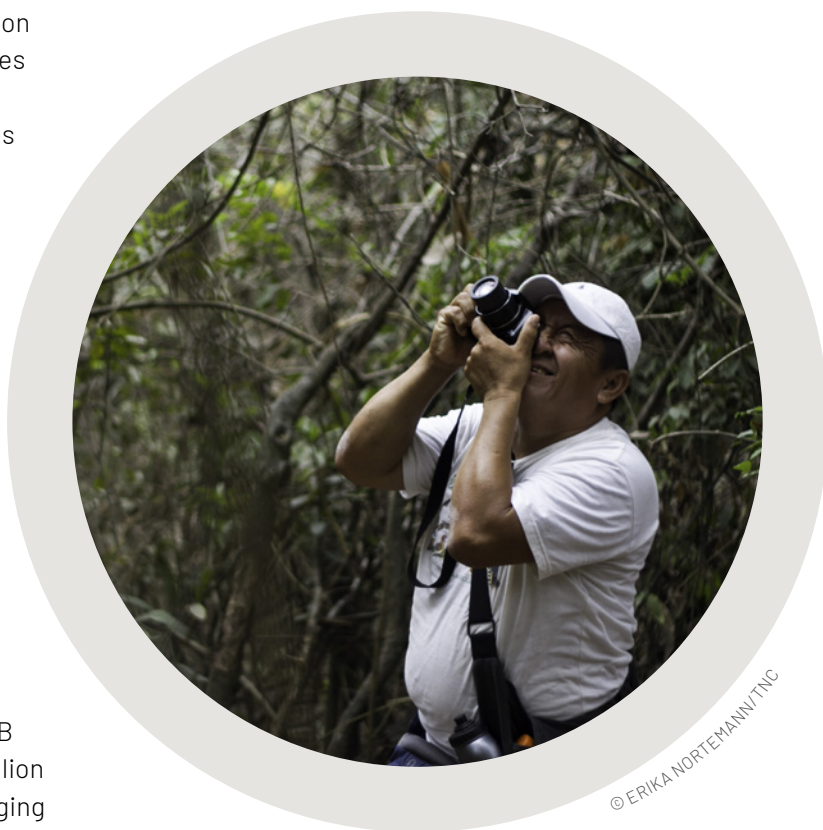
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reinvestment in park management, infrastructure, and ecosystem protection supports visitor demand and long term tourism productivity. In Guatemala, the analysis focuses on departure and visitor based fees, alongside modeling that illustrates how, absent increased investment in conservation, ongoing ecosystem degradation could slow tourism growth and lead to sustained losses in visitor spending over time, based on scenario-based assumptions about tourism demand.³⁶ Other examples from the region demonstrate how community-led tourism can align conservation with local development. For example, in Ecuador, the Sani Lodge in Yasuní National Park is owned and operated by the Sani Isla Kichwa community, with tourism revenues reinvested into healthcare, education, and protection of ancestral lands.³⁷ Together, these case studies demonstrate that investing in conservation can be a cost effective strategy for the tourism sector, one that strengthens the long-term productivity, resilience and growth of the sector alongside the health and prosperity of local and Indigenous communities.

While public revenue mechanisms represent one pathway for reinvesting tourism value into conservation, they are not the only one. In Chile, Explora, which focuses on structuring high-end nature-based tourism to finance long-term conservation, partnered with The Nature Conservancy to establish privately owned conservation reserves. These reserves, the first of which is in Torres del Paine, are legally protected in perpetuity through Chile's Derecho Real de Conservación. Explora acts as the sponsor, developer, and long-term steward of the reserve, while The Nature Conservancy serves as the independent conservation advisor and guarantor, responsible for science-based conservation planning, monitoring, and oversight.³⁸ The reserve model limits the built infrastructure to a small share of the land, integrates an Explora lodge to ensure high-quality visitor management, and is designed from the outset as a regenerative tourism system whose conservation impact extends beyond the reserve boundaries to influence management across the broader Torres del Paine Biosphere Reserve. Long-term management and capital costs are funded through the sale of a pre-established number of shares and residential lots. IDB Invest has supported this endeavor through a \$23 million corporate loan to Explora.³⁹ Similar models are emerging

elsewhere in the region, such as the Puchegüin (Heart of Cochamó) initiative in Chile, which raised over \$80 million in under two years to secure conservation land and develop a community-centered tourism model that generates long-term financing for conservation.⁴⁰ These models show how high-value tourism can attract private investment and contribute to long-term conservation financing in high-demand landscapes.

Regardless of the funding mechanism or funding channel, effective systems require clear governance for directing revenue toward conservation and protected area management. Tourism development must be actively planned, regulated, and managed to minimize environmental impacts, avoid overuse, and ensure that tourism growth does not undermine the natural assets on which it depends, all while optimizing the benefits to local and Indigenous communities. Ultimately, well managed tourism protects long term revenue streams by avoiding overuse, reducing degradation related risks, and ensuring sustained care of the cultural and natural assets underpinning destination attractiveness.



Case Study: Guatemala

CONTINUED DEFORESTATION THREATENS BOTH GUATEMALA'S NATURAL HERITAGE AND ITS TOURISM ECONOMY			
\$5.4 billion Annual amount tourism contribution to GDP (2023)	490,000 jobs Supported by tourism sector, representing 7% of all employment	70% of Maya Biosphere Reserve visitors who rate ecotourism as very or extremely important	1.2x GDP multiplier Every \$1 million in tourism spend generates \$1.2 million in total GDP

WHY NATURE IS AN UNTAPPED TOURISM ASSET	HOW LOSS OF NATURE UNDERMINES TOURISM	BENEFITS FOR COMMUNITIES & ECONOMY
Seven natural sites – including Lake Atitlán, Tikal National Park, and three volcanoes – account for over 50% of all visitor social media mentions.^a Guatemala has a competitive gap when it comes to nature-based tourism. - Only 16% of foreign arrivals cite nature as their primary motivation, versus 29% in Costa Rica – the regional benchmark for nature-led tourism success.^a - Guatemala's tourism sector contributes 5.2% of GDP, roughly half the Central American average of 10%.^b - Tikal National Park – Guatemala's flagship attraction – uniquely combines ancient Mayan heritage with intact tropical forest, drawing visitors who value both. But nature is under threat. Tree cover has declined from 70% of land mass in 2000 to just 47% in 2023. The department of Petén – home to the Maya Biosphere Reserve and Tikal National Park – lost 33% of its tree cover and accounts for 57% of national deforestation over the same period.^c	Continued loss of nature poses a material risk to Guatemala's tourism growth and competitiveness. Investment in conservation can serve as a long-term economic strategy for Guatemala's tourism sector, particularly when supported by effective governance and sustained financing. There is an economic cost of losing nature to Guatemala's tourism economy. - Approximately 35% of foreign tourists to Guatemala visit nature sites and rate sustainability as very important. - Scenario modeling suggests that continued ecosystem degradation could lead to a roughly 12% decline in tourism spending over 10 years (approximately \$690 million).^b - This loss equates to \$170 million reduction in GDP and 74,000 fewer tourism jobs by 2034. Conversely, the scenario modeling suggests that investing in the protection and promotion of natural assets could increase tourism spending by up to 31% above baseline by 2034, translating to an estimated additional \$2.1 billion in GDP and 196,000 new jobs.^b The link between conservation and tourism revenue is direct and measurable – investment in nature is not only an environmental priority but a potential economic strategy.	Tourism revenues can fund conservation through Guatemala's departure tax. Introduced in 1998 at \$30 and never updated. Tourism revenue can finance conservation to sustain nature-based tourism. - In 2023, Guatemala's departure tax generated \$55 million in revenue. - Small increases in the departure tax over the next ten years could generate millions in additional tax revenue. - Any reductions in GDP or jobs from a higher tax are less than the \$170 million and 74,000 jobs modeled to be at stake if ecosystem degradation continues. Earmarking even a portion of departure tax revenues – alongside entrance fees and broader tourism tax receipts – toward protected area management and ecosystem restoration would create the virtuous cycle that Guatemala's tourism sector needs: nature investment drives visitor demand, which generates the revenue to sustain it. The success of both the tourism sector and conservation efforts will depend on ensuring that tourism revenues are equitably shared with and managed by local and Indigenous communities, strengthening both conservation outcomes and long-term sector sustainability.

NOTE: The analysis cited here provides illustrative estimates of how ecosystem degradation could affect tourism performance in Guatemala, based on a scenario-based analytical approach developed by Oxford Economics. The modeling combines available tourism data, proxy indicators of visitor preferences (including social media analysis), and assumptions about how tourism demand responds to changes in ecosystem quality. Some underlying inputs, particularly destination-level preference proxies, draw on limited or non-peer-reviewed sources. Results should therefore be interpreted as indicative of potential magnitude and direction rather than as precise forecasts.

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Moving Forward: Sustaining Nature to Sustain Tourism

Tourism is a central driver of long-term economic growth across Latin America. In 2023, the sector generated over \$600 billion in GDP, accounting for roughly 10% of the region's economy, and supported millions of jobs across hospitality, transport, services, and supply chains.⁴¹ While most tourism spending in the region currently comes from domestic travelers, the expansion of international tourism represents a particularly important opportunity to diversify foreign exchange earnings and strengthen balance-of-payments resilience. Natural and cultural assets — unique ecoregions, biodiversity, freshwater systems, and iconic cultural landscapes — are among the region's most powerful drivers of international tourism demand, shaping destination competitiveness and tourism spending.

As such, the natural and cultural assets of the region are not peripheral amenities but rather core productive assets underpinning long-term sector performance. In countries such as Guatemala, where tourism already contributes roughly \$5.4 billion annually to GDP and supports nearly half a million jobs, the sector's economic significance makes the condition of natural assets a matter of national economic interest. The evidence presented in this brief shows that where ecosystems are degraded, tourism value can erode quickly, growth can slow, and revenues are lost.

At the same time, tourism revenue can help finance the conservation investments needed to sustain these assets. Public revenue mechanisms, such as site-level fees, accommodation fees, and departure or visitor-based charges, offer practical and scalable pathways to reinvest tourism value back into conservation, particularly when supported by clear governance frameworks and revenue

earmarking. The Peru case study illustrates how revenues generated through protected-area fees and concession arrangements can be directed toward park management, visitor infrastructure, and ecosystem stewardship, supporting both biodiversity outcomes and sustained tourism demand. Taken together, the relationship between tourism, nature, and conservation requires integrated planning and investment as part of a broader economic strategy. For countries across Latin America, developing a clear approach to align tourism development with sustained investment in natural and cultural assets is not a constraint on growth, but a prerequisite for ensuring that both tourism and nature remain durable sources of economic value over the long term. Ultimately, this dual approach requires not only mobilizing tourism revenues, but also ensuring that governance systems, regulatory frameworks, and benefit-sharing mechanisms align incentives across governments, the private sector, and local and Indigenous communities.



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SUGGESTED CITATION

The Nature Conservancy. *Nature as an Economic Engine: The Case for Increased Investment in Conservation to Drive Latin America's Tourism Sector*. Policy Brief no. 8. The Nature Conservancy, September 2026.

ACKNOWLEDGEMENTS

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