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Assessment of PA financing status: field notes from Cát Tiên National Park

REPORT TO UNIQUE FOR THE GIZ / MARD PROGRAMME ON CONSERVATION AND
SUSTAINABLE USE OF FOREST BIODIVERSITY & ECOSYSTEM SERVICES IN VIET NAM

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In cooperation with

UNIQUE forestry and land use

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I. INTRODUCTION

One of the activities in the 'Conservation and Sustainable Use of Forest Biodiversity & Ecosystem Services in Viet Nam' (GIZ-Bio Project Phase II) will produce sustainable financing strategies for Bidoup Núi Bà National Park (BNBNP) and Cát Tiên National Park (CTNP). These documents will lay out an approach to enhancing financial sustainability, and specify concrete mechanisms that can be used to generate new funding and overcome the financing constraints to effective PA management.

The sustainable financing strategies are being developed via a participatory assessment, strategic planning and documentation process, involving PA authorities and management boards, VNForest and DOPAM, Provincial and District authorities and other experts and key stakeholders. This involves three steps:

1. **Assessment of financing status & opportunities:** The financing assessments diagnose the PA's financial constraints, opportunities, needs and interests. These are what will be addressed by the sustainable financing strategy.
2. **Strategic planning for financial sustainability:** The strategic planning process identifies strategies and mechanisms for enhancing PA financial sustainability and mobilising funding.
3. **Documenting the sustainable financing strategy:** The documented reports will lay out an approach to enhancing financial sustainability, and specify concrete mechanisms that can be used to generate new funding and overcome the financing constraints to effective PA management.

This document reports on the findings of the first step: the financing assessment, carried out in October and November 2020 in BNBNP and CTNP. The assessment sought to describe the PA financing context and status, and to diagnose key financial constraints, opportunities, needs and interests. These are what will be addressed by the sustainable financing strategy.

II. METHODOLOGY

The financing assessment was initially conceived as an in-depth, flexible and iterative process. However, due to the restrictions on travel resulting from the global COVID-19 pandemic, this was not possible. It was therefore redesigned as a more structured exercise, based on checklists that can be filled in with PA staff and other key stakeholders.

A 'PA Financing Self-Assessment Tool' (PAFSAT) was developed, to be completed with key stakeholders in and around BNBNP and CTNP. It assesses the overall financial status of the PA in both qualitative and quantitative terms. As well as collecting budget data and other financial information, it assesses the perceptions of PA managers, finance and budget planners, and local communities about PA financing needs, challenges and opportunities (Table 1). The PAFSAT is administered via interviews with three sets of expert stakeholders: PA Management Boards, Finance Departments of VNForest (for centrally-managed PAs) or Provincial People's Committees (for Provincially-managed PAs), and Buffer Zone Commune Authorities. The aim is to get different perspectives on PA financing from the main agencies that are responsible for funding and managing conservation activities in and around the PA.

Table 1: Information collected via the PAFSAT tool

PA Management Boards	Finance Departments	Buffer Zone Commune Authorities
<ul style="list-style-type: none"> • Funding flows and composition • Funding adequacy and gaps • Past and projected future funding trends • Expenditure levels and composition • Past and projected future expenditure trends • Self-generated income levels and composition • Past and projected future income trends • Mechanisms for income management and retention • Financial constraints • Financial advantages, opportunities and areas of potential • Ideas for improving the financial situation of the PA • Strategic documents, plans, by-laws and regulations on PA financing 	<ul style="list-style-type: none"> • Total expenditures and proportion allocated to PAs • Past and projected future trends in spending overall, and on PAs • Process of PA budget planning, requests, approval and allocation • PA revenue retention needs and mechanisms • PA financial self-sufficiency • PA financing constraints • PA financing opportunities and potential 	<ul style="list-style-type: none"> • Expenditures and funding for biodiversity and nature conservation • Total expenditures and proportion allocated to biodiversity and nature conservation • Past and projected future trends in spending overall, and on biodiversity and nature conservation • Access and adequacy of funding for biodiversity and nature conservation • Budgetary priority given to biodiversity and nature conservation • Opportunities and potentials to source more funding for biodiversity and nature conservation • Community participation in PFES and other income/funding activities associated with the PA, biodiversity and nature conservation • Ways in which the PA benefits the local economy and community • Ways in which the PA causes costs and losses to the local economy and community • Opportunities and potentials to improve the positive financial and economic impact of the PA to the local economy and community

In CTNP, the PAFSAT was administered to the PA Management Board, and to authorities in Phuoc Cat 2, Ta Lai and Dac Lua Communes. The Finance Department of VN Forest was unable to meet with the study team.

The PAFSAT has wider applications than the current project alone. It offers a framework that can be replicated elsewhere and used to compare and aggregate site-level data between PAs, and/or applied to track and monitor change over time. It draws on other existing PA assessment, tracking and scorecard tools that are already in common usage in Viet Nam and worldwide, such as the PA Management Effectiveness Tracking Tool (METT) developed by WWF and the World Bank¹,

¹ See https://wwfeu.awsassets.panda.org/downloads/mett2_final_version_july_2007.pdf

the PA Financial Sustainability Scorecard developed by UNDP², and Protected Area Benefit Assessment Tool (PA-BAT) developed by WWF³. While including some overlapping information, it can also be applied as an add-on or plug-in, alongside these other tools.

III. BRIEF BACKGROUND TO CTNP

The core zone of Cát Tiên National Park, comprising South Cat Tien, West Cat Tien and Cat Loc occupies an area in excess of 710 km², and the buffer zone covers more than 2,400 km². The CTNP landscape overlaps 33 communes, located in eight districts of Bình Phước, Đắk Nông, Đồng Nai and Lâm Đồng Provinces. While the vast majority of the core zone is covered by forest, the buffer zone contains a variety of land uses: just under 40% of the landscape has been cleared and modified for agriculture, settlement and infrastructure. The core zone of CTNP is divided into functional zones, containing a variety of land uses and vegetation types. Key natural habitats include evergreen, semi-evergreen and mixed forest, bamboo, shrublands, grasslands and lakes/wetlands (UNESCO 2013). There is a high diversity of fauna and flora, including a number of endemics as well as globally and nationally endangered species. CTNP's notable biological diversity stems from its location in an area between the biogeographically distinct Da Lat Plateau and eastern parts of the Southern Delta (Dinh Thanh Sang *et al* 2012).

In 2014, it was recorded that around 3,100 households reside in the core zone of CTNP, and just under 84,500 households are located in the buffer zone (Emerton *et al.* 2014). The local population depends heavily on ecosystem services for their livelihoods. Although it is common for households to be engaged in trade, business and paid employment, farming forms the basis of the local economy. Forest products however also provide a vital supplementary source of income and subsistence. Socio-economic surveys carried out in and around CTNP suggest that more than 60% of households harvest forest products for home use and around a third generate earnings from selling wild products (Dinh Thanh Sang *et al* 2012).

A study carried out by MARD and GIZ in 2014 undertook a partial valuation of the services generated by natural ecosystems in the core and buffer zones of CTNP (see Emerton *et al.* 2014). It found that CTNP's ecosystem services generated economic goods and services worth VND 1,091 billion or US\$ 51.6 million in 2012. Almost two thirds of this value (USD 33.64 million) came from regulating services such as watershed protection and carbon sequestration. The pollination and seed dispersal services provided by wild insects, birds and mammals contributed an estimated USD 14.38 million to nearby agricultural production. Direct income generated from the utilisation of forest land and resources accounted for only around 6% of this value, including wood and non-wood products (USD 2.78 million) and nature-based tourism (USD 0.77 million). The cumulative losses and ecosystem values foregone if CTNP were not conserved was estimated to be more than US\$ 107 million over the next twenty-five years.

² See https://www.undp.org/content/undp/en/home/librarypage/environment-energy/ecosystems_and_biodiversity/financial-sustainability-scorecard-for-national-systems-of-pas--2010.html

³ See <https://wwf.panda.org/?174401/PABAT>

IV. SUMMARY OF PA FINANCING SELF-ASSESSMENT

Status/score	↓ (0)	→ (1)	↗ (2)	↑ (3)
Financing constraints and enabling conditions				
Adequacy of funding to meet needs	Inadequate even for basic management & conservation	Covers only minimum management & conservation activities	Covers an adequate level of management & conservation, but still leaves some gaps	Enough to cover all PA needs
Range (diversity) of funding sources	PA relies on only one source of funding	PA relies almost entirely on government & international funding	PA funding also combines self-generated revenues & private contributions	PA funding also integrates several non-traditional financing mechanisms
Budgetary and political priority given to PAs	PAs are far below other sectors	PAs are low priority	PAs are given some priority and attention	PAs are one of the highest priorities
Predictability and stability of funding	Budgets & funding fluctuate widely and unpredictably every year	Budgets & funding fluctuate every year, but are known in advance	Budgets & funding are relatively stable	Budgets & funding are very stable, and can be well-planned in advance
Cost-effectiveness of spending	There is a lot of unnecessary wastage in spending	Spending is not always cost-effective	Spending is usually cost-effective	Explicit efforts are made to ensure that spending is cost-effective
Timing of funding flows	There are major delays in receiving funding	There are minor delays in receiving PA funding	PA funding is usually, but not always, received on time	PA funding is always received on time, when it is needed
Targeting and alignment of PA budgets with conservation needs and priorities	Budgeting and conservation planning processes are completely separate	There are some efforts to reflect conservation priorities in budget planning	Budget planning considers conservation and PA management priorities	PA conservation and financial planning are completely integrated
Adequacy/coverage of budgeting categories and accuracy of cost norms	Core expenditure items are omitted, and all cost norms are too low	Non-core expenditure items are omitted, and most cost norms are too low	Most expenditure items are included, and cost norms are mainly realistic	All expenditure items are included, and all cost norms are realistic
Revenue retention	All revenues are required to be remitted centrally	PA allowed to retain less than half of revenues	PA allowed to retain more than half, but not all, revenues	PA allowed to retain all revenues
Capacity of PA staff in sustainable finance	No financial expertise or qualifications	Include qualified financial experts	Have been trained in sustainable financing planning & mechanisms	Are qualified and experienced in sustainable financing
Integration of biodiversity conservation in sectoral budgets	Line agencies & local authority budgets exclude biodiversity conservation	Conservation is a minor priority in line agencies & local authority budgets	Line agencies & local authority budgets include biodiversity conservation	Line agencies & local authority budgets make good provisions for conservation
Local stakeholders' access to conservation funding and incentives	No funding/financial incentives available	Only a very small amount of funding/financial incentives are in place	Several sources of funding/financial incentives, but more needs to be done	Sufficient funding/financial incentives in place
Trends over time				
Funding availability	Decreased/got worse	Stayed the same	Increased/improved a little	Increased/improved significantly
Diversity of funding sources	Decreased/got worse	Stayed the same	Increased/improved a little	Increased/improved significantly
Adequacy to meet needs	Decreased/got worse	Stayed the same	Increased/improved a little	Increased/improved significantly
Amount of spending	Decreased/got worse	Stayed the same	Increased/improved a little	Increased/improved significantly
Amount of income	Decreased/got worse	Stayed the same	Increased/improved a little	Increased/improved significantly

V. FUNDING STATUS & TRENDS

In 2019, CTNP received total funding of VND 69,647 million, of which VND 36,912 million or 53% came from the annual allocation from the public budget and the remaining VND 32,734 million was earned in revenues (Table 2). This translates into spending of VND 97.61 million per km².

Table 2: Income & expenditures 2014-19 (constant 2019 VND billion)

	2014	2015	2016	2017	2018	2019
Expenditure						
Capital	-	-	-	-	-	-
Recurrent	30.92	35.79	25.61	28.81	27.17	35.34
Of which:						
Staff costs	28.22	30.69	24.10	26.12	23.44	28.90
Office running & maintenance	2.70	5.11	1.51	2.69	3.73	6.44
Other	12.18	10.52	7.40	34.20	40.12	34.31
Total	43.10	46.31	33.02	63.01	67.29	69.65
Funding sources						
Capital budget	42.37	37.32	31.26	34.29	36.51	36.91
Recurrent budget	-	-	-	-	1.31	-
Total	42.37	37.32	31.26	34.29	37.82	36.91
Income						
Tourism	0.73	0.42	1.42	0.58	2.43	2.00
Other	-	8.57	0.34	28.15	27.03	30.73
Total	0.73	8.99	1.76	28.73	29.46	32.73

Apart from a pronounced dip in 2016, both expenditure and income have been rising steadily in real terms⁴ over the last six years (Figure 1, Figure 2). The increase has been particularly apparent since 2017, and is largely enabled by the sudden growth in 'other' sources of income. Over the last three years, income has come contribute almost half of CTNP's total funding (Figure 3). While staff costs continue to dominate spending, their contribution to total expenditures has decreased over recent years (40% or less) as compared to the period 2014-16 (60% or more) (Figure 4).

Figure 1: Expenditure

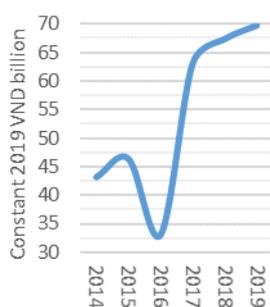


Figure 2: Income

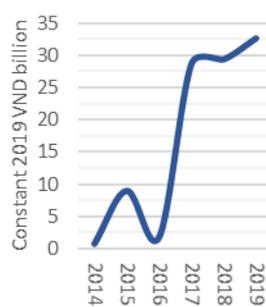


Figure 3: Income as % of expenditures

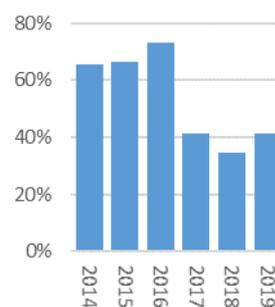
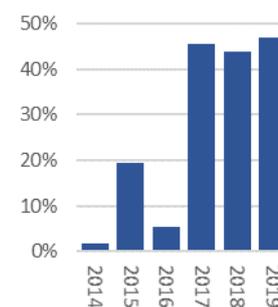


Figure 4: Staff costs as % of all expenditures



As well as the government budget, CTNP has benefited from a number of externally-funded projects over the last 12 years, including:

- 2009-2011 Pilot Project on Developing Ecotourism at Cát Tiên National Park, with funding of USD 324,085 provided by the Danish International Development Agency (DANIDA);
- 2010-18 support to the Bear Rescue Centre, with funding of USD 1,579,591 provided by Free The Bears;

⁴ In order to adjust for inflation and make the data comparable over time, all figures are expressed as constant 2019 VND. This has been done by applying a deflator based on the average consumer price index for each year.

- 2008-22 support to primate rescue provided by Monkey World (England);
- 2016-18 research on biological characteristics and fertility to raise and develop peacocks, with funding of VND758,170,000 provided by Dong Nai Department of Science and Technology and VND 384,020,000 provided by CTNP;
- 2019-21 project on improving the efficiency of payment for forest environment services and improving livelihoods of ethnic minorities in the buffer zone, contributing to forest protection and development and biodiversity conservation of Cát Tiên National Park, with funding of VND 1,160,100,000 provided from GEF, VND 1,397,050,000 provide by the District People's Committee, Communes People's Committee and local communities;
- 2021-25 project on conservation and development of biodiversity of Cát Tiên ecosystem, with funding of USD 1,132,000 provided by Asian Forest Cooperation Organization (AFoCO) and USD 100,000 provided from the Government of Viet Nam;
- 2020 project to improve community participation in conservation and sustainable use of the Ramsar - Bau Sau wetland ecosystem integrated with environmentally friendly agricultural practices in buffer zone communes, with funding of USD 10,000 provided by Ramsar Research Centre East Asia, USD 3,956 provided by CTNP, and USD 652 provided by Cat Tien, Dac Lua and Ta Lai Communes.

This funding is not sufficient to meet needs, and is adequate to cover only a minimum level of PA management and conservation activities. The greatest funding gaps are for research, species rescue and conservation, and ecotourism. Even though the Department of International Cooperation and Science manages to carry out some research and data collection, it does this with no funding. There is not enough budget to build key tourism infrastructure (such as roads, rooms and other facilities), or to train staff in tourism-related skills.

The range and diversity of funding is perceived to have remained stable, mainly because there are now few international projects. Although there has been little or no change in the range (diversity) of funding sources received over the last 5 years or in the adequacy of funding to meet management and conservation needs, there has been some improvement in the amount of funding received. PA managers also express a hope and expectation that all of these aspects will improve over the short-term, although are doubtful whether funding can ever be fully adequate under the current system of PA financing. It is likely that there will continue to only be enough funding to carry out basic forest protection and management activities, such as patrolling trails and guarding from forest ranger stations.

In 2019, CTNP expenditures totaled VND 69.65 billion. Over the last five years, PA managers perceive that expenditures have increased a little overall, especially for infrastructure, staff, protection/enforcement, tourism, fire prevention, forest management and rehabilitation, and for PFES. They have stayed the same for scientific studies, activities with buffer zone communities, and for awareness and education. Over the short-term, it is expected that most categories of expenditure will increase significantly.

In 2019, CTNP earned more than 32.73 billion in income, including VND 2 billion from tourism and more than VND 30 billion from other sources. Over the last five years, PA managers perceive that revenues have increased a little, especially tourism fees and charges (they cite a figure of 10-15% a year – mainly due to an increase in the number of tourists visiting CTNP). Income from PFES is also said to have increased, as power plant production (and hence payments) has risen. It is anticipated that income from tourism, PFES and – potentially – new sources will increase significantly into the future.

VI. CONSTRAINS & ENABLING CONDITIONS FOR SUSTAINABLE FINANCING

The most severe financial constraint in CTNP is the legal barriers that exist against attracting investors. At the moment only external donors and supporters can provide funds freely, but these funding flows are reducing. Another key constraint is that the park infrastructure is in a bad state of repair, including buildings, tourist rooms, restaurants and vehicles. There is also a need to construct new (tourist) infrastructure, such as a bridge connecting the visitor centre to the wharf. A third set of challenges relate to the weak human resource capacities in tourism. The PA staff lack the training and experience to run a visitor centre, operate a website, and carry out other key functions to promote and improve tourism in CTNP.

In addition, there is very little funding available for species rescue programmes and centres. Funding for biodiversity monitoring is also very small. This is partly because MONRE is the ministry that is responsible for biodiversity monitoring, but not for national parks. So national parks do not receive adequate budget lines for monitoring.

The diversity of funding sources is considered to be quite good, and does not pose a major constraint to PA management. The state budget covers the salaries of the management board, while tourism revenues provide for the salaries of tourism service staff. The budget is also stable, and so PA managers do not feel that they rely on a risky financial base. It is possible to plan for salaries and activities in advance, not just through the annual workplan but also through the 5-year plan.

Salaries and operating costs are calculated according to fixed formulae. They rely on cost norms which are applied depending on the number of staff in the park and the activities that are proposed in the annual workplan. These cost norms and budget planning expenditure categories are realistic and reflect the true costs of carrying out activities. They allow for the budget to be planned accurately, and to include all the items and funding that is needed to carry out the workplan.

Rather, the problem is that the budget is insufficient to meet needs. The state budget is not enough to cover all the conservation needed. It is also a challenge that salaries for rangers are low. Most local people are not attracted to these jobs because of the low salaries – they can earn better income in other jobs. So, most of the forest rangers are migrants from the north of the country.

PA have no expertise or training in sustainable finance planning and mechanisms.

Budget planning and funding allocations are not very closely-aligned with PA conservation needs and priorities. There are only minor efforts to reflect conservation priorities in budget planning. Biodiversity conservation is also not well-mainstreamed into the budgets of other line agencies and local authorities that operate close to the PA, or otherwise impact on it. The local authorities and line agencies do not have responsibility for biodiversity conservation, or for funding the national park. CTNP is managed by MARD, and therefore it is MARD that is responsible for providing the budget. Local authorities just contribute very small amounts for forest protection (VND 15-18 million a year). Because the MARD budget is for activities in the national park, and other line agencies and local authorities are not responsible for conservation, there are no sources of funding or incentives to support conservation among other stakeholders that use and impact on CTNP biodiversity.

Some of the revenues earned by CTNP can be retained, after deducting payable amounts (for example from tourism). However, that revenue is not enough to meet the shortfall or funding gap

between what is given by the state budget and what is needed to be spent on management activities.

VII. KEY FINANCING OPPORTUNITIES

Tourism is emphasized as the main opportunity to generate revenues, and to increase funding for conservation. It faces both constraints and opportunities. Although there is a basic tourist infrastructure (accommodation, restaurant, visitor center, trails, etc.), these facilities are old and degraded. The accommodation is not comparable with private facilities. At the moment there is not enough budget to improve the tourist facilities, or to maintain it properly. The revenue from tourism is just enough to do small repairs.

The PA management board would like to invite private sector investment into the tourism facilities in the national park, but cannot do so. It is not allowed to lease out state assets, and there are no instructions or regulations on how to develop public-private partnerships or to share revenues between the public sector and private sector. Even though CTNP is not permitted to lease land, there are a few coffee shops on the riverbank near the wharf, on national park land.

The greatest financial advantages, opportunities or areas of potential for the PA include that CTNP is close to Ho Chi Minh city, so many visitors come to stay, especially on weekends and holidays. It has an attractive landscape, with a rich biodiversity which is unique in Vietnam. Although it is currently in a state of some disrepair, CTNP contains a fairly good basic visitor infrastructure and facilities.

In addition to tourism, carbon funding associated with the World Bank was identified as a potential source of new finance for CTNP.

VIII. FINANCING FOR BIODIVERSITY & NATURE CONSERVATION IN THE BUFFER ZONE

None of the communes interviewed have undertaken or participated in any biodiversity or nature conservation projects – either those carried out CTNP, or those funded by government, NGOs, international organisations, private sector, etc. The communes also do not receive any funding or in-kind support from the PA.

Each of the communes allocates a small budget for the forest protection activities carried out by the Commune Forestry Board. For example, in 2019 VND 18 million was provided in Phuoc Cat 2 and Ta Lai communes (0.21% and 0.13%, respectively, of the total annual commune budget for that year) and VND 15 million in Dac Lua (0.12%). This is spent on activities such as propaganda, forest patrol, protection, advising the Commune People's Committee on forest inventory implementation, fire prevention, prevent violation on forestry, etc. It is a very small amount of funding, and not enough to support all of the Forestry Board's activities and financial requirements.

Except for this spending on Forestry Boards, there is no dedicated commune budget for biodiversity and nature conservation activities. One of the communes, Dac Lua, stated that it would like to receive funding for conservation activities, including petrol for motorbike patrols, and activities to raise awareness among the communities that live near to the forest.

The reason that communes receive and spend no funding/budget on conservation and nature protection is that it is not the mandate of the commune people's committee to undertake these activities. It is not their duty.

There are, generally, few interactions between the communes and CTNP, and also perceived to be few direct economic benefits for local communities and economies from the PA. There are several reasons for this (in addition to the fact that communes are not seen as being responsible for biodiversity and nature conservation). One is that the buffer zone covers a large area, and that the majority of residents are engaged in agriculture, business and other activities. Many communes stretch a long distance away from the PA – for example, Phuoc Cat 2 is quite far from CTNP, so the contribution of tourism to the local economy is negligible. In Ta Lai there is however an ecotourism group, with 12 members. It runs Ka Hoai traditional house, and offers meals, souvenirs, bicycle rental and guides. Around 250 households in Phuoc Cat 2 participate in PFES activities (out of a total of 646 households in the commune), 5 households in Ta Lai (of 2005 households), and 48 households in Dac Lua (of 1630 households).

For the most part, CTNP is also not perceived to impose any direct costs, losses or economic disadvantages to the local community. There is however a recognition that the land and resource use restrictions associated with gazetting the area as a national park gives rise to some level of opportunity costs. The commune authorities in Phuoc Cat 2 and Ta Lai stated that most local people don't collect forest products or carry out other activities in CTNP because if they break the law they will be fined and/or go to jail. In Dac Lua commune, it was stated that, since the park was closed, people have not been able to not enter the forest to collect timber, firewood, and non-timber forest products such as medicine, bamboo shoots, honey, etc. This meant that the income of local people decreased and was badly affected.

There is also the expectation that if tourism in CTNP increases or develops, there could be opportunities for greater local participation and income-generation. This would include both direct jobs and business opportunities (restaurants, accommodation, guiding, sales of souvenirs, etc.) and indirect or secondary/support industries (transport, selling agricultural products and other services, etc). For example, Dac Lua commune sees the potential to develop local nature tourism, as it contains a beautiful stream and river system. It would like to build homestays, sightseeing tours and other activities, and to encourage the participation of local people. However, the main constrain is the lack of funding and investment capital – especially for large and costly aspects such as the construction of tourism infrastructure. The commune cannot mobilise this funding, and will need help from CTNP.

IX. CONCLUSIONS FOR THE DEVELOPMENT OF THE SUSTAINABLE FINANCING STRATEGY

The CTNP sustainable financing strategy will include eight main sections (Figure 5). This generic format will be further refined during the next stage in the development of the sustainable financing strategy: strategic planning for financial sustainability. During the strategic planning process, the findings of the assessments will be discussed and validating, and concrete mechanisms for enhancing PA financial sustainability and mobilising funding will be identified. The exact content and format of the strategy document will also be agreed and finalised. The content will be tailored towards the key issues that have arisen in the course of the financing assessments, as summarised below.

Figure 5: Annotated outline of CTNP sustainable financing strategy

Chapter	Content
1 Management context and situation	Summary of biodiversity and ecosystem services, conservation values and challenges, management approach and priorities (drawn from the SFMP)

Chapter	Content
2	Financial status, constraints and opportunities Review of current and past funding portfolio and spending, analysis of key non-monetary financial constraints, assessment of potential and untapped financing and funding opportunities
3	Management costs and financing requirements Statement of the projected costs, budgetary and financial needs for the planning period (drawn from the SFMP), as well as already secured funds
4	Funding gaps and unmet financial needs Identification of requirements for enhanced financial conditions, including new and additional funding, to deliver key aspects of the SFMP
5	Strategy for enhancing financial sustainability Summary of the priority funding and financial needs to be addressed, and the responses and solutions that are being proposed to meet them
6	Financing mechanisms, funding sources and enabling conditions Description of financing mechanisms, revenue and income streams to be developed, and of their sources, donors or investors. Identification of broader conditions that are required or in place to enable the identified financing mechanisms and funding sources
7	Plan for financing and resource mobilisation Framework of actions, milestones and timeline for the development and delivery of the identified financing mechanisms, funding sources and associated enabling conditions
8	Business case for PA sustainable management Brief economic and investment rationale and justification for supporting PA sustainable management (to be used to support the 'marketing' of the SFMP and financing strategy)

- It is clear that, in CTNP, lack of funding remains a major constraint to effective PA management. There is an urgent need to identify mechanisms that can generate additional funding for priority conservation activities, as well as diversify the PA's overall financial portfolio.
- CTNP already has the capacity to retain and reinvest its self-generated revenues (for example, the use of tourism revenues to pay staff salaries). It will be important to ensure that new income and funding can similarly be held and utilised by the PA Management Board, and reinvested directly in on-the-ground activities and infrastructure. Species rescue, research and monitoring, and tourism have been identified as priority areas that face particular funding gaps.
- There is also a perceived need to build PA staff capacity in financial planning and mechanisms, as well as in key skills that are required to develop and apply business approaches and manage commercial activities (such as tourism).
- Broader financial planning, administration and management conditions are generally perceived to work well, and not to pose constraints to effective PA management. There is however a need to streamline the budgeting process to better integrate and harmonise with conservation priorities. In addition, it is also important to ensure that budgeting and spending supports financial sustainability concerns. One key area is to ensure that there is sufficient (re)investment in the basic infrastructure and facilities that provide the means of generating revenues in the first place. This is particularly important in the case of tourism – to directly channel any new income and funding into maintaining and improving visitor facilities, upholding

the quality and credibility and soundness of the nature-based tourism offering and experience, and training and retaining qualified staff.

- While PA funding is relatively stable, and incorporates a variety of sources (state budget, retained revenues, donor projects and external support), it is important to maintain this diverse portfolio. New additional funding mechanisms should draw on a variety of sources and income streams.
- There has recently been something of a downturn in donor funding. It will be important to get external projects back on board, and also investigate non-traditional sources of international and domestic funding. Examples include forest carbon finance, biodiversity offsets and various forms of payments for ecosystem services.
- Market-based instruments and private sector investments, too, are seen as having great potential as sources of funding for CTNP, particularly in relation to tourism. The current lack of experience and precedent in developing public-private partnerships to invest in and operate PA infrastructure and facilities would need to be overcome, perhaps by using CTNP as a model for piloting these kinds of arrangements, approaches and guidelines.
- In addition to mobilising new funding for CTNP, and for reinvesting in its tourist infrastructure, staffing capacities and overall offering, novel funding arrangements (such as joint ventures and public-private partnerships) offer opportunities to better mainstream PA investments into sectoral spending, as well as to better involve and benefit local communities.

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