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SITE PROFILE

Bidoup Nui Ba National Park

Management, governance and finance





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Part I: Management and governance

History and development

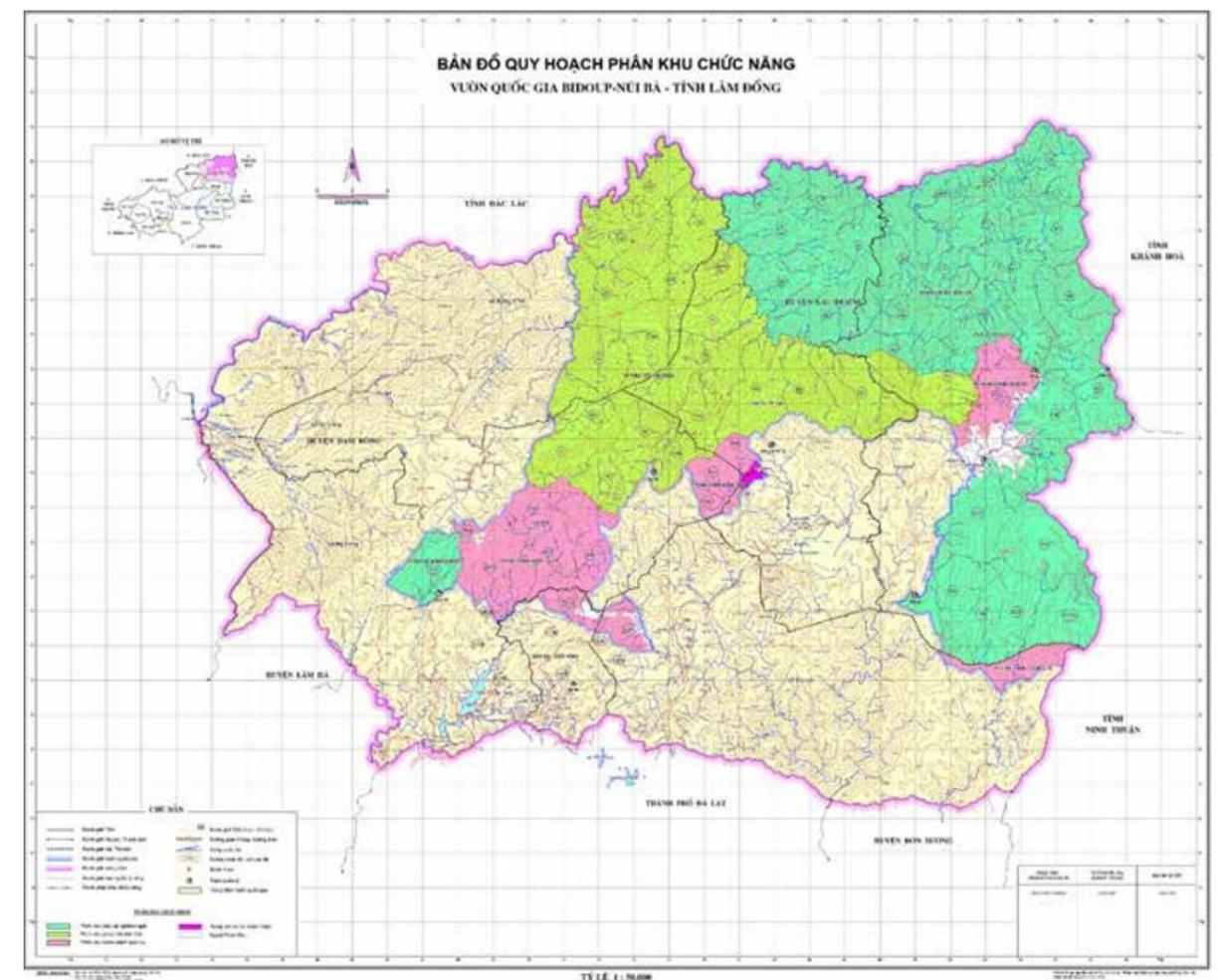
Bidoup Nui Ba (BDNB) National Park is located in Lam Dong province, in the Central Highland region of Vietnam. It receives its name from the two highest peaks on the Lang Biang Plateau - Bidoup (2.287 m) und Nui Ba (2.176 m). The park is approximately 50 km north of Da Lat city and 340 km away from Ho Chi Minh city. It covers an area of 69,660 ha within three districts: Lac Duong, Dam Rong, and Da Lat city.

The park is an important biodiversity hub, listed as global key biodiversity area and protects a part of the Da Lat plateau endemic bird area¹. The Da Lat plateau is home to 14 conifer species (six threatened, two endemic), many of which can be found in the park².

BDNB was established as conservation area in 1986 by combining Nui Ba and Da Nhim Thuong conservation areas. In 2004, Bidoup Nui Ba was restructured to Bidoup Nui Ba National Park.

According to the Decision No. 784/QĐ-UBND dated March 31, 2011 of Lam Dong PPC, 65,143 ha are formally recognized as National Park. By 2019, the area forming part of the NP had risen to 69,663 ha.

Figure 1: Management categories in Bidoup Ba Nui NP



The NP forms the core zone of Lang Biang Biosphere Reserve, established in 2015. It was included in the ASEAN heritage parks program³ in 2018. The NP is managed by the Lam Dong Provincial People's Committee (PPC). It's three management zones hold the following areas:

Frequently used acronyms

CPC	Commune People's Committee
DARD	Department of Agriculture and Rural Development
DONRE	Department for Natural Resources and the Environment
FPD	Sub-Department of Forest Protection
NP	National Park
NTFP	Non-Timber Forest Products
MARD	Ministry of Agriculture and Rural Development
MONRE	Ministry of Natural Resources and the Environment
MOST	Ministry of Science and TECHNOLOGY
PFES	Payments for Forest Ecosystem Services
PPC	Provincial People's Committee
VNFOREST	Vietnam Administration of Forestry

¹ <http://www.keybiodiversityareas.org/site/factsheet/22600> & <http://datazone.birdlife.org/eba/factsheet/141>

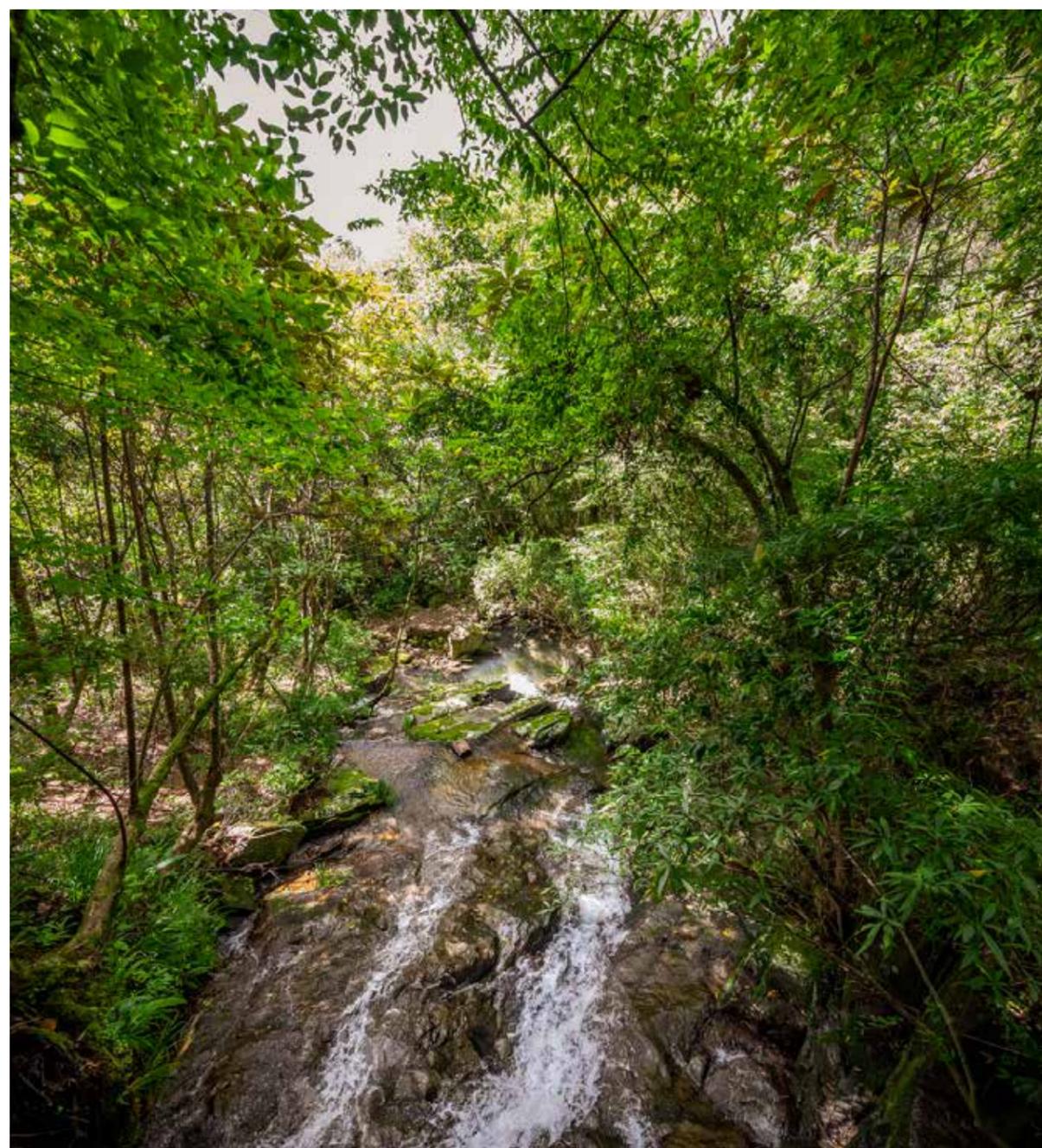
² Threatened Conifers Project (200a6): Conservation of the threatened conifers in Dalat plateau, Vietnam. Nguyen, TH; et al. (2004). Vietnam Conifers, Conservation status review.

³ <https://vietnam.vnnet.vn/english/asean-heritage-parks/436482.html>

Table 1: Management zones in Bidoup Nui Ba NP in 2011

Zone	Area (ha)	Percentage
Strictly protected zone	33,582	52%
Regeneration zone	22,854	35%
Administrative and service zone	8,707	13%
Total	65,143	

Source: Decision No. 784/QĐ-UBND, March 31, 2011, Lam Dong PPC



People and land use

The buffer zone of BDNB NP includes five communes. Two of these communes also share a certain population in the Core Zone:

Table 2: Population in the BDNB NP in 2015

District	Commune	# of households	
		Core zone	Buffer zone
Lac Duong	Da Sar	23	321
	Da Chais	58	294
	Lat		997
	Dung K'No		241
Dam Rong	Da Tong		1,434
Total		81	3287

Source: BDNB National Park

Seven different ethnic groups live in BDNB and the biosphere reserve. They can be divided into three main groups, which have different histories and land use strategies.

- The K'Ho (including K'Ho Cil and K'Ho Lach) are the largest local ethnic group (>80%) living in the region for several centuries.
- Ethnic groups who immigrated more recently are Chu Ru, Thai, Ede, Nung, and Tay.
- Kinh, although not the original residents, have lived in the area for a long time. The first two groups constitute about 90% of the population. They rely on agricultural activities and forest resources for their livelihoods, while Kinh are mainly traders/salesmen and teachers.

The livelihoods of the communities in BDNB and LBBR are largely based on agricultural activities including the cultivation of rice, maize, coffee, and persimmon in permanent and shifting cultivation. Key cash crops are rice and coffee. However, the financial income from these crops is low, owing to poor cultivation techniques and use of poor-quality inputs resulting in low productivity. Land holdings are mostly very small, with an average of 0.3 ha productive land per household.

Most households raise livestock (including cattle, buffalo, pigs and chickens) for family consumption and local exchange in free-range management. Kinh households may own larger numbers of livestock for sale. Kinh people and other immigrants also carry out business activities and own most of the shops in the region. Other off-farm occupations include weaving and administrative jobs.

The average income of ethnic minorities is low, with many households exposed to food shortages for 1-3 months each year. Many households depend on remittances from family members who have moved to towns. With agricultural activities not providing enough income and food, especially for more recent settlers, hunting and collection of non-timber forest products (NTFPs, e.g. bamboo, rattan, fuel wood, resins, medicinal plants) for subsistence and sale remains important.

People living in the core zone are not allowed to own land, restricting access to formal credit and discouraging long-term investments in land and housing. The uncertain land tenure in these communities leads to unsustainable land management practices.

Heavy reliance on agriculture and collection of forest products, in combination with the increasing population and infrastructure, drive forest degradation and deforestation, habitat destruction and fragmentation. Encroachment of agricultural land into the protected area is one of the major issues in the park. Other destructive activities include free range grazing of livestock, uncontrolled use of non-timber forest products (NTFP), hunting and fishing. The practice of rearing domestic livestock in the park increases the risk of disease transfer to wildlife populations, leads to inter-breeding with native species, and increases competition for food. The excessive use of fertilizers and pesticides in and around the protected area causes pollution of water resources.

Conservation and land use

Over 90% of the NP is covered by natural forest ecosystems; it is home to four typical types of natural forest ecosystems:⁴

- (1) Mountain subtropical humid evergreen forest
- (2) Subtropical humid mixed broadleaf and coniferous forest
- (3) Subtropical semi-dry coniferous forest
- (4) Mixed broadleaf and bamboo forest

These ecosystems host to a wide range of fauna and flora. Key animal species are Pygmy Slow Loris (*Nycticebus pygmaeus*), Black-shanked Douc (*Pygathrix nigripes*), Yellow-cheeked Crested Gibbon (*Hylobates gabriellae*), Sun Bear (*Ursus malayanus*), Moon Bear (*Ursus thibetanus*), Golden Cat (*Catopuma temminckii*), Asian Elephant (*Elephas maximus*), Dhole (*Cuon alpinus*), Gaur (*Bos gaurus*), Wild Water Buffalo (*Bubalus arnee*), Goral (*Naemorhedus sumatraensis*), and Tiger (*Panthera tigris*). 62 plant and 56 animal species native to the park are listed in the Vietnam Red Book and in the IUCN Red List. 91 species are endemic to the Da Lat plateau.

Table 3: Biodiversity in Bidoup Nui Ba National Park

#	Class	Order	Family	Species
Fauna	Mamal	12	28	111
	Bird	16	53	301
	Reptiles	2	n/a	91
	Amphibians	2	n/a	78
	Fish	n/a	6	22
	Insects	n/a	n/a	295
Flora		n/a	180	1,946

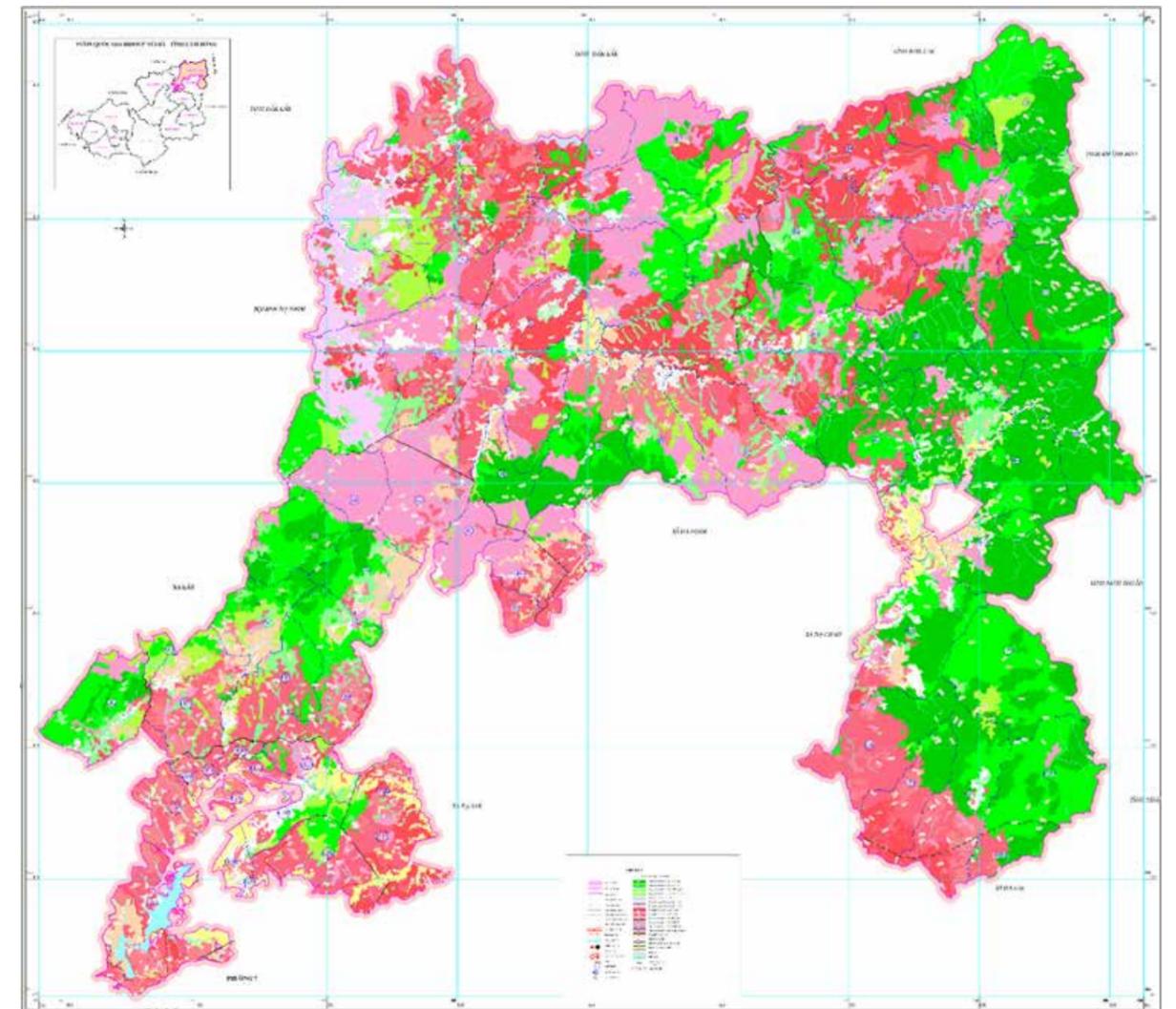
Source: Bidoup Nui Ba, 2020

The protection of the integrity of the forest ecosystems, and conservation of the rare plant and animal genetic resources is the key objective of the NP. In this context the below forest status map of BDNB shows large share of degraded/interfered natural forest area which requires active restoration.



⁴ <http://bidoupnui.ba.gov.vn/introduction-bidoup-nui-ba-national-park/an-overview-of-bidoup-nui-ba-national-park/>

Figure 2: Status of forests in Bioup Ba Nui NP



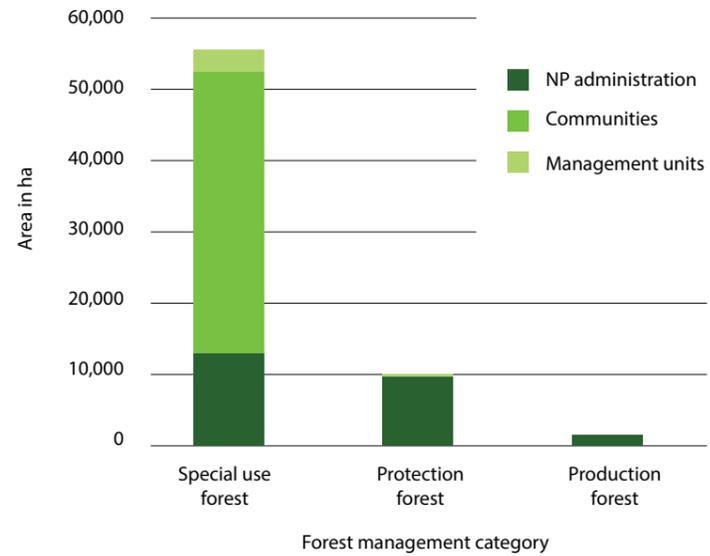
The active engagement of communities in forest protection is key for the protection of the natural resources of BDNB NP. To that end the PM's Decision No. 24/2012/QĐ-TTg on supporting socio-economic development of buffer zones is applied for 45 villages adjacent to the PA with an amount of VND 40 million per village annually. Villages who receive this support commit to protect the forest.

Payment for forest environment services (PFES) contracts covered 66,579 ha in 2020. 1,533 households are responsible for 76% of the area included in the PFES scheme. The NP administration holds a contract over 19% of the area, and six forest management units manage the remainder.

The income from contract-based forest protection is an important source of income for households. Participating households receive between 300,000 and 350,000 VND/ha/year (about USD 15) depending on their location⁵.

⁵ Values for the year 2012

Figure 3: Entities involved in forest protection and management



The park has signed 15 Memoranda of Understanding with concerned organizations and agencies to strengthen cooperation in conservation and forest management. Partners in the MOUs include the police and army forces in the buffer-zone districts, and local government at district and commune levels⁶.

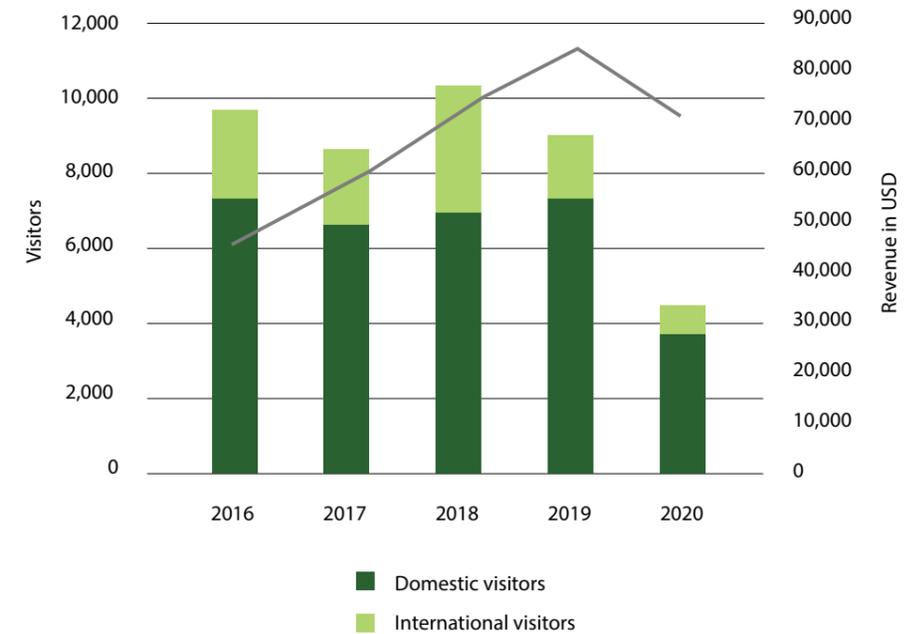


Tourism

The national park is an attractive destination for tourists. About 75% of tourists are Vietnamese.

Tourist numbers are relatively stable, with about 9,000 tourists visiting the park each year on average. Revenues have increased steadily since 2016, peaking at 1.8 million VND/80,000 USD in 2019. About 11% of the park revenues are shared with the local communities. The pandemic led to a strong decrease of visitors (-50%) and revenues in 2020 (-15%).

Figure 4: Development of tourism in BDNB NP and park revenues



Source: Bidoup Nui Ba NP, 2021

The Ecotourism development program implemented by the park administration organizes tourism activities such as camping, trekking, accommodation, dining, and gongs performance. To develop tourism further, the program opens up and upgrades existing routes with guides and explanations on the environment, establishes administrative and service areas, and helps to improve the marketing strategy (e.g. website, leaflets/flyers, newspapers, radio advertisements). The park cooperates with companies (such as Troiad, Phattire, Long Phu, Asia Motions) schools in the Da Lat and Ho Chi Minh city).

⁶ The MoUs are signed by park management entities at different levels: by the Director of BDNB (3), BDNB's Forest Protection Department (1) and Forest Protection Stations (11).

Management and stakeholders

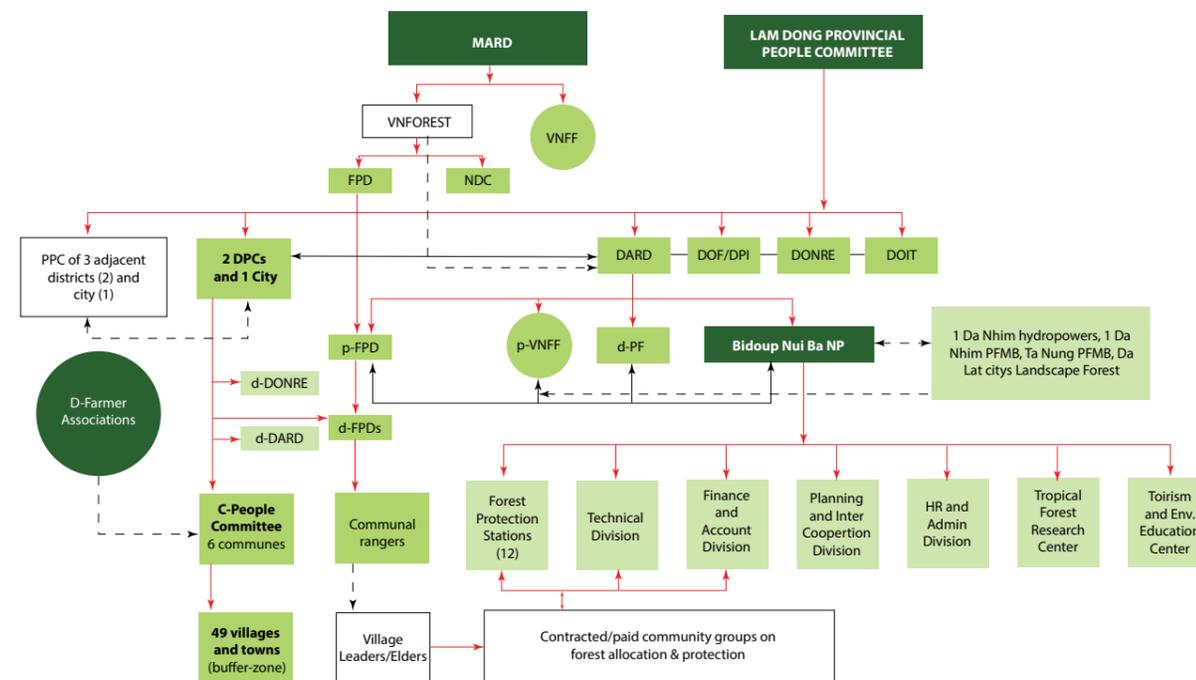
The Management Board of BDNB is assigned by the Prime Minister to be responsible for sustainable forest protection and biodiversity conservation of BDNB NP. The NP is under direct management of Lam Dong Provincial People's Committee. The NP has 114 staffs, of which 69 are forest rangers working at 10 Forest Protection Stations located in hotspots and one mobile stations at the NP headquarter. The forest rangers work closely with commune CPCs and local communities. These rangers can either be positive or negative factors (in case of corruption) to forest protection.

The BDNB is part of the management board of the Lang Biang Biosphere Reserve, reflecting the importance of the park at landscape level.

The diagram below maps out all key stakeholders currently involving in BDNB management and conservation as well as institutional relations between them and BDNB Management Board, which are divided into three types of working relations: (i) direct management/administration; top-down authorized within the forestry sector (ii) state management by locality (i.e people's committees) and non-forestry sectors; and (iii) collaboration at horizontal or vertical lines. The distribution of stakeholders and their relations with BDNB clearly figures out three groups that make up different forms of governance as follows:

- Ministerial stakeholders, including MARD, MPI/MoF, MONRE, MoCST that directly or indirectly influence BDNB management based on respective policies and laws regulating components or operation of BDNB (i.e forests, biodiversity, wetlands, cultural heritage, tourism). This arrangement reflects the form of governance by the government;
- Sub-national stakeholders, including provincial authorities, their sectoral administrations (DARDs, DONREs, DoCSTs, P-VNFFs, Lang Biang Biosphere Reserve), local authorities of districts and communes, and local communities in the buffer zone of BDNB. Their relations with the park stipulate a mixed form of governance as decentralization (i.e state management) and community engagement
- Non-state partners, including research institutes, NGOs, businesses/services and media which provide support or cooperation or even risks (i.e sand collectors)

Figure 5: Stakeholder mapping for Bidoup Nui Ba National Park



Source: Bidoup Nui Ba NP, 2021

National Stakeholders

The management and operation of BDNB is regulated by various laws, notably Forestry Law (with MARD as the focal point), Biodiversity Law, Environment Protection Law and Land Law (MONRE), Tourism Law (MoCST). When it comes to investment to the PA development, Public Investment Law (MPI), State Budget Law (MoF), and recently Planning Law (MPI) are key legal references. In addition, with regard to scientific researches for conservation purpose, financial support from MoST is theoretically an important source.

BDNB works closely with a number of Departments and Agencies under MARD. VNForest is the main agency who approves all forest management, protection and development plans of the PA before being implemented. Other key agencies include Forest Protection Agency – FPD (for forest protection), CITES (for species conservation), Department of Planning and Finance of VNForest (for planning and budgeting). Regarding MONRE, BDNB works with the Nature and Biodiversity Conservation Agency (NBCA) on biodiversity and species conservation.

Sub-national Stakeholders

At provincial level: The BDNB is under direct management of Lam Dong Provincial People's Committee (PPC). The NP also works closely with other provincial agencies such as DARD, DONRE, Department of Ethnic Minorities, Department of Culture, Sport and Tourism (DoCST), Provincial Forest Development Fund. In addition, BDNB also cooperates with other neighboring provinces: Dak Lak, Khanh Hoa, and Ninh Thuan in the protection of NP's border areas.

At district level, BDNB has direct relationship with 2 districts and Da Lat city in its core, buffer and transitional zones (Table 2). Key stakeholders at the district level include:

- District authorities and government agencies: District People's Committee, District Division of Agriculture, Nature Resources and Environment (including land management)
- District-level socio-political organizations: Farmers Association, Women's Union, Youth Union, Committee for Ethnic Minorities

At site-level, key stakeholders are from buffer-zone communes and villages, plus some minor groups, such as (I) NGOs, tourism companies etc. There are 5 communes located within BDNB NP. Key stakeholders include:

- Commune People's Committees (CPC) are important stakeholders, as all national and local policies on forest protection and land management are implemented through the CPCs. The CPC gives direction and is managing a number of commune's tasks. Biodiversity conservation is a vaguely defined task at the commune level and is normally grouped under the umbrella of "forest protection".
- The Forestry committee is a sub-unit under the CPC and is normally chaired by the chairperson or vice chairperson of the CPC. Members of the committee include relevant authorities (communal focal points for Agriculture/Forestry), FPD and mass organizations. The committee discusses and agrees upon coordination mechanism and joint forest protection plans.
- The Agriculture and Forestry Focal Point is not a fixed position in the government system, i.e. communes can choose to have this position in their organization or not. In communes around BDNB, Agriculture and Forestry Focal Points are paid by District FPDs but are based at the Commune's Office and support both CPCs and FPDs in forest protection.
- The Land Management Focal Point is a fixed position at all communes. This focal point supports the commune government in land-use management and is involved in handling land-use conflicts between the PA and surrounding communities.
- The district Forest Protection Departments (FPD) have their forest protection stations in selected communes. The stations exercise state management in forest protection mainly for forest outside BDNB, mostly protection forest. The PFES budget for protecting protection forest is channeled through these stations.
- BDNB's FPD has its stations in critical points in and around the PA. Each station cooperates with communes in forest protection and exercising management function. Main tasks are forest protection, fire prevention and information dissemination. They are also responsible for organizing (in cooperation with CPCs) and supporting community forest protection groups under PFES scheme.

Community stakeholders:

There are 45 village communities in the buffer zones and directly adjoining the park (9 communes in 3 districts). The most important person is normally the **Village Chief**, who is an old person with ethnic origin. The second position may belong to the **Village Head**, which is a termed position elected by the community members themselves. Other influencing positions in a village include:

- Respectable persons (a title used in government's official documents), normally elderly people with remarkable contribution to the village and commune.
- Religious leader, who is normally a Catholic Priest. (Most of the ethnic minority communities are Catholic followers). The Catholic Priest has significant influence in the community. Nevertheless, he is not involved in almost all activities organized or mobilized by the local government. With regard to forest protection, he can either be extremely positive or extremely negative factor.
- Representatives of the Party and socio-political organizations such as Farmers Association, Veterans Association, Women's Union, Youth Union.

Most of the 45 villages/communities participate in the PFES scheme (see Table 3); other communities receive funding from the Management Boards of protection forests around BDNB and other management units. Each village establishes its **Contract-based Community Forest Protection Group (CFPG)**, whose members are normally ethnic minority people and selected by the community members and ratified by the CPC. The CFPG works under the guidance of FPD from BDNB or respective district FPD to conduct patrols and protect forest resources.

Small and medium enterprises benefiting from the protected area and surrounding forests include tourism companies and homestay businesses.

Non-state Partners or (I)NGOs:

Currently, there is one research institute (i.e. Vietnam-Russia Center for Tropical Research) and several international NGOs (SNV, WWF, GIZ) working with the NP and with offices in the park. The BDNB NP management also cooperates with development partners on infrastructure development and eco-tourism programs, e.g. JICA. The park collaborates with many research and conservation projects including the protection of rare species, forest landscape restoration, and tourism development.

Conservation challenges and way forward

The park management faces a range of barriers and challenges in implementing biodiversity conservation and sustainable use of its natural resources:

Capacity and infrastructure:

Strengthening Park infrastructure and human/financial⁷ capacities would allow for better access to its remote areas. The access and use of park resources by the neighboring communities cannot be controlled sufficiently, and fire prevention and fighting activities are difficult to implement. Furthermore, ensuring the reception of committed financial resources by province authorities and mobilizing non-budgetary funding would allow for improved infrastructure development, forest protection and payment of adequate staff salaries, strengthening their commitment to the park.

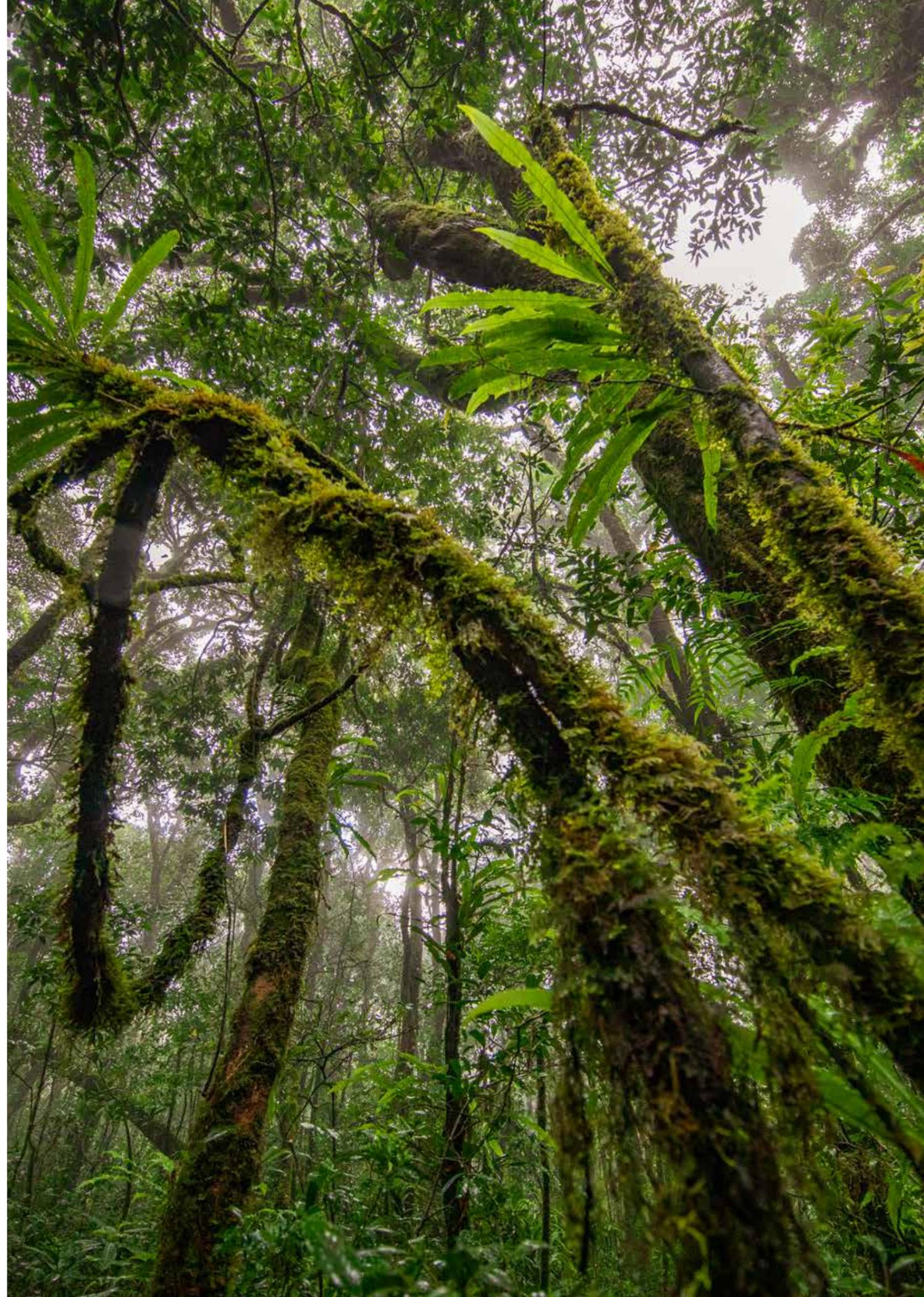
Coordination:

The inclusion of the neighboring provinces of Khanh Hoa and Ninh Thuan, which share boundaries with BDNB, in its management board would improve the coordination of forest protection along the boundaries.

Population pressure:

The continued population growth increases the pressure on the available natural resources. Development of livelihood options for forest dependent and resettled households would reduce pressure on natural resources where communities tend to continue cultivation.

⁷ According to the provisions of Decree 117/2010/ND-CP dated December 24, 2010 of the Government on organization and management of the special-use forest system, there is a shortage of 58 forest rangers.



Part II: Finance

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.

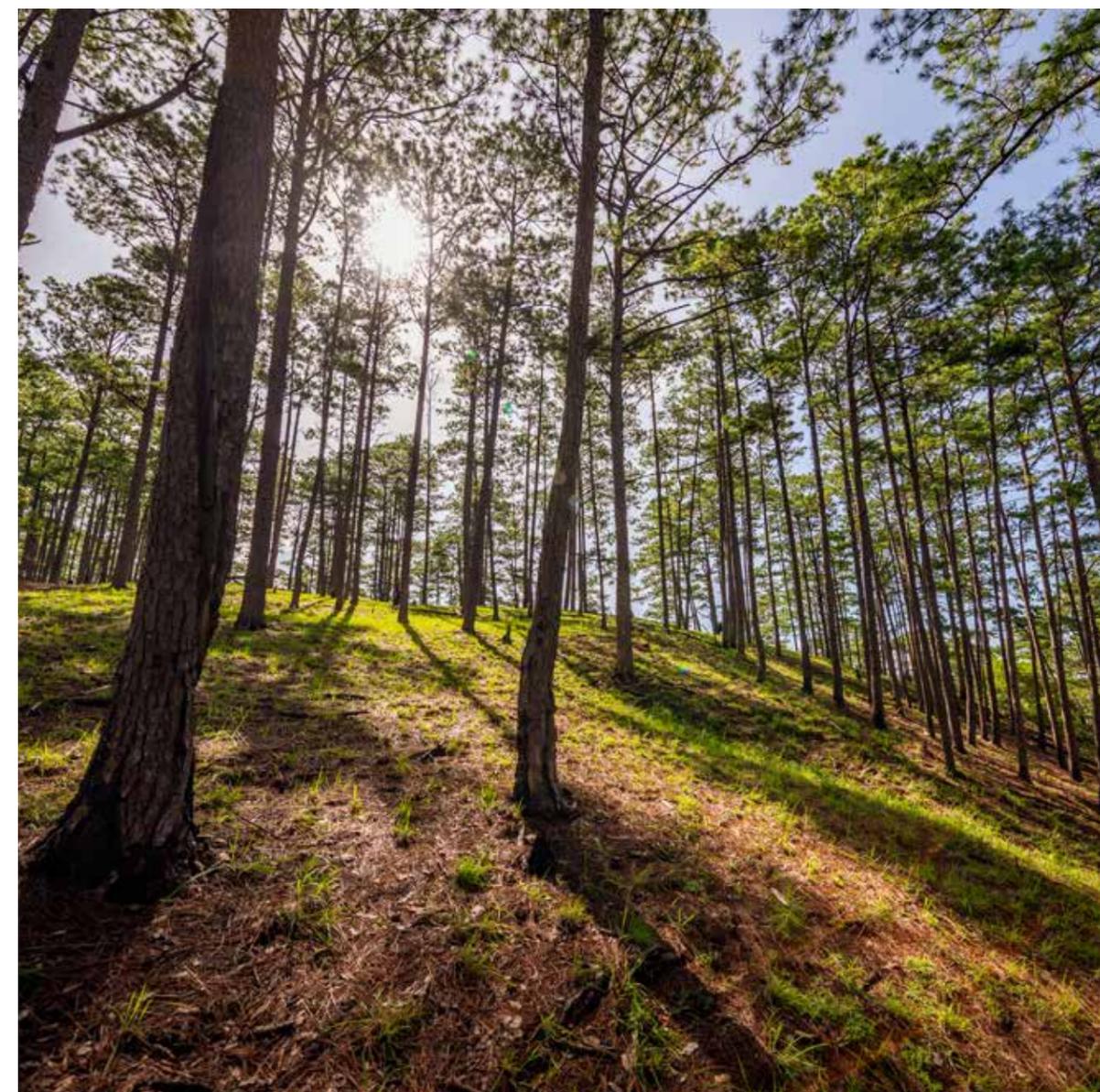
A 'PA Financing Self-Assessment Tool' (PAFSAT) was developed, to be completed with key stakeholders in and around BNNBP and CTNP. It assesses the overall financial status of the PA in both qualitative and quantitative terms. As well as collecting budget data and other financial information, it assesses the perceptions of PA managers, finance and budget planners, and local communities about PA financing needs, challenges and opportunities (Table 4). 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 4: 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 BDNBNP, the PAFSAT was administered to the PA Management Board, and to authorities in Da Nhim Commune. The Finance Department of Lam Dong Province 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 Bank⁸, the PA Financial Sustainability Scorecard developed by UNDP⁹, and Protected Area Benefit Assessment Tool (PA-BAT) developed by WWF¹⁰. While including some overlapping information, it can also be applied as an add-on or plug-in, alongside these other tools.



⁸ See https://wwf-eu.awsassets.panda.org/downloads/mett2_final_version_july_2007.pdf

⁹ 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

¹⁰ See <https://wwf.panda.org/?174401/PABAT>

Summary of 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

Funding status and trends

In 2020, BDNBNP received total funding of VND 49,562 million, of which 22% or VND 11.14 billion came from retained income, 16% or VND 7.90 billion came from other national budget sources, 60% or VND 29.72 billion or came from PFES funding, and the remaining 2% or VND 0.80 billion was given as research funding (Table 5). There were no externally-funded projects in 2020. This translates into spending of VND 71.14 million per km².

Table 5: Income & expenditures 2014-20 (constant 2020 VND billion)

	2014	2015	2016	2017	2018	2019	2020
Penalties and fines (paid to treasury)	0.03	0.04	0.04	0.03	0.04	0.15	0.05
Income							
Entrance fees	0.11	0.15	0.16	-	0.10	-	-
Tourism service fees	0.53	1.93	1.00	1.57	1.65	1.95	1.50
PFES*	-	0.71	1.38	1.56	4.87	9.97	10.31
Sales of salvaged forest products	1.18	2.42	-	-	-	-	-
Total income	1.82	5.21	2.53	3.13	6.63	11.92	11.81
Taxes & other payments to state budget	(0.19)	(1.04)	(0.19)	(0.24)	-	(0.69)	(0.67)
Total retained income	1.63	4.17	2.34	2.90	6.63	11.23	11.14
Expenditures							
Salaries & staff costs	13.49	15.28	12.57	10.76	10.15	11.60	11.58
Other regular expenditures	2.66	2.98	2.36	3.90	2.83	1.76	1.68
Activities, training, travel, etc.	6.44	4.48	3.93	5.42	5.86	5.51	5.69
infrastructure, equipment & capital	17.72	22.05	17.38	2.83	-	-	-
Investment in forestry operations	0.30	0.65	0.36	0.08	0.16	0.11	0.09
Total from national budget	40.62	45.45	36.60	22.99	19.00	18.98	19.04
Forest protection contracts	20.89	24.43	26.08	25.95	31.80	26.69	29.25
Funding for PA management	2.09	2.44	2.61	2.60	3.18	2.88	-
Self-protection	-	-	-	-	-	5.45	-
Replacement planting	0.28	4.22	5.55	2.34	2.18	1.73	0.47
Total PFES	23.26	31.08	34.24	30.89	37.17	36.74	29.72
Scientific research	-	-	-	-	-	0.93	0.80
Total scientific research	-	-	-	-	-	0.93	0.80
Externally-funded projects	3.12	1.61	-	-	0.05	-	-
Total externally-funded projects	3.12	1.61	-	-	0.05	-	-
Total all expenditures	67.00	78.14	70.84	53.87	56.22	56.65	49.56

*PFES income has two elements (both accruing to the National Park office): 'income and revenue from PFES (2019-20) and 'self-protection' (2015-20). The latter refers to PFES for the areas of forest that the National Park manages.

Expenditures have fallen in real terms¹¹ over the last 7 years (Figure 6), mainly due to a decrease in spending from the national budget and a decline in externally-funded projects. In 2020, total expenditures were less than two thirds of what they had been in 2014. Apart from a pronounced dip in 2016, income has however been rising steadily over the last seven years (Figure 8). Total income has more than quadrupled over the last four years, and almost doubled over the last three years. The increase has been particularly apparent since 2017, and is largely enabled by the sudden growth in income from PFES payments for areas of forest that the National Park takes care of (referred to as 'self protection' income). Over time, retained income has come to account for a progressively greater share of expenditure – from less than 5% between 2014 and 2017 to more than 20% in 2020 (Figure 10).

The composition of income and expenditure has also changed over time. Salaries and staff costs have come to account for a progressively greater share of expenditures – from around 30% between 2014-16 to 60% today, while spending on infrastructure, equipment and capital has fallen substantially over recent years (Figure 7). Self-protection and PFES revenues have grown as a share of income, while tourism income has declined in importance, even though rising in absolute terms (Figure 9). Retained income and PFES have come to account for a progressively greater share of funding over time, while the contribution of other national budget sources and externally-funded projects has decreased sharply (Figure 11).

Figure 6: Expenditure



Figure 7: Composition of expenditures

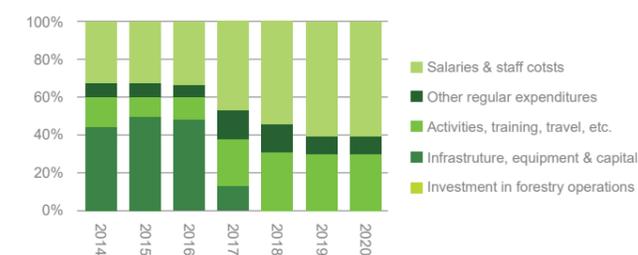


Figure 8: Income

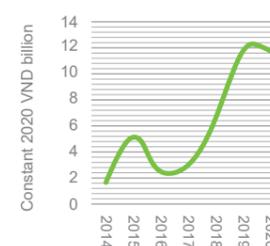


Figure 9: Composition of income

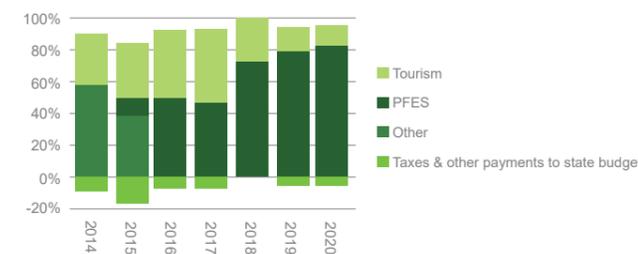


Figure 10: Retained income as % of expenditure

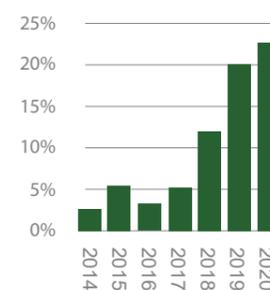
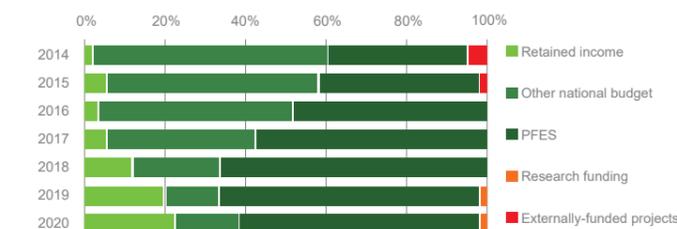


Figure 11: Contribution of different funding sources to total budget



¹¹ 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.

The government budget to BDNBNP comes from a variety of sources. These include retained income (from entry fees, other tourism service charges and sales of salvaged forest products), as well as annual allocations from the national budget, PFES funding (both administration fees and payments for forest protection), and scientific research funding from the Department of Science and Technology.

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

- 2017-20 Sustainable Natural Resources management at Bi Doup Nui Ba National Park project, with funding of USD 12,116,137 provided by the Japan International Cooperation Agency (JICA);
- 2018-19 Research on *Glyptostrobus pensilis* (yew tree), with funding of GBP 4,000 provided by , Botanic Gardens Conservation International (BGCI); and
- 2019-20 Project on applying science and technology to building models of planting and multiplying MagicS trees in Langbiang World Biosphere, with funding of VND 900 million provided from the Department of Science and Technology.

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 gap is for buildings and infrastructure related to forest management and protection activities, such as fire barriers, water tanks, water pumps and patrol ways. There is also a major funding gap for tourism infrastructure, such as hiking trails and other facilities. A third funding gap is for scientific research related to biodiversity and conservation.

Both the amount of funding received and its adequacy to meet management needs are perceived to have improved a little over the last 5 years. The range and diversity of funding has however stayed the same. It has however been difficult to attract external funding. Especially, it is not possible to mobilise private investment because of legal barriers. Over the short-term, it is however expected that the amount, diversity and adequacy of funding will increase significantly.

In 2020, BDNBNP expenditures totaled VND 49.56 billion, of which salaries and staff costs accounted for 61% and conservation management activities contributed 30%. It is notable that there was no spending at all on tourism and visitor facilities. This remains a major gap. While BDNBNP has modern, new, and well-located accommodation facilities, these are not being adequately maintained. There is little or no investment in these facilities. There is a botanic garden, but this is also not very attractive, either for visitors or for researchers. There are few special species, and little information or interpretive materials. In addition, because staff are not well trained, the quality of tourism service is not high. Currently, almost all visitors hire outside tour guides, and most tourist enterprise rely on staff from outside the area.

Overall, expenditures have increased a little over recent years (with the exception of spending on scientific studies, buffer zone communities, awareness and education, which have stayed the same). Over the short-term, it is expected that all categories of expenditure will increase, some significantly.

In 2020, BDNBNP earned VND 11.81 billion in income, of which VND 11.14 billion or 94% was retained by the PA (the rest was transferred as taxes and other payments to the state budget). PFES (including self-protection) income contributed the majority at 87%, followed by tourism revenues (13%). Total annual income has increased a little over recent years, due to increases in PFES and tourism income. Both the range and the amount of income are expected to increase significantly in the future.

Constrains and enabling conditons for sustainable financing

There is a low diversity of funding sources to the PA, which relies almost entirely on government budgets and international funding. It is difficult to obtain funding for high priority conservation activities. For example, forest protection and other key activities such as biodiversity monitoring and construction of new patrol ways are often not approved when the budget proposal is submitted to the Province. The number of externally-funded projects has been decreasing over recent years. There has also been a problem that PFES funding has been declining over recent years.

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 and the 5-year plan for BDNBNP. 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.

Budgets and funding sources are predictable and stable, and can therefore be planned in advance. As well as the annual budget and workplan, there is a 5-year plan. What is proposed and accepted in the 5-year plan can be relied upon. Funding is available when it is needed, and always received on time.

PA spending is also usually cost-effective. This is because it is necessary for expenditures to match with the budget estimate (and amount of funds received), because it is not permitted to run over budget or to operate at a deficit.

There is not good coordination and alignment of budgets and funding with PA conservation needs and priorities. This is particularly the case for the activity budgets received. For example, there is a high need for forest fire prevention, but the allocated budget is not enough. Funds are often not enough to clean the forest, make new fire barriers, or set fire prevention lines before the dry season.

The PA is allowed to retain some of the revenues earned (more than half). Proceeds from sales of confiscated products are remitted to the Province treasury. Tourism income is mostly retained. After paying 5% of entrance fees and 10% of PFES as tax, BDNBNP can keep the remaining revenues and use them to cover operating expenses. However, the amount of retained revenues is not enough to fully cover management costs.

Line agencies and local authorities around the PA do not allocate any funding to biodiversity conservation. Biodiversity conservation is not considered a priority in Provincial budgets, although there are several livelihood development programmes at the provincial and district levels to improve the living standards of local communities to reduce dependency on the forest. Although MONRE is responsible for biodiversity outside the PA, there is no funding for conservation activities. There is also no conservation funding or incentives for other stakeholders that use or impact on biodiversity in the PA and the buffer zone. At present, the NP does not have a mechanism to cooperate with outside agencies to promote the efficiency and sustainability of ecotourism, or to manage other impacts.

Weak human resources capacity remains a constraint. Salaries are low, and it is hard to attract and retain key staff. Many staff leave the national park, because of the poor salary. The responsibility of the forest rangers is increasing, but allowances and low wages are not enough to cover their livelihood. In 2019 2020 over 15 staff quit the job. Staff are also not trained in tourism skills, meaning that the tourism product is poor. PA staff do not have any expertise in sustainable financing.

The greatest financial constraints to effective PA management are the legal barriers to private investment. Only donor projects and other contributions can be made to BDNBNP funding. Private investment in state assets is not permitted. So, even though there is a good basic tourist infrastructure and facilities, it is difficult to fund the funds that are required to maintain, improve and upgrade it. Due to limited state budget, funding applications have not been approved.

Key financing opportunities

PFES continue to be seen as a good opportunity for generating income, and for increasing revenues. However, PA managers highlighted the difficulties in calculating payment levels. They also noted that, for fees and charges associated with extractive uses, it can be difficult to control the use of forest resources and enforce the law.

The PA has the advantage that it is located fairly close (about 40km) to Da Lat, so attracts many tourists at all times of the year. Tourism is emphasised as a key opportunity to generate revenues, and to increase funding for conservation. It faces both constraints and opportunities. Although there is a basic tourist infrastructure and facilities, these are in need of better maintenance and upgrading. There is also a need for small roads around first for fire prevention, trekking and tourism activities. There is insufficient funding to do this, either from retained revenues or from budget allocations.

As the law does not permit private investment in PA tourist facilities and services, there is no way of generating this funding. The PA management board would like to invite private sector investment into the tourism facilities in the national park, but cannot do so under current conditions. It would like to see a change in regulations so as to attract the private sector. Although the lease of forest land and facilities for ecotourism, resort, and entertainment services is specified in Article 14 of Decree 156/2018 / ND-CP guiding the Law on Forestry, it is very difficult to implement this in practice because of the lack of detailed instructions and knowhow.

Financing for biodiversity conservation in the buffer zone

There are two externally-funded conservation project operating in Da Nhim Commune. One operates in 2020 across the whole of Lac Duong District, funded by SNV, and seeks to develop livelihoods for ethnic communities. There was also a REDD+ project which aims to raise local capacity in forest management and protection as well as supporting a small-scale credit scheme. This ran from 2015-18, with total funding of VND 7 billion.

The communes allocate a small budget for the forest protection activities carried out by the Commune Forestry Board – in 2019 the spending was VND 15 million (0.24% of the total annual commune budget for that year). 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. Aside from this, there is no dedicated commune budget for biodiversity and nature conservation activities. The commune also does not receive any funding or in-kind support from the PA.

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 the duty of BDNBNP.

Even if the commune were to receive funding for biodiversity and nature conservation, they can only implement activities as directed, or participate in training. Because they have no dedicated staff or capacity in biodiversity conservation.

There are, generally, few interactions between the communes and BDNBNP. There are perceived to be few direct economic benefits for local communities and economies from the PA. Before the National Park was established, the area was managed by other agencies, so the change in management status/agency did not affect local people. Around 540 households currently participate in PFES activities (out of a total of 915 households in the commune). In previous years the number was higher – between 600 and 650 between 2015-18.

There is a recognition that the presence of the national park gives rise to some level of opportunity costs. The commune authorities stated that at present crop production is low, and so there is encroachment into the PA for farming.

There is also the expectation that if tourism in BDNBNP increases or develops, there could be opportunities for greater local participation and income-generation.

Conclusions for the development of the sustainable financing strategy

The BDNBNP sustainable financing strategy will include eight main sections (Figure 7). 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 7: Annotated outline of BDNBNP 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)
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)

- In BDNBNP, lack of funding is identified to be a major constraint to effective PA management. Spending has been falling, and in 2020 was at its lowest level since 2014. 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.
- This is despite a steady increase in income over recent years. Total income has more than quadrupled over the last four years, and almost doubled over the last three years. While, over time, retained income has been accounting for a progressively greater share of expenditure (from less than 5% between 2014 and 2017 to more than 20% in 2020), it still contributes only a minor share of funding.

- BDNBNP already has the capacity to retain and reinvest its self-generated revenues. Between 5% and 20% of earnings each year are remitted as tax or other payments to the state budget (including penalties and fines paid to the treasury). 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. Basic forest management and protection infrastructure, tourism services and visitor facilities, and scientific research have been identified as priority areas that face particular funding gaps.
- 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.
- Private sector investment in tourism facilities and services is seen as having great potential in BDNBNP. There is however a lack of clarity about the legal arrangements under which this could take place, as there is a lack of enabling regulations and clear instructions. 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 BDNBNP as a model for piloting these kinds of arrangements, approaches and guidelines.
- In addition to mobilising new funding for BDNB, and for reinvesting in its tourist facilities, management and protection infrastructure and research activities, 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. Lack of integration of biodiversity conservation into the budgets of local authorities and line agencies that depend and/or impact on the PA has been identified as a key financial constraint

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