

Sustainable Financing - MPAs

Case Study from Nha Trang Bay- Marine Protected Area, Vietnam



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Introducing presentation



- Case study of one sustainable financing system for Protected Areas in Vietnam
- Establishment and demonstration of measures to support local communities
- Opportunities for implementation of “PES” type mechanism in marine and coastal areas

Protected area financing

- Increasing interest in “user-pays” financing for protected areas
- Often based on analysis tools, e.g. willingness to pay
- Provides core and / or additional funding for protected area management

Nha Trang Bay MPA

- **Nha Trang City**
- **Khanh Hoa Province**
- **Southern Central Vietnam**





Nha Trang Bay MPA



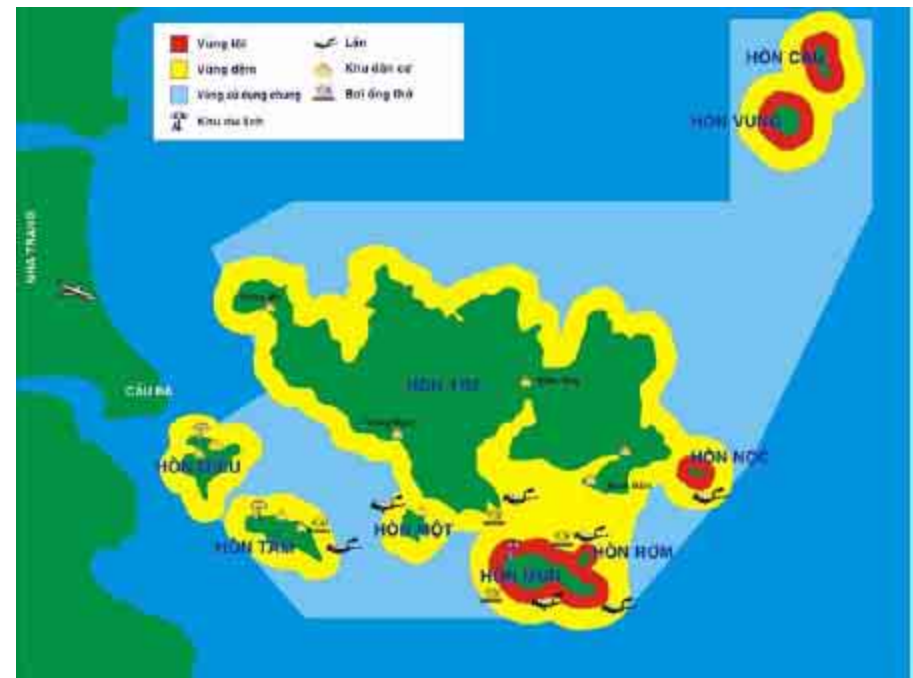
- Aim: Protect and manage marine biodiversity
- Provide incentives and benefits to local communities to demonstrate co-management regimes
- Established in 2001
- First comprehensive MPA in Viet Nam
- Highest hard coral biodiversity in Viet Nam

- Establishment supported through GEF – implemented by MoFi / IUCN Viet Nam Country Program (2001-2005)

Nha Trang Bay Marine Protected Area



- Approximately 16,000 hectares
- Comprises 9 islands – 6 villages
- Population: approx. 5,300 people; about 80% inhabitants living based on fishing activities;
- About 700,000 + tourists annually



Community involvement

Community involvement essential as actual loss of access to harvest resources. Thus, arrangements included:

- Joint management arrangements through MPA committees
- Provision of Credits
- Establishment and operation of VILLAGE DEVELOPMENT FUNDS - Why ?





Sustainable financing



- The initial concept was to establish a sustainable financing mechanism through user fees
- A percentage (10-15%) of the income generated was proposed to be returned to local communities.
- This paper will consider the progress towards reaching this target

Model village development?

- Provide some benefits back to whole community for MPA establishment
- Establishment of a “model process” for the dispersal of funds
- Model was two allocations of:
 - US\$2,000 for each of six villages = \$12,000 / allocation

What were funds used for?



- Tri Nguyen village
 - Restoration of market
 - Waste management system
- Vung Me
 - Road and walking path for school children
- Dam Bay
 - Temple restoration
 - Development of village learning centre

Sustainable financing



- The initial concept was to establish a sustainable financing mechanism through:
 - User fees for entry into the Protected Area
 - Visitor service charge for specific activities
 - MPA Conservation Fund
 - Other supports and
 - Corporate sponsorship
- A percentage (10-15%) of the income generated was proposed to be returned to local communities.

Process for establishing user fees



- Consultation with private tourism operators
- Willingness to pay
 - Nationals Tourists – US \$0.30
 - International Tourists – US \$1-00
- Review of legislative procedures for charging user fees

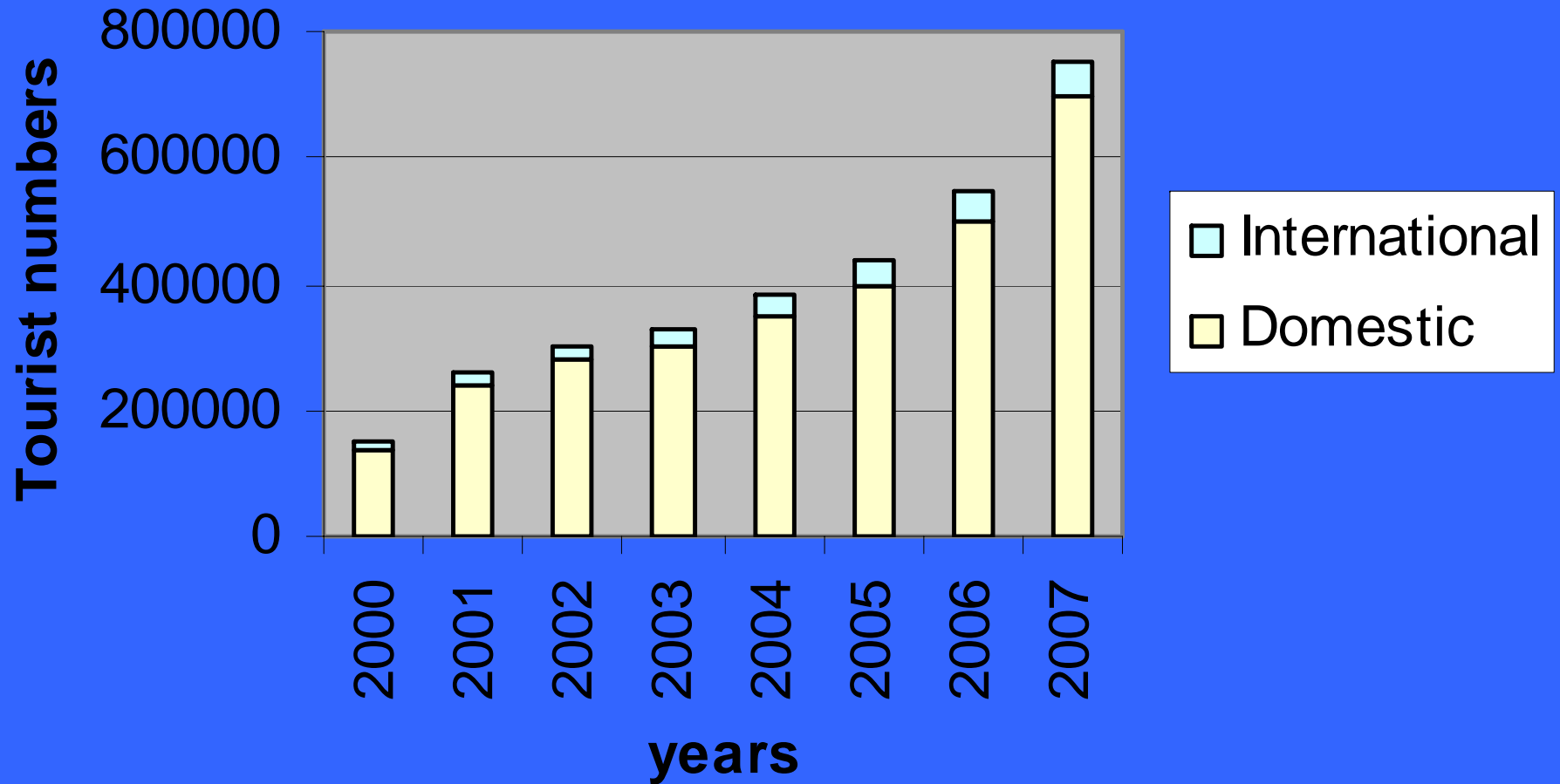
Sustainable financing



Two fees established

- **Nha Trang Bay Sightseeing fee (note!)**
 - Dong 5,000 / person (US\$ 0.30)/ pax
 - All tourists on boat to Nha Trang Bay
- **Hon Mun Service Charge**
 - Divers - Dong 30,000 /pax (US\$ 2.00)/person
 - Snorkelers - Dong 10,000 / pax (US\$ 0.60)/ pax
 - All tourists visiting the “core zone”

Number of tourists



Income - Sightseeing fee Nha Trang Bay



	Tourists	Revenue
2006	500,000	2.5 Billion VND \$150,000
2007	700,000	3.1 Billion VND \$200,000

So... where is the money ?



Current Allocation



- All funds are remitted to provincial finance
- 2006: \$150,000 collected
- 2007: \$200,000 collected
- 2008: Through recently Decision from People Council :
 - 55% of total fees will be used by the Nha Trang Bay MPA Authority
 - 45 % will be remitted to Provincial Treasury and this money will be used for conservation activities of Nha Trang Bay and 10% providing back to local communities within the MPA

Allocation to local communities



- Important step for future management
- Unclear responsibilities for working with local communities, who is responsible ?
 - Province, district, commune
- Need to avoid duplication of existing budget
 - Additionally of revenue to be assured
- Clear mechanisms to provide community wide benefit of resource allocation (not household level)

National MPA system in Vietnam

- 15 MPAs
are
proposed

BẢN ĐỒ MẠNG LƯỚI CÁC KHU BẢO TỒN BIỂN (ĐỀ XUẤT) Ở VIỆT NAM



High income – issues in benefit sharing



- The level of income generation is high
 - but only contributes to one site of the national system (15 sites in national system)
- Need to ensure funding to the entire system
 - Otherwise only “pearls” are funded
- Balance the needs between local benefits and national system

Livelihoods and MPAs



- “Pro poor” MPA management – recognize poverty alleviation and MPA management effectiveness are intimately linked
- Critical management elements:
 - Alternative Income Generation (e.g. nature-based tourism, sustainable aquaculture, MPA management etc.)
 - Credit schemes and trust funds
 - Sustainable financing
 - Evaluation!

Key messages from this case study



- Substantial amounts of fund are able to be generated through tourism by user fees
- Fund generated are being provided to management authorities to maintain the environment
- Challenges exist in identifying clear mechanism for allocation of funds to local communities

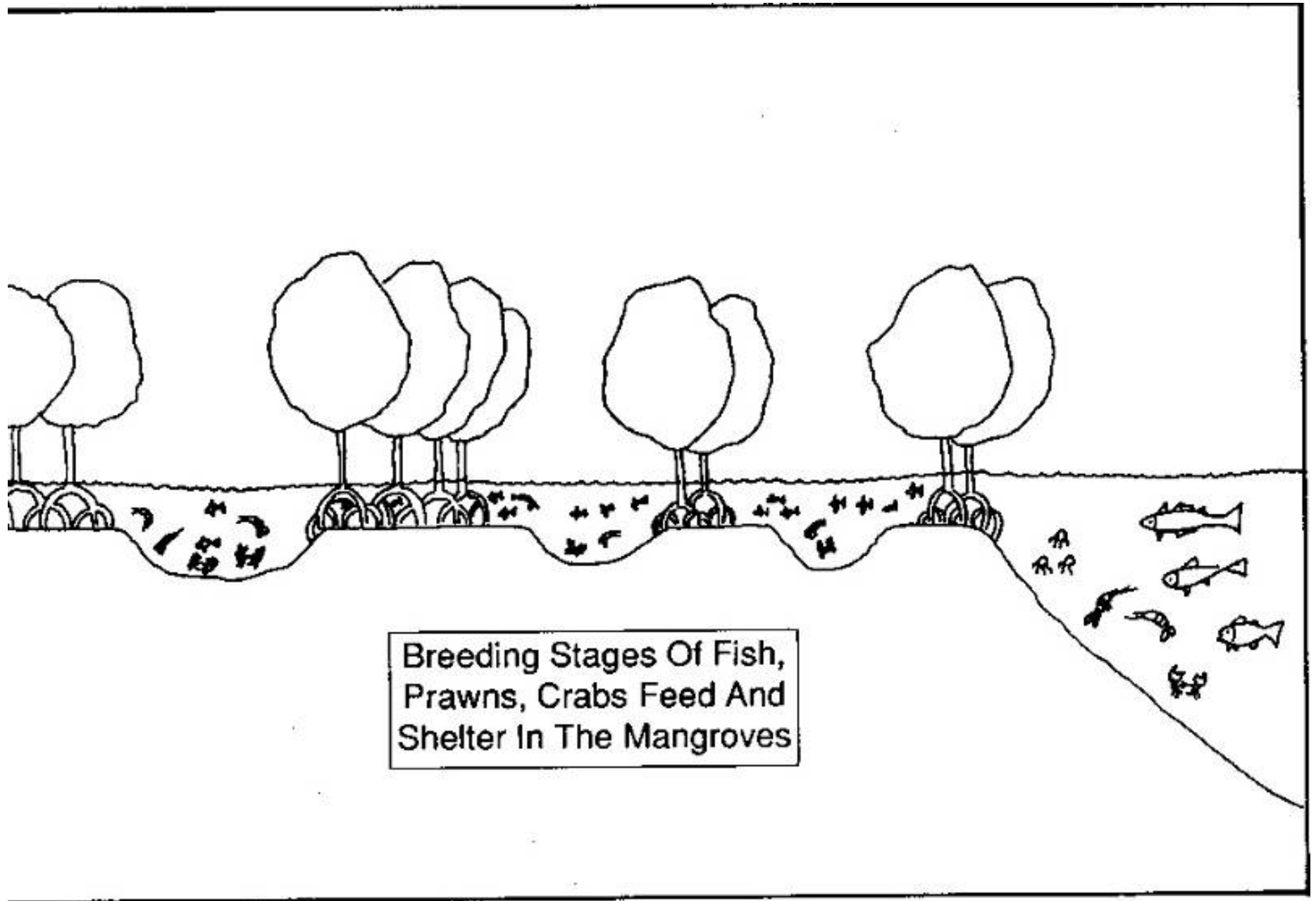


Thank you for your attention



PES application in coastal areas

- coastal protection
- biodiversity conservation
- Brood stock protection





Please

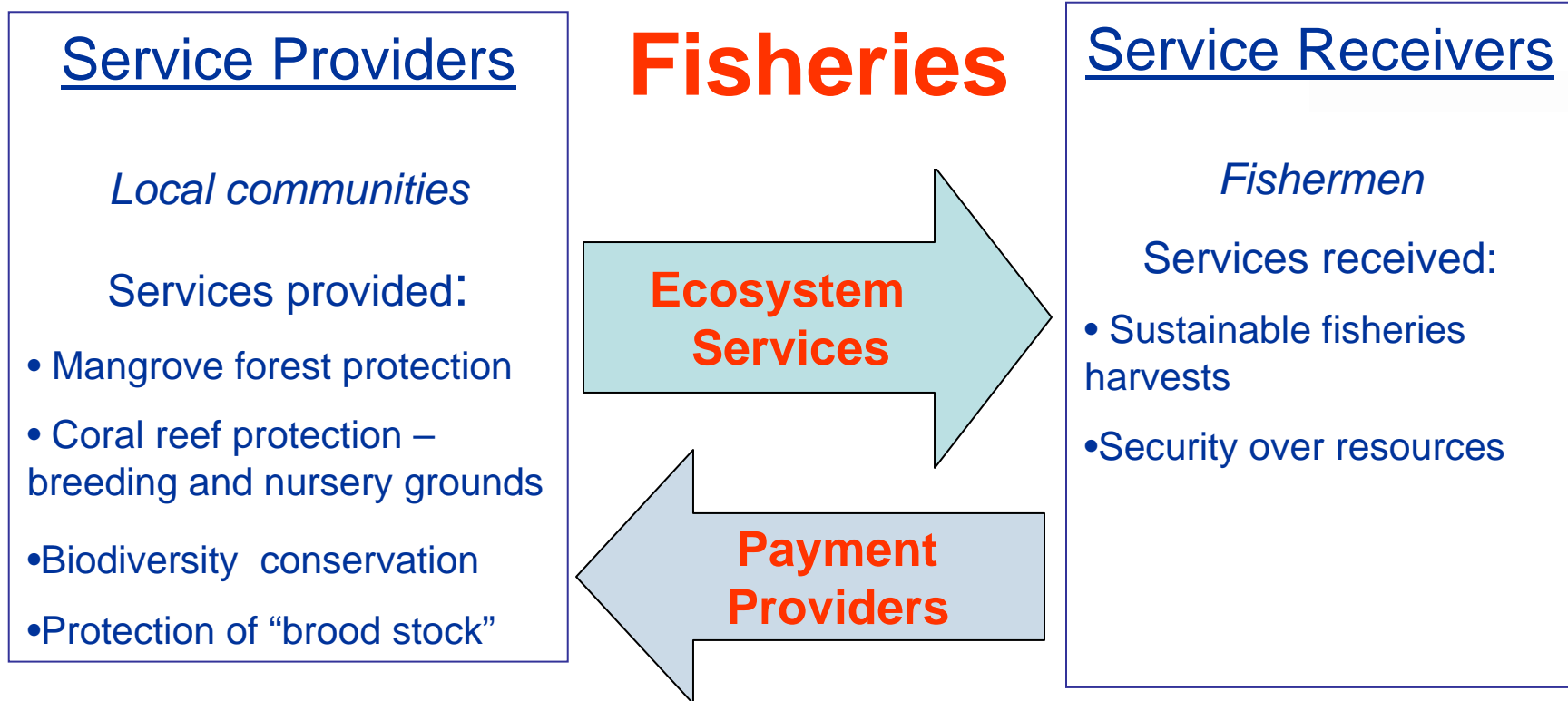
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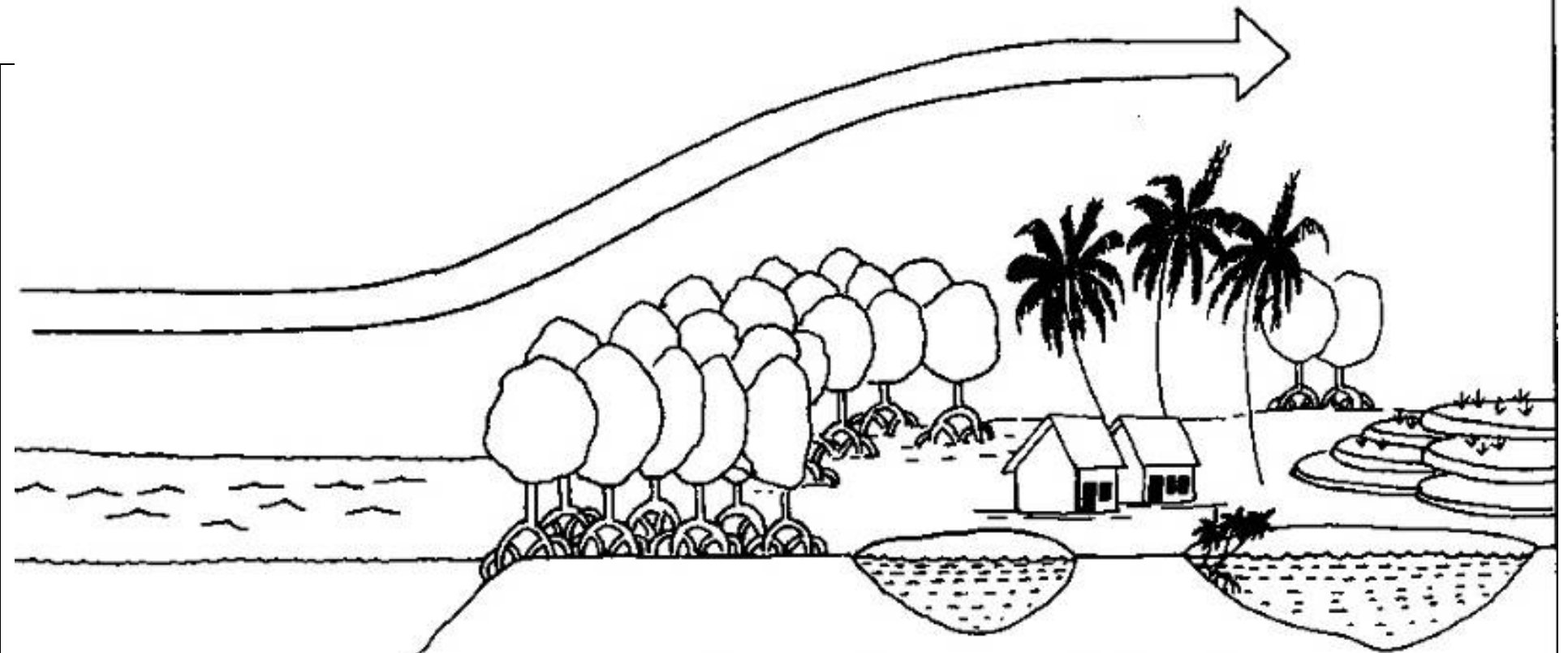


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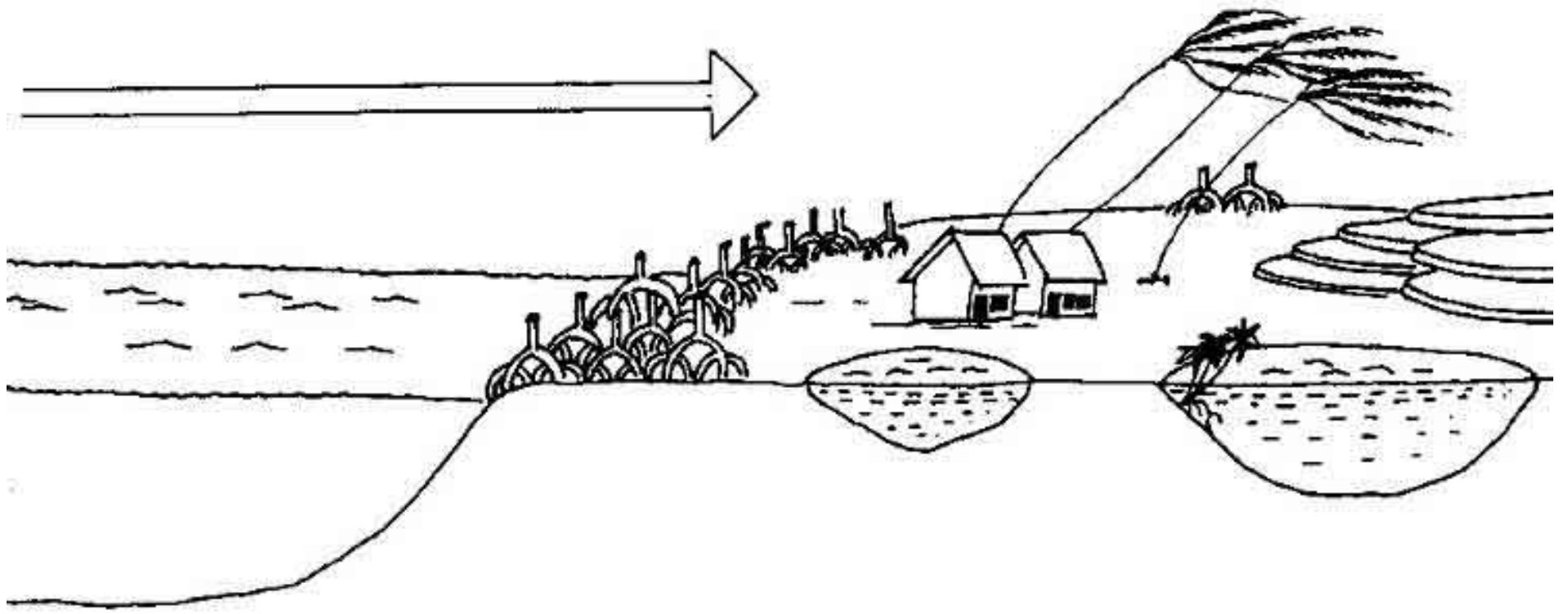


PES – applicable in coastal areas?

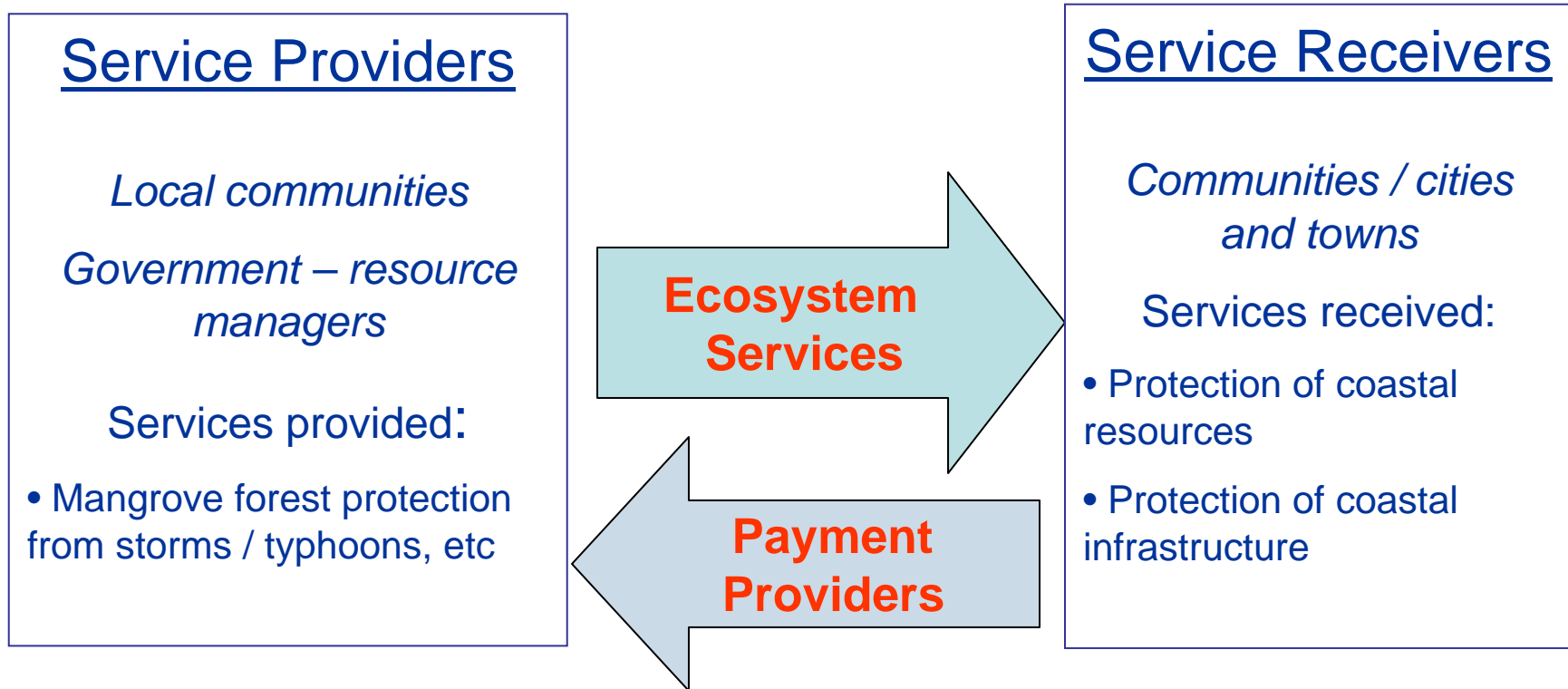




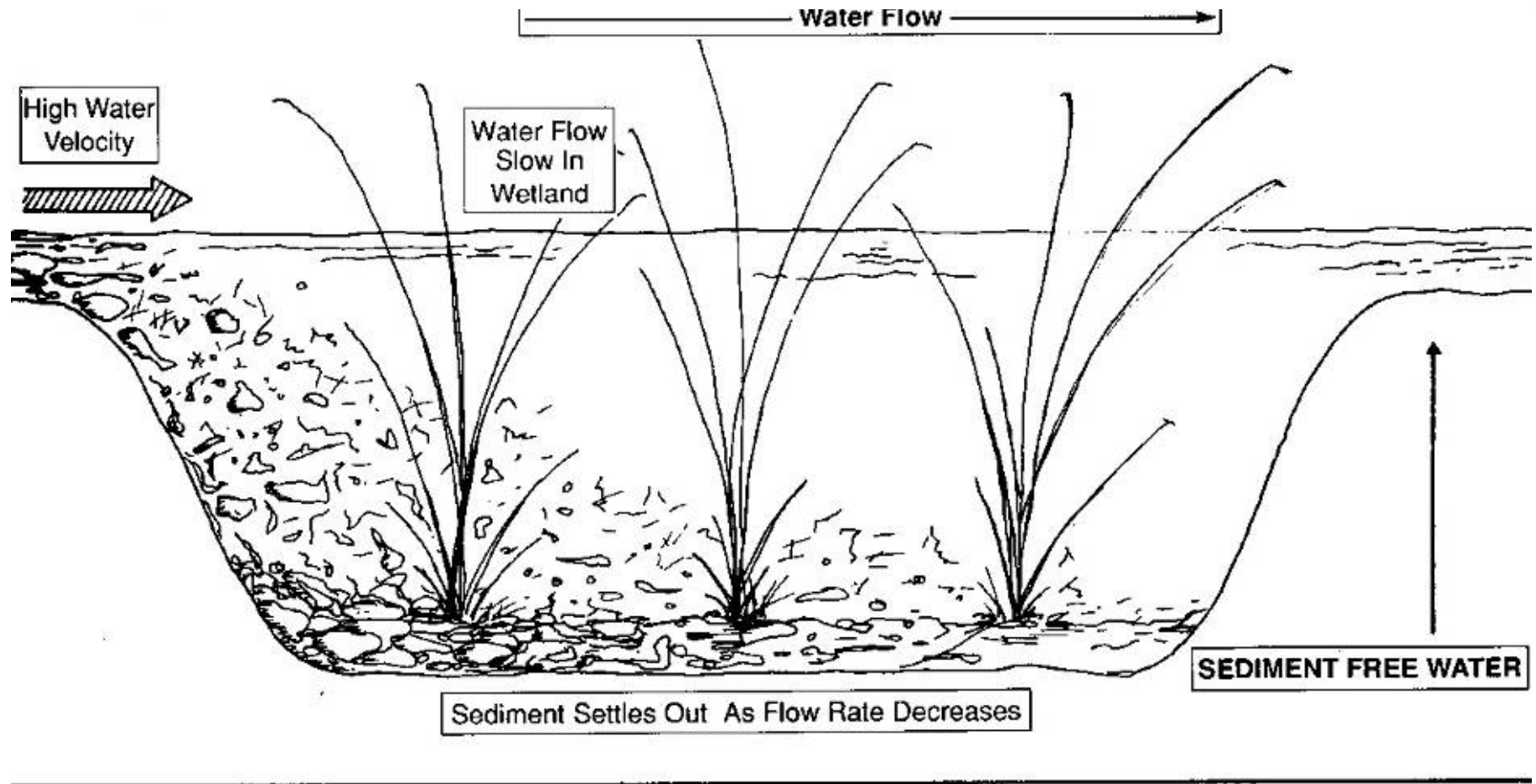
Mangroves provide shelter
for human activities

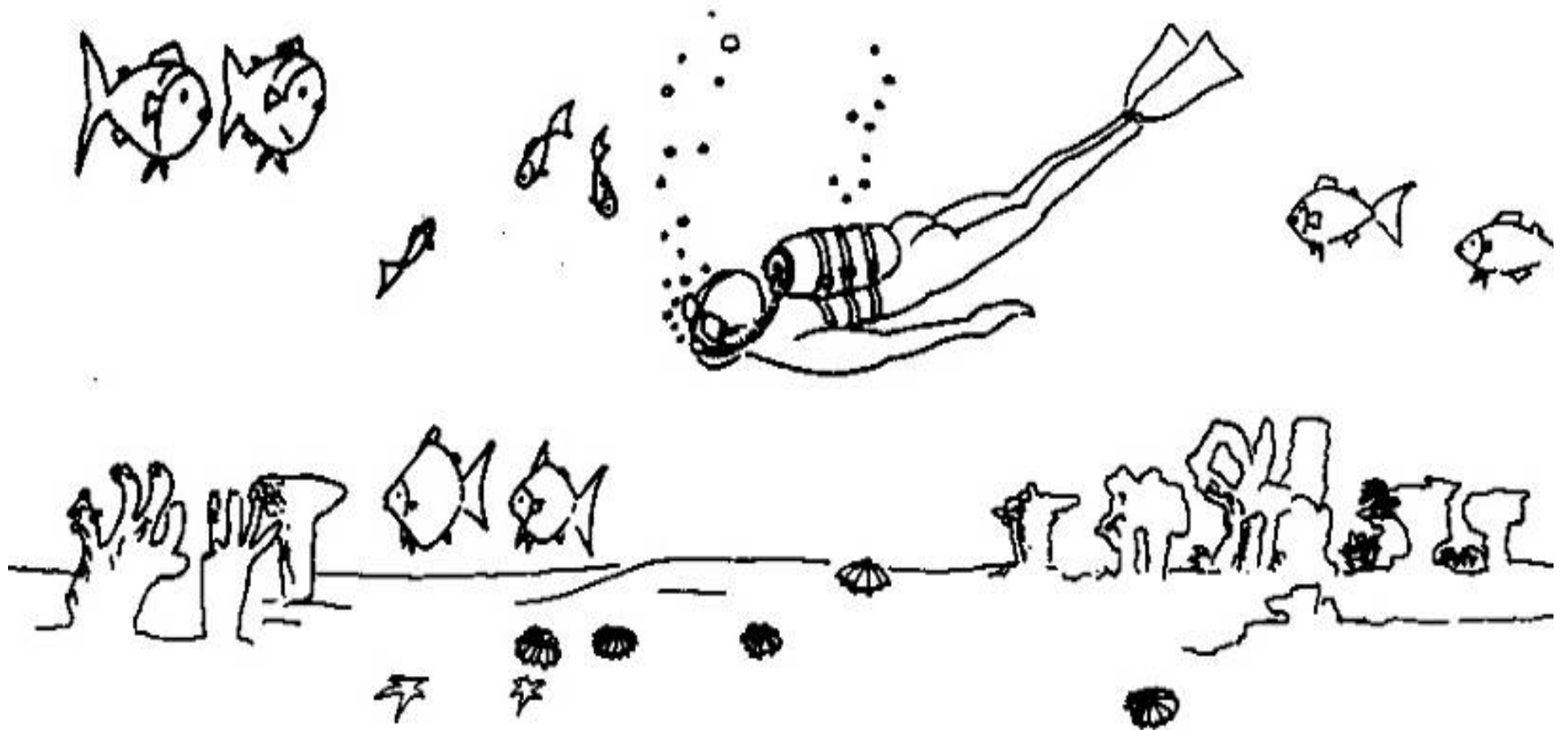


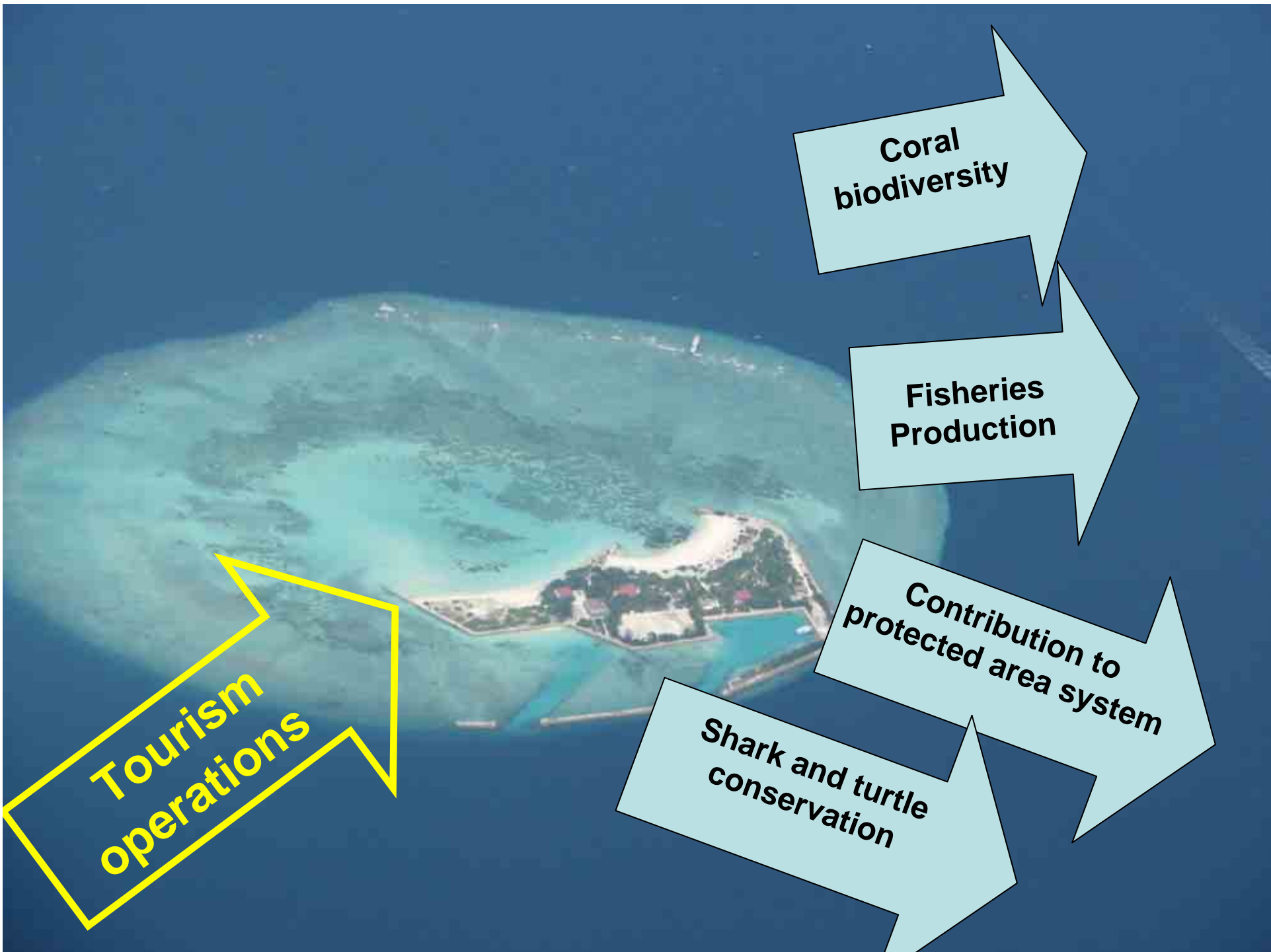
Shoreline Protection



Maintenace of water quality








**Tourism
operations**

**Coral
biodiversity**

**Fisheries
Production**

**Contribution to
protected area system**

**Shark and turtle
conservation**

A high-angle, wide shot of a crowded beach. The foreground and middle ground are filled with hundreds of colorful beach umbrellas in shades of blue, red, white, and yellow. People are scattered throughout the scene, some sitting on the sand, others walking, and many swimming in the ocean. In the background, a city skyline with several multi-story buildings is visible under a clear sky. The overall atmosphere is that of a busy, popular beach destination.

**Where is
the PES
buyer ?**

Thank you for your attention

