



Sustainable Financing: Examples and Perspectives from WWF

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Presentation Outline

- Background on WWF in the region
- Sustainable Financing and Protected Areas
 - WWF case studies in Vietnam
 - Lessons learnt
- Payments for Watershed Ecological Services
 - WWF case studies in Vietnam
 - Lessons
- Some Conclusions





Background on WWF





WWF – Greater Mekong Program: Background

- WWF has been working more than 20 years in the region (1985 in Vietnam)
- In 1991, WWF formed the WWF-Indochina office in Hanoi
- Projects in Cambodia (since 1993) and Lao PDR (since 1997)
- In 2006, WWF Thailand joined WWF-Indochina to form the WWF Greater Mekong Program

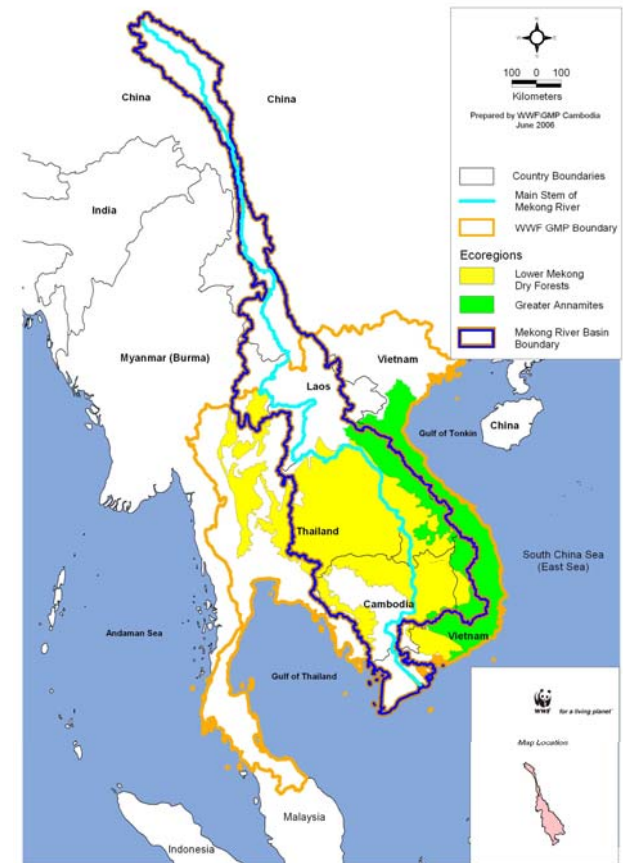




WWF – Greater Mekong Program: Focal Areas

- WWF-GMP works across 3 priority eco-regions:
 - the moist forests of the Annamites
 - the dry forests of Indochina
 - the Mekong river basin
- One regional program which co-od trans boundary work
- 4 national offices
- Marine program

WWF Greater Mekong Programme Priority Ecoregions





Current Work on Sustainable Financing in GMP

- Env. Economics program in Vietnam in 2006
- Expand program in VN and into Laos through CEP-BCI corridors project
- Focus of work from Vietnam: SF of (M)PAs and PES
- Ecotourism and Carbon





Sustainable Financing and Protected Areas

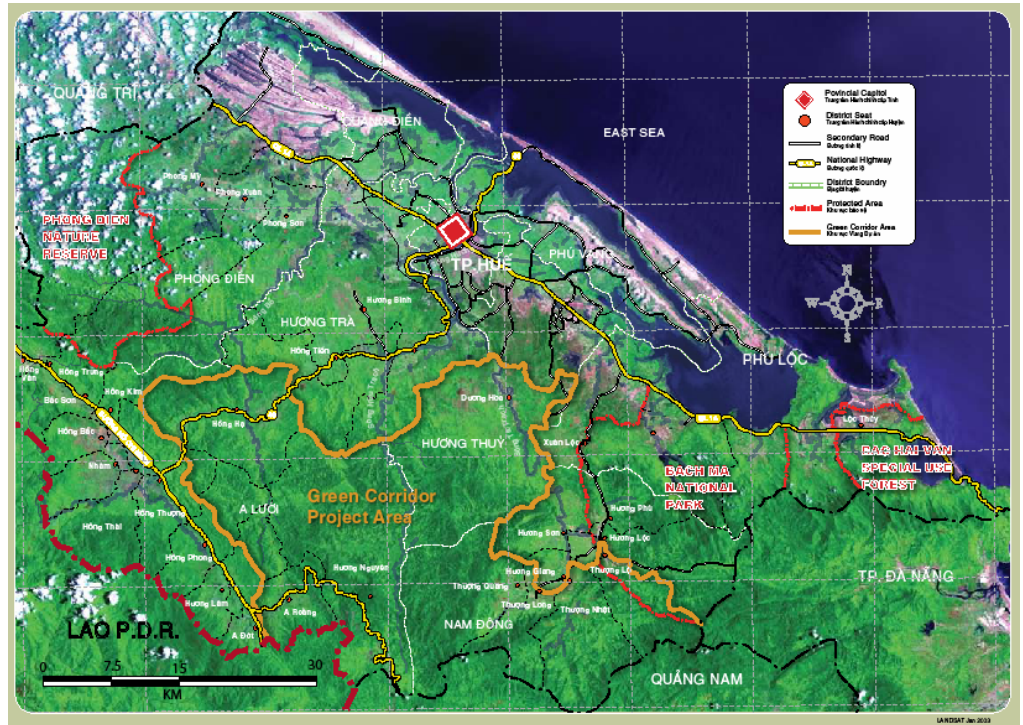




WWF Sustainable Financing Schemes

Example 1: Bach Ma National Park

- Currently little revenue captured by the Park. Offers considerable economic benefits
- In 2007, TFF study 'Sustainable Financing for Bach Ma National Park and Buffer Zone'





WWF Sustainable Financing Schemes

Example 1: Study findings

- Mean WTP for park entry between 25,227 VND and 27,138 VND per entry. Nearly triple revenue through new fee structure
- Can increase capture of economic rent for bottled water from 10% to 15% sales price (fair profit margin)
- Potential buyers of watershed protection services identified (further study to estimate WTP)
- Need for provincial and national support to allow local benefit capture





WWF Sustainable Financing

Example 2: Con Dao National Park

- Remote island with large potential to increase revenue streams, in particular from eco-tourism
- Turtle nesting site
- Project to help with sustainable financing for Con Dao National Park started in September 2007

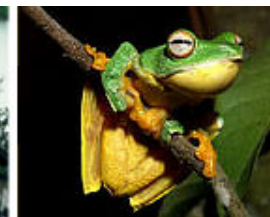




WWF Sustainable Financing Schemes

Example 2: Ongoing Activities

- Devising sustainable financing strategy with the National Park
- Include examining ways to reduce costs
- Increase revenues. Currently no entrance fee to park; exploring different charges and fees (e.g. interest in entrance fees, diving, room surcharges, landing fees, island trust fund)
- Examine the need to establish transparent collection and disbursement of revenues for conservation





Some Key Lessons from the Studies

1. Financing for Parks (terrestrial and marine) not adequately linked to conservation needs
2. There are investment plans, but focus on capital costs (> 65% allocation) not recurrent; prepared by FIPI
3. Low capacity on financial management
4. Parks not raising revenues close to potential
5. Park dependent on state budget, often too small to even cover recurrent costs, conservation needs
6. Needs to be augmented by other funds





7. Unclear who maintains revenues raised and how they can be used
8. Good potential for revenues from eco-tourism; new legislation allowing investment in National Parks
9. However, lack of clear standards so could have potentially negative impacts





Recommendations

- Budget allocation (better linked to operational, conservation plan)
- Build park capacity on financial management
- Clearer regulations (mandate) devolving revenue raising and capture to provider
- Ecotourism standards
- Establish funds with transparent disbursement
- Build on growing Gov interest





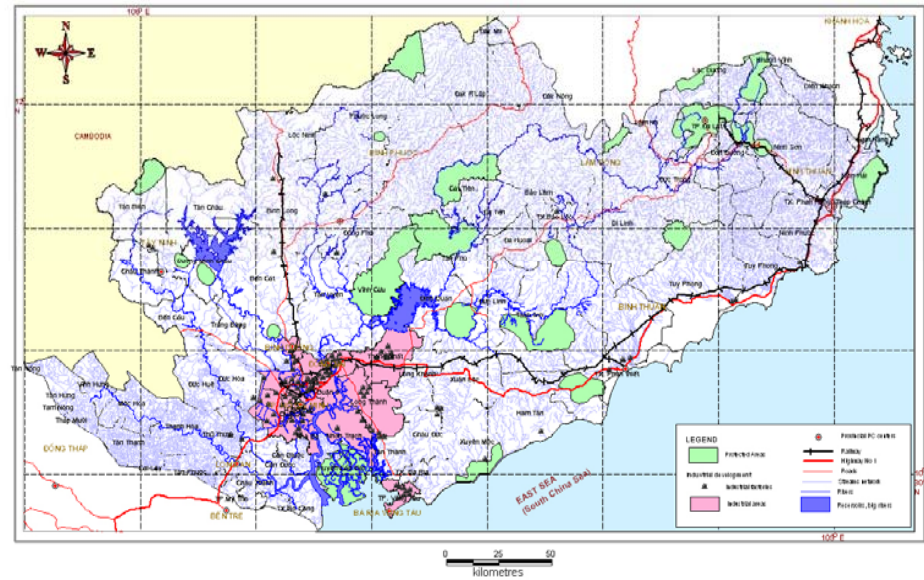
PAYMENTS FOR WATERSHED ECOLOGICAL SERVICES

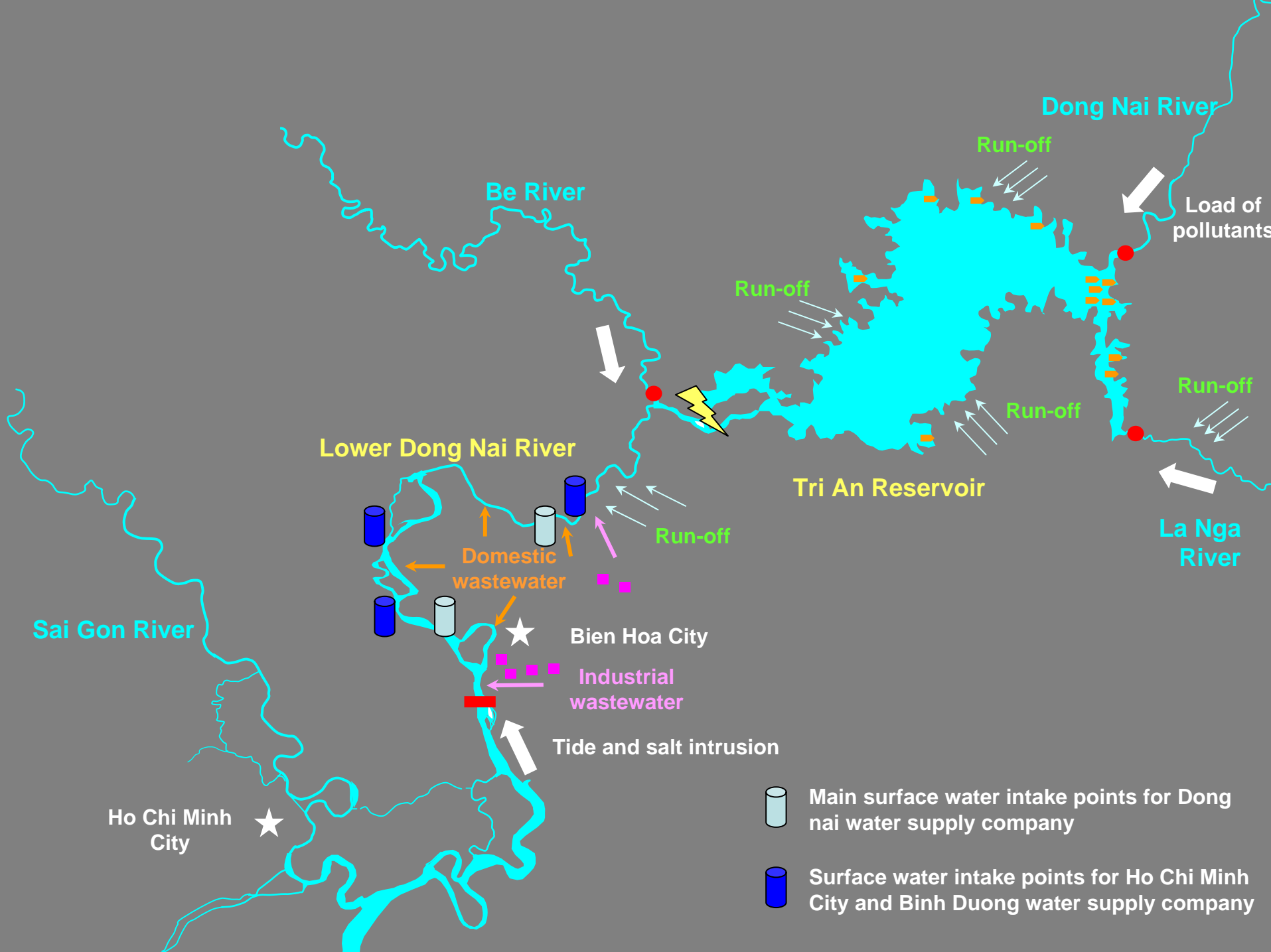


Payment for Ecological Services: Case Study 1: Dong Nai

- New project: Addressing water pollution in the lower Dong Nai river (and tri an)
- The lower Dong Nai river critical for drinking water (3 provinces extract water from)
- Water treatment costs increasing due to pollution

THE MAP SHOWING GEPGRAPHICAL CONNECTION BETWEEN INDUSTRIAL ZONES AND PROTECTED AREAS IN DONG NAI RIVER BASIN







Payment for Ecological Services: Case Study 1: Ongoing activities

- Working with water supply companies
- Carrying out pollution analysis
- Example target groups:
 - Forest management units to minimise sedimentation
 - Farmer communities to reduce run off from their fields and aquaculture ponds
 - Local industries, others to minimise discharge pollutants



Bien Hoa Water supply

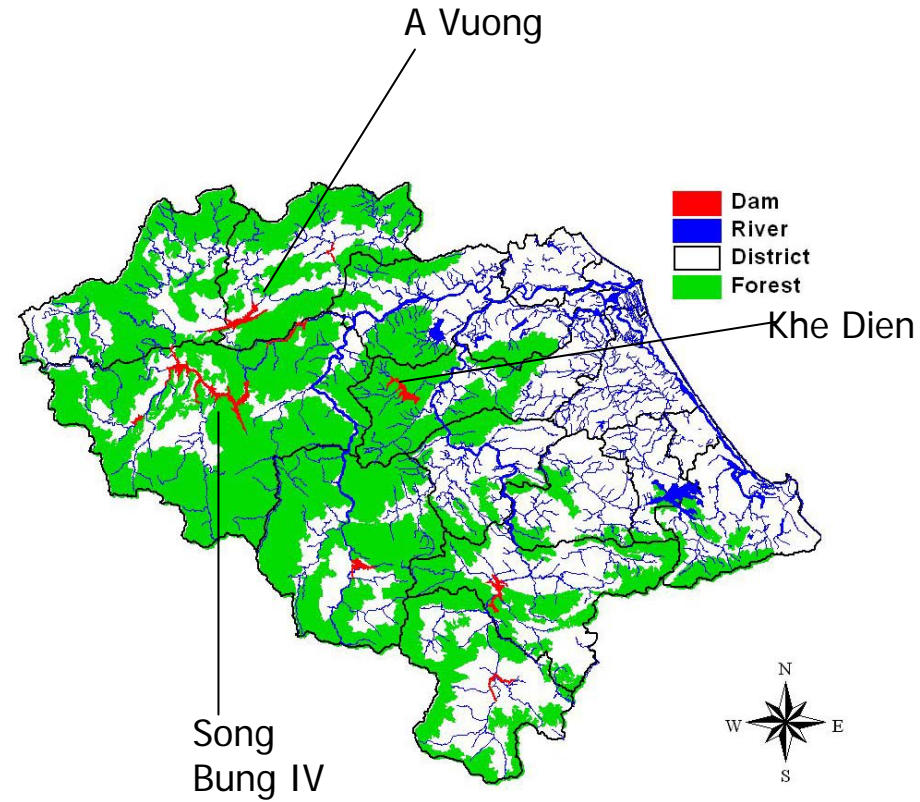




Payment for Ecological Services: Case Study 2: Quang Nam

Two ongoing projects:

- Work with ADB, MoIT look at benefit sharing for hydro (1-3% of water tariff (pilot A'Vuong and Song Bung IV)
- IUCN/Alcoa look to work with Khe Dien private hydro plant (in elephant conservation area)
- Interested to support FPD for watershed protection





Payment for Ecological Services: Case Study 2: Outputs 2008

- Further report on links b/w forest protection and cost reduction
- Agreements between Khe Dien and FPD
- Recommendations for benefits sharing mechanism from A'Vuong and Song Bung



Khe Dien Hydropower plant





Lessons on Working on Watershed PES in Vietnam

1. Build on existing institutional arrangements and/or link to larger policy changes - e.g. PES (MARD/IUCN/Winrock), benefits transfer (ADB), water pricing, forest reform, ETR
2. Cross province co-operation not easy; pilot in a province
3. Focus on watershed services around quality not quantity
4. Find easy wins where business case obvious – costs growing (e.g. water treatment)
5. Buyers and sellers and land allocation clear
6. Strong provincial political support





Overall Recommendations

1. Discussion on SF need to focus not only on revenue raising but revenue distribution and the need for the right policy and legal framework
2. Few examples of successful watershed PES; need to cherry pick some winners, build on policy momentum
3. Opportunities for community based ecotourism
4. Financing for conservation is critical to stem the tide of conversion. Critical to continue to invest time and money and look at more innovative ways (e.g. linked to CC and carbon)





Thank you

