



Government
of the Socialist Republic of Viet Nam



UNDP Project Document

GOVERNMENT OF THE SOCIALIST REPUBLIC OF VIET NAM

UNITED NATIONS DEVELOPMENT PROGRAMME

GLOBAL ENVIRONMENT FACILITY

**PIMS 3965: Removing Barriers Hindering Protected Area
Management Effectiveness in Viet Nam**

ATLAS VNM10 Award: 00059640 Project : 00074659



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Brief Description

Viet Nam is one of the world's ten most biologically diverse countries- it contains about ten percent of the world's species though covering less than 1% of global land area. Whilst virtually all protected areas in Viet Nam were designated as Special-use Forests, this will change in 2009, with the passage of the "Law on Biodiversity" that will come into effect on 1st July, 2009 Viet Nam will have four types of PAs which will apply to all ecosystems: National Parks, Nature reserves, Wildlife reserves, and Landscape protection zones. In common with the situation in many developing countries, threats to biodiversity in Viet Nam can be ascribed to two basic processes: loss of natural ecosystems; and degradation of natural ecosystems.

The proposed long-term solution for biodiversity conservation in Viet Nam's system of protected areas is strengthened systemic, institutional and individual capacities, supported by sustainable financing. Barriers to the implementation of the identified long-term solution can be grouped under four headings: (i) policy; (ii) institutional mandates and individual capacities; (iii) practical experiences with diversified revenue streams; and (iv) monitoring and reporting. Given these barriers, the proposed Objective of the project is: "To secure a sustainably financed PA system, to conserve globally significant biodiversity". In order to achieve the project Objective, a number of Outcomes will be secured through this project. These are: 1: A comprehensive and harmonized legal and policy framework supports sustainable PA financing; 2: Clear and harmonized institutional mandates and processes support sustainable PA financing mechanisms; 3: Knowledge and experience of sustainable financing options developed through demonstrations; and 4: Information on biodiversity and PA status supports PA management and builds public support for the PA system

PIMS 3965: Removing Barriers Hindering Protected Area Management Effectiveness in Viet Nam

Country: Viet Nam

UNDAF Outcome:

Outcome 1: Government economic policies support growth that is more equitable, inclusive and sustainable

Expected OP Outcome:

Outcome 3: Viet Nam has adequate policies and capacities for environmental protection and the rational management of natural resources and cultural heritage for poverty reduction, economic growth and improving the quality of life.

Expected OP Output(s):

One Plan 2 Output 3.1(OPI 3.1): Improved institutional capacities and systems for the implementation and monitoring of Sustainable Development and related environmental laws and policies

OP 2 Output 3.2 (OPI 3.2): Environmental strategies, policies, plans and regulations developed with broad participation of local people and stakeholders and in line with international conventions

Implementing Partner: Ministry of Natural Resources and Environment (MONRE)

Responsible Party(s): Vietnam Environmental Administration (VEA)

Other parties (e.g. Co-Implementing Partners): Ministry of Agriculture and Rural Development

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Acronyms and Abbreviations

ABS	Access and Benefit Sharing
APR	Annual Project Report
ARR	Annual Review Report
AWP	Annual Work Plan
BCD	Biodiversity Conservation Division
BD	Biodiversity
BDNB	Bidoup-Nui Ba National Park
BTOR	Back to Office Report
CBBC	Capacity Building for Biodiversity Conservation
CDR	Combined Delivery Report
CHM	Clearing House Mechanism
CO	Country Office
CRES	Centre for Research and Environmental Sciences
DARD	Department of Agriculture and Rural Development
DOFREP	Department of Fisheries Resources Protection
DPC	District People's Committee
DPI	Department of Planning and Investment
FAO	Food and Agriculture Organization of the United Nations
FIPI	Forest Inventory and Planning Institute
FPD	Forest Protection Department
GEF	Global Environment Facility
GoV	Government of Viet Nam
GTZ	German Cooperation Agency
HCMC	Ho Chi Minh City
HQ	Head Quarter
ICRAF	World Agroforestry Centre
IPA	Inland Protected Area
IR	Inception Report
IUCN	The World Conservation Union
IW	Inception Workshop
KV	Kilovolts
MARD	Ministry of Agriculture and Rural Development
MASPAS	Management Strategy for a Protected Area System in Viet Nam
MB	Management board
METT	Management Effectiveness Tracking Tool
M&E	Monitoring and Evaluation
MOCST	The Ministry of Culture, Sport and Tourism
MOF	Ministry of Finance
MOFI	Ministry of Fisheries
MONRE	Ministry of Natural Resources and the Environment
MPA	Marine protected area

MPI	Ministry of Planning and Investment
NEX	National Execution
NGO	Non-governmental organization
NPD	National Project Director
NP	National Park
NPPP	Nationally Recruited Project Professional Personnel
NR	Nature Reserve
NTFP	Non-timber Forest Product
ODA	Overseas Development Assistance
OECD	Organization for Economic Cooperation and Development
PA	Protected area
PAMB	Protected Area Management Board
PBM	Project Board Meeting
PC	Peoples Committee
PEB	The Project Executive Board
PES	Payment for Ecosystem Services
PIR	Project Implementation Review
PPC	Provincial People's Committee
PPG	Project Preparation Grant
PPR	Project Progress Report
PM	Prime Minister
PMU	The Project Management Unit
RCU	Regional Coordination Unit
REDD	Reducing Emissions from Deforestation and Forest Degradation
SE	South East
SFE	State Forest Enterprise
SRF	Strategic Results Framework
SUF	Special-Use Forest
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
USAID	United States Agency for International Development
VCF	Viet Nam Conservation Fund
VEA	Viet Nam Environment Administration
VNAT	The Viet Nam National Administration of Tourism
VND	Viet Nam Dong (US\$1 = approx VND 17,000)
WPA	Wetland Protected Area

SECTION I: Elaboration of the Narrative

PART I: Situation Analysis

1.1. Context and global significance

1. Rapid economic growth over the past two decades in Viet Nam has resulted in a dramatic decrease in recorded poverty, dropped from 58 percent to 20 percent between 1993 and 2004, according to the international poverty line. However, many households have risen barely above the poverty line and growth has also been associated with an increase in inequality, particularly a widening rural-urban income gap. Three regions account for more than two-thirds of Viet Nam's poor: the Northern Uplands, Mekong Delta, and North Central Coast. Ethnic minorities, which comprise 14 percent of the population and live mainly in these remote upland areas, are disproportionately affected by poverty, representing almost 30 percent of the poor. About 90 percent of the poor live in the rural areas. Although GDP per capita is officially just over US\$638, the country's performance in terms of human development is favourable. This is reflected in the gradual increase of the human development index over the last decade, and summarizes the progress made in education, health and standard of living.

Environmental context

2. Viet Nam extends more than 1,650 km from north to south, from 23°30'N to 8°30'N. It is approximately 600 km wide at its greatest width and at its narrowest point, in Quảng Bình Province, it is a little more than 50 km wide. Three quarters of the country is hilly or mountainous. The lowland areas include two major river deltas: the Red River in the north and the Mekong River in the south. A narrow coastal plain runs along much of the country's coastline.

3. Viet Nam's climate is tropical monsoonal, dominated by the south-westerly monsoons from May to October and north-easterly monsoons during the winter months. Annual rainfall averages between 1,300 mm to 3,200 mm but can be as much as 4,800 mm in some areas and as little as 400 mm in others. Snow occasionally falls in the higher elevations in the north. In the south, temperatures rarely drop below 20°C; in the north, they seldom drop below 10°C.

4. Viet Nam is one of the world's ten most biologically diverse countries- it contains about ten percent of the world's species though covering less than 1% of global land area. The country lies at the crossroads of the following biogeographic realms: Palearctic realm's Himalayan and Chinese sub-regions with the Indo-Malayan realm's Sundaic sub-region. These overlapping biogeographic realms, along with relatively high variations in climate, soils and topography, give Viet Nam its diverse and distinct flora and fauna. Viet Nam hosts six of WWF's Ecoregion 200 – the Annamite Range Moist Forests; Indochina Dry Forests; Mekong River; Northern Indochina Subtropical Moist Forests; Southeast China-Hainan Moist Forests; Xi Jiang Rivers and Streams.

5. Viet Nam is home to the fourth largest number of primate species in the world and has five of the world's 25 most threatened primate species. Viet Nam hosts over 1500 globally threatened species, including 49 Critically Endangered, 82 Endangered and 166 Vulnerable species. Many new species have been described to science in recent decades from Viet Nam. For example, since 1992, four mammal species, previously unknown to science, have been discovered in the country. In 2007, two butterfly species, one snake species, five orchid species and three other plant species were discovered in the Annamite region in central Viet Nam. Viet Nam's biodiversity is further described below.

Terrestrial ecosystems

6. Viet Nam is divided into eight ecological regions, Northeastern, Northwestern, Red River Delta, North Central, South Central, Central Highland, Southeastern, and Mekong Delta, based on climatic and topographical variables. There are nine major forest types in Viet Nam (Joint Research Center, 2003):

- Evergreen Mountain Forests(>1000m)
- Evergreen Lowland Forests (<1000m)
- Fragmented and degraded Evergreen Forests
- Deciduous Forests
- Mangrove Forests
- Swamp Forests and Inundated Shrubland
- Evergreen Wood& Shrubland and Regrowth Mosaics
- Deciduous Wood& Shrubland and Regrowth Mosaics
- Mosaics of cropping and Regrowth

7. As mentioned previously, Viet Nam hosts six of the WWF Ecoregion 200. In terms of ecoregions per 100,000km², for those countries of over 150,000km², this ranks Viet Nam as the 9th most ecosystem-diverse country in the world (see Figure 1).

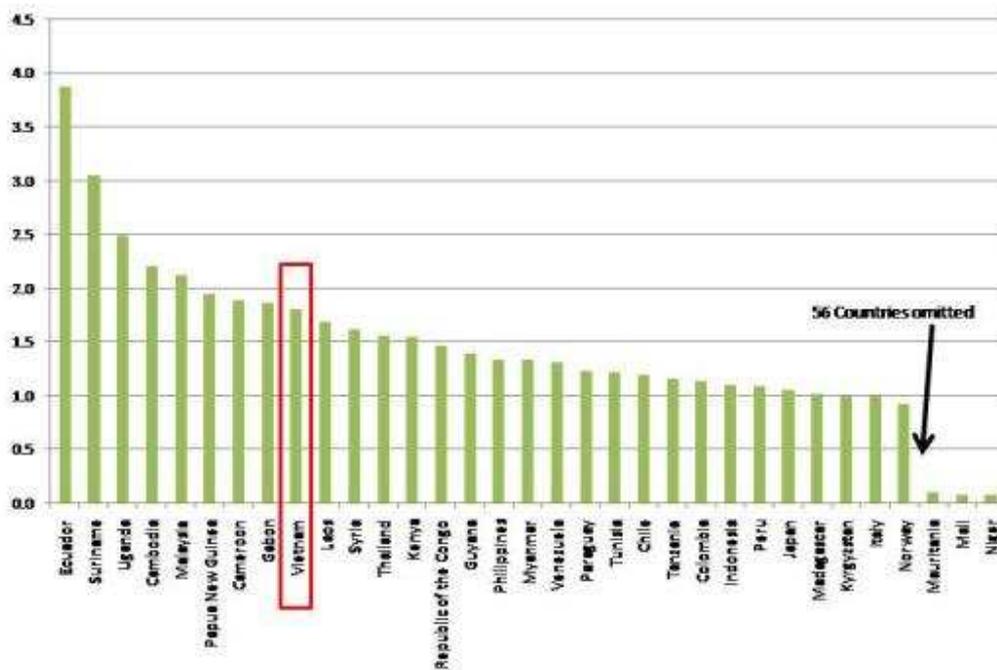


Figure 1: Number of WWF Ecoregion 200 ecoregions per 100,000km² of national territory

8. There are about 12,000 vascular plant species recorded in Viet Nam. Additionally, 800 moss species and 600 mushroom species have also been listed. Over 6,000 species of plants are used for food, medicine, timber, essential oil and construction materials. Endemicity is high: some suggest that up to

40% of all plant species may be endemic. There is no endemism at the family level, but 3% of the genera are endemic. There are three main regions of floral endemism: the Hoang Lien Mountain Range, Central Highlands and the Northern Annamite Mountains. Globally rare species include *Azela xylocarpa*, *Sindora siamensis*, *Coptis chinensis*, *Morinda officinalis*, *Cupressus tonkinensis*, *Dalbergia oliveri*, *Fokienia hodginsii* and *Glyptostrobus pensilis*.

9. Viet Nam has 275 mammal species, 828 bird species, 180 reptile species, 80 amphibian species, 547 freshwater fish species, 2,033 marine fish species and about 7,500 insect species in forest ecosystems (1995 estimates). The number of endemic species is also high for animals - with 78 species and sub-species of mammals, over 100 species and sub-species of birds, 7 primate species and 11 amphibians and reptiles endemic to Viet Nam. In the past decade, four species of large mammals new to science were found. These include the sao la (*Pseudoryx nghetinhensis*) discovered in 1992, the giant muntjac (*Megamuntiacus vuquangensis*) found in 1993, the Truong Son muntjac (*Caninmuntiacus truongsongensis*) identified in 1996 and the Pu Hoat muntjac (*Muntiacus puhoatensis*) discovered in 1997. Also found in the forests of Viet Nam are charismatic rare species such as the rarest primate in the world - golden-headed langur (*Trachypithecus poliocephalus*), the Asian elephant (*Elephas maximus*), Javan rhinoceros (*Rhinoceros sondaicus*), gaur (*Bos gaurus*), tiger (*Panthera tigris*), Sunda slow loris (*Nycticebus coucang*) pygmy slow loris (*Nycticebus pygmaeus*), black gibbon (*Hylobates concolor*), red-shanked douc langur (*Pygathrix nemaeus*), black-shanked douc langur (*Pygathrix nigripes*), Tonkin snub-nosed langur (*Rhinopithecus avunculus*), sarus crane (*Grus antigone*), white-winged duck (*Cairina scutulata*), and other species.

Wetland ecosystems

10. Viet Nam has a great expanse of wetlands, consisting of rivers (including the Mekong), estuaries along the coast, lagoons and bays, the Đồng Tháp Mười inundated area ("Plain of Reeds"), natural and man-made lakes, inland wetlands, paddy fields and thousands of ponds of various sizes.

11. The Đồng Tháp Mười area has very high biodiversity value with six major plant communities - lotus, wild paddy, three types of hydrophilous grasses and Melaleuca forest with 130 embryobionta species. One hundred and ninety-eight bird species belonging to 49 families are found here, accounting for 25% of the number of bird species in the whole country, including 16 globally threatened species.

12. The Mekong River Delta has up to 386 species of birds, 73 of which are migratory species. In addition, the area also has different valuable species of plankton, benthic fauna and fish of high economic value. The Red River delta also provides critical habitat for many species of migratory birds such as the Spoon-billed Sandpiper (*Eurynorhynchus pygmaeus*) and black-faced spoonbill (*Platalea minor*).

13. Estuaries have a variety of specialized species and migratory species and are significant sites for mangroves, salt marshes, seagrasses and algal beds. Estuaries are very important for fisheries and have great potential for ecotourism and recreational activities. Lagoons provide food for fish and seasonal habitats for various species of migrating birds. Lagoons in the central coastal part of Viet Nam, from Thừa Thiên Huế Province to Ninh Thuận Province, consist of aquatic biological systems that are also valuable fisheries. Many lakes, such as Núi Cốc Reservoir and Dong Mo Lake, are seasonal resting and feeding areas for migrating birds in winter.

Marine and coastal ecosystems

14. Based on records of coral species composition and marine physical hydrographical features, Viet Nam's marine ecosystems can be divided into six distinct regions: the Western Region of the Tonkin Gulf (from Mong Cai to Hai Van pass); the Central Coastal Region (from Hai Van to Dai Lanh Cape); the South Central Coastal region (from Dai Lanh Cape to Vung Tau); the Southeastern Sea Region, from Vung Tau to Ca Mau Cape; the Southwestern Sea Region in the Gulf of Thailand; and the Off-shore

Region of the Hoang Sa and Truong Sa archipelagos. The Southeastern Region, in particular, is a biodiversity hotspot due, in part to the convergence of Gulf of Thailand and South China Sea ecosystems. The number of offshore islands is estimated to be 2,773, with a total land area of 1,720 sq. km. Only 84 of these islands have an area greater than 1 km², but these account for 93% of the total area of islands.

15. At least 537 plankton species, 657 zooplankton species, 600 algae species, 35 mangrove tree species, 650 coelenterate species, 2500 mollusc species, 1600 echinoderm species, 700 bristle-worm species, 350 crustacean species, 150 sponge species and more than 2033 fish species have been recorded in Viet Nam till date. These figures demonstrate that Viet Nam is one of the richest areas in the world in terms of marine biodiversity. Coastal and marine protected areas, from the sub-temperate ecosystem in the north to tropical ecosystems in the centre and the south are of national and international importance.

16. More than 300 species of hard coral are found in Viet Nam's marine areas with diversity increasing from the north to the south. Two hundred and seventy-seven species of 72 genera, forming fringing and platform reefs have been recorded in the country. According to the diversity classification of reef-building coral components, the marine area in southern Viet Nam is classified as having more than 350 species. This number is just a little less than the world's richest areas for coral diversity (Philippines/Malaysia/Indonesia "coral triangle"). The most important areas of coral reefs are the offshore islands in Hạ Long Bay, the coast of Khánh Hòa, Ninh Thuận, and Bình Thuận and other islands in the south.

17. More than 2033 marine fish species that have so far been identified, Viet Nam's harbours a number of globally significant marine fauna, including five species of marine turtles. Globally endangered species found in Viet Nam include the green turtle (*Chelonia mydas*), loggerhead turtle (*Caretta caretta*), Olive Ridley turtle (*Lepidochelys olivacea*), the critically endangered leatherback turtle (*Dermochelys coriacea*) and hawksbill turtle (*Eretmochelys imbricate*). The endangered dugong (*Dugong dugon*) is another precious asset to Viet Nam's marine biodiversity. This slow moving mammal lives in and grazes on shallow seagrass meadow habitats, such as found in the sea around Côn Đảo Island. Viet Nam's offshore areas are also thought to be important habitats and migration routes for several other mammal species such as whales, whale sharks and sharks. Fifteen species of dolphin and porpoise and one species of baleen whale have been recorded.

Protected area system: Current status and coverage

18. Viet Nam has created protected areas as one of the mechanisms to conserve its biodiversity hotspots. Most of the protected areas in Viet Nam are designated as "Special-use Forests". The Special-use Forests system originated in 1960, when President Hồ Chí Minh announced "*Ordinance No. 18/LCT: the Law on Organisation of the Government Council of the Democratic Republic of Viet Nam*". This ordinance included a proposal to establish the General Department of Forestry. In 1962, on the advice of this department, the government established Cúc Phương Protected Forest (now Cúc Phương National Park), the first protected area in Viet Nam. Following reunification in 1975, attention focused on identifying and surveying potential protected forests throughout the country. A number of new protected areas were established. On 9 August 1986, the Chairman of the Council of Ministers issued "Decision No. 194/CT". This decision decreed the establishment of a further 73 Special-use Forests throughout the country, with a combined area of 769,512 ha. The Special-use Forest system aimed to represent the full range of biogeographic, latitudinal and climatic variation in Viet Nam.

19. In general, SUFs comprise terrestrial forest sites, but they may also include a small number of wetland sites and marine areas. The other types of forest management areas are "Production Forests" and "Protection Forests". The latter are designated for environmental protection rather than primarily for biodiversity conservation. Typically such forests are on steep slopes of key watershed areas; and while

management restrictions apply, they are not considered to be part of the protected area system. With a total area of over 2.2 million hectares, protected areas account for nearly 7% of the terrestrial area of Viet Nam. Almost every major ecosystem is represented in the PA system, although marine protected areas have only recently been developed. There are no transboundary PAs, but Vu Quang and Pu Mat national parks are contiguous with the Nam Theun Nakai national biodiversity conservation area (NBCA) in Laos, and Phong Nha Ke Bang is contiguous with Hin Nam No NBCA (Laos). A number of other PAs have the potential to be contiguous with protected areas in Laos with minor modifications to boundaries. Corridors are being created in Thua Thien Hue province (the Green Corridor project) connecting Phong Dien, A Luoi, and Bach Ma, while there is a proposal for a second corridor, the Quang Nam to Quang Tri biodiversity corridor. Although there are formally no community-managed PAs, management of the South Xuan Lac Species Conservation Area in Bac Kan province involved strong community participation with local government support, but there is no legal regulation for community management in PAs. Flora and Fauna International also promoted community management in PAs in Mu Cang Chai (Yen Bai) and Trung Khanh (Cao Bang), but these pilots have had limited success due to low community awareness, the absence of a legal basis, lack of experience and, lack of resources.

20. As of 2007, there were 126 SUF's, including 27 National Parks, 60 Nature Reserves, 39 landscape and historic sites. Since 2007, three more National Parks were established through upgrading existing Nature reserves. Amongst 30 existing National Parks, six are directly under the management of Ministry of Agriculture and Rural development (MARD) acting through the Forest Protection Department. The rest are under decentralized management, which is described in a later section and are detailed in Table 2.

21. Whilst virtually all protected areas in Viet Nam were designated as Special-use Forests, this will change in 2009. With the passage of the "Law on Biodiversity" (No. 20/2008/QH12), which was passed on 13th November, 2008 by the National Assembly that will come into effect on 1st July, 2009 Viet Nam will have four types of PAs which will apply to all ecosystems as described below:

a) National parks

A national park must meet the following major criteria:

- Possessing a natural ecosystem, which is nationally and internationally important, specific to or representative of a natural eco-region;
- Being a permanent or seasonal natural habitat of at least one species on the list of endangered precious and rare species prioritized for protection;
- Having special scientific and educational values;
- Having landscape and unique natural beauty of ecotourism value.

b) Nature reserves these can be national- or provincial-level protected areas, but the national-level nature reserves must meet the following major criteria:

- Possessing a natural ecosystem which is nationally and internationally important, specific to or representative of a natural eco-region;
- Having special scientific and educational values or ecotourism and recreational values.

c) Wildlife reserves/Species Management Areas.

These can be national- or provincial-level protected areas and a national-level wildlife reserve must meet the following major criteria:

- Being a permanent or seasonal natural habitat of at least one species on the list of endangered precious and rare species prioritized for protection;
- Having special scientific and educational values;

d) Landscape Conservation Areas: These must meet the following major criteria:

- Having a particular ecosystem of importance;

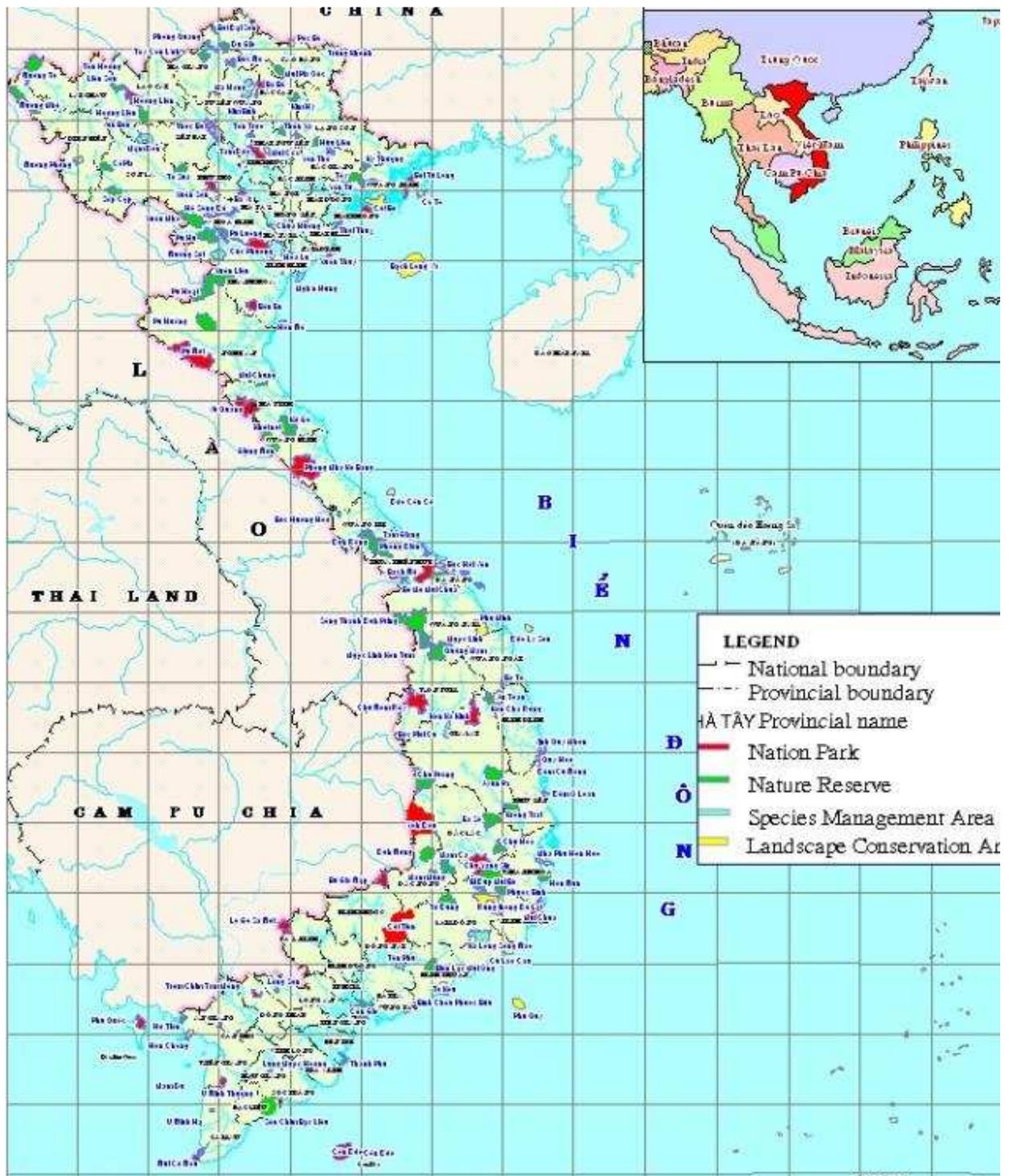
- Having landscape and unique natural beauty;
- Having scientific, educational, ecotourism and recreational values.

22. All types of protected area have the following functional zones:

- A strictly protected section;
- An ecological restoration section;
- A service-administrative section.

23. A policy on buffer zone exists through Decision 192 and the Ministry of Forestry issued a Circular in 1993, which directed that each SUF should have a buffer zone defined as areas: “*contiguous to but outside of Special Use Forests. Generally, they comprise the communes included within the SUF and those adjacent to it*”. Buffer zones are essentially administrative, rather than geographic or ecological zones. Despite the official establishment of buffer zones around many SUFs, the Prime Minister’s decision 192/2003 highlighted the buffer zone issue as one requiring urgent and systematic attention. Government was directed to “clarify the relationship between buffer zones and PAs by developing regulations governing operations based on the principles of collaboration; regulate the benefits and obligations of each party involved in managing buffer zones, especially ethnic communities located close to or in PAs; and develop long term investment plans for buffer zones”. Further, government was required to “*define the specific role of PA management boards in socio-economic development in buffer zones*” and to “*supplement and complete procedures and policies for development in buffer zones.*” However, uncertainty remains about:

- How buffer zones should be delineated
- Whether people living inside and outside the boundaries of the buffer zones should be treated differently
- The role of State Forest Enterprises in buffer zone management.
- How to manage buffer zones to reduce the pressure on the resources in PAs.
- How to improve the socio-economic condition of local people without degrading PA resources.



Map 1: Viet Nam's SUF System

Institutional context:

24. The Viet Nam State and society are under the leadership of the Communist Party of Viet Nam. The Party leads the State through resolutions, defining overall directions and policies. The State expresses those policies through a system of legal regulations. The highest leadership body is the Party Congress, which meets every five years to assess the implementation of the resolutions of the previous term and to decide directions and policies of the Party during the coming term, to elect the Central Party Committee, and to supplement and modify the political programme and rules of the Party (if needed). The Central Committee is the Party leadership body during the period between Party Congresses. The Central Committee elects the Politburo and selects the General Secretary from the Politburo members.

25. The State system of governance has four levels: national, provincial, district and commune. Viet Nam currently has 63 provinces and cities (under the central government) with approximately 565 districts and 10,000 communes. The system of state agencies includes:

- State organizations: The National Assembly is the legislative organization and People's Councils have state authority at local level;
- State administrative organizations include the Government, ministries, ministerial-level departments, and specialized departments under the People's Committees;
- Judicial organizations; and
- Organizations of investigation.

26. The National Assembly is the highest representative organ of the people and the highest organ of State power of the Socialist Republic of Viet Nam. The National Assembly is the only organ with constitutional and legislative powers. The National Assembly meets twice a year and issues laws. The Standing Committee of the National Assembly is its permanent committee. The duties and powers of the Standing Committee of the National Assembly include the enactment of decrees on matters entrusted to it by the National Assembly. The Government is headed by the Prime Minister, who may issue Decisions which provide directions in implementing laws and decrees. Ministers may also issue Decisions related to those issues for which their Ministry has a mandate.

27. People's Committees are executive organizations of People's Councils and are the state administrative organs with responsibility for steering socio-economic development (including conservation) and administrative processes at local levels under the overall leadership of the Government.

28. At the provincial and district levels, national line ministries usually have specialized departments. Examples include the Department of Planning and Investment, Department of Agriculture and Rural Development, and Department of Natural Resources and Environment. These departments receive technical instructions from their national line ministries, but are accountable to the Provincial People's Committees.

29. The Prime Minister defined the following principle responsibilities for PAs and implementation of the strategy - "*MARD is responsible for managing PAs of the Special Use Forest (SUF) system; MOFI (now merged into MARD as the new Dept. of Fisheries Resources Exploitation and Protection within MARD) is responsible for the organisation and management of marine protected areas (MPAs) and MONRE is responsible for organising and managing wetlands*". Subsequently, the development of an "inland wetland" PA (IPA) system was approved by the PM in Decision No. 1479/QĐ-TTg dated 13th October 2008 and is in the early phase of its implementation. Actions to be taken under this decision, from now till year 2010 are (i) planning for an IPA system; and (ii) establishment of 5 IPAs that are representative of the Red River and the Mekong River basins and the Central highlands. A marine PA (MPA) system has not yet been approved by the PM and hence, while various proposals have been made

for a MPA system, and although some existing SUFs include substantial areas of marine ecosystems, in practice, the only existing MPAs are those established and managed by provinces and established largely through funding from international donors. Table 4 (below) summarizes the current institutional arrangements.

Table 4: Institutional responsibility for administration of protected areas covering different ecosystem-types in Viet Nam

Ecosystem	Responsible Agency	Legal document establishing responsibility and mandate	Outline of mandates
Terrestrial	MARD/FPD	<i>Decision No. 22 /2008/QĐ-BNN</i>	The Ministry of Agriculture and Rural Development (MARD) has overall responsibility for managing the system of Special-use Forests, reviews budget allocations for Special-use Forest management boards, oversees implementation of the 5 Million Hectares Reforestation Programme (661 Programme), which supports Special-use Forest management through protection contracts and reforestation activities. It carries out surveys, plans and develops investment projects for establishing Special-use Forests. Recently, the former Ministry of Fisheries was merged into MARD. It was previously responsible for developing a national system of marine protected areas (MPAs). This mandate has now been assumed by the Department of Fisheries Resources Exploitation and Protection within MARD.
Inland Water Surfaces	MARD/DOFREP	<i>Decision No. 23/2008/QĐ-BNN</i>	
Marine	MARD/DOFREP	<i>Decision No. 23/2008/QĐ-BNN</i>	
Wetland	MONRE/BCD	Decree 109/2003 and Circular 18/2004 guiding the implementation of Decree 109	The Ministry of Natural Resources and Environment (MONRE) is responsible for the Ramsar Convention, the Convention on Biological Diversity and co-ordinating the implementation of Viet Nam's Biodiversity Action Plan.

30. That main division of responsibility according to three protected area or ecosystem types has been further elaborated through, for example, Decree 43 on the functions of MOFI and the Fisheries Law (2003), Decree 109/2003/ND-CP on Wetlands, and the Law on Forest Protection and Development (2004). The division is one of the most fundamental challenges facing government in defining integrated and consistent arrangements for the development and management of a single national system of protected areas. The three way division is reflected in the failure of government to facilitate a unified and systematic implementation of MASPAS and the Prime Minister's directives. However, as mentioned previously, the new Law on Biodiversity seems to offer a new vision of inter-agency coordination.

31. In addition to MARD and MONRE, the **Ministry of Planning and Investment (MPI)**, and Ministry of Culture, Sports and Tourism, and the Provincial People's Committees play important roles in PA management. **The MPI**, through the annual budgeting process, is responsible for setting funding levels and negotiating budget allocations with sectoral ministries and the provinces, including budget for protected areas. **The Ministry of Culture, Sport and Tourism (MOCST)** together with MARD has the responsibility for managing "cultural-historic-environmental sites", one of Viet Nam's categories of Special-use Forests. **The Viet Nam National Administration of Tourism (VNAT) within MOCST** is responsible for developing the country's tourism strategy and promoting tourism in national parks and cultural-historic-environmental sites.

32. One of the principles of Viet Nam's national reform process (*Đổi mới*), which emphasizes developing a socialist-oriented market economy, is the decentralization of authority to the lowest appropriate level. According to this, **Provincial People's Committees** are responsible for managing a number of national parks and all other forms of protected areas, including nature reserves, wildlife reserves, etc. Responsibility for the decentralization of management for Special-use Forests lies with MARD, as mandated under Decision 186/2006 (except 6 SUFs that are under national management). Management responsibility for individual PAs lies with the Protected Area Management Board (PAMB). Management boards are the basic institutional building blocks for the PA system. They are formally identified as the on-site managers of protected areas, whether SUFs, MPAs or wetlands. Both PA Ministries and all provincial governments have embraced the concept of management boards as the key to safeguarding the national protected areas estate. The national PA system will be as strong or as weak as its management boards. When a PA is established, there is a decision, either by MARD or the PPC assigning functions, tasks and organisation of the PA through a PA management board, but little attention has been given to ensuring consistent definitions or mandates of management board, thus some boards may consist of all PA staff, others of only the director and deputy.

33. The institutional arrangements for management of protected areas in Viet Nam will soon be changed as per the new Law on Biodiversity (No. 20/2008/QH12), which comes into force on 1st July, 2009. The Law states under Article 6 that "*The Ministry of Natural Resources and Environment shall take responsibility to the Government for performing the state management of biodiversity*" ... and ... "*Ministries and ministerial-level agencies shall, within the ambit of their tasks and powers, perform the state management of biodiversity as assigned by the Government*". This appears to offer an opportunity to exert greater coordination over PA policy and administration in the future that this project seeks to further strengthen.

Policy context:

34. The GoV has reaffirmed its commitment to environmental protection in general and sustainable financing for PAs in particular. At the beginning of 2005, the GoV made a commitment to allocate 1% of the state budget to the environment. This project is consistent with the *Management Strategy for a Protected Area System in Viet Nam to 2010* (FPD 2003), that identifies the need "to reform the PA management mechanism, particularly investment and financial management in PAs" as a strategic priority. Sustainable conservation financing has been identified as a key issue in the draft National Forest Strategy for 2005-2010. The project is also consistent with Viet Nam's National Action Plan on Biodiversity up to 2010, which has identified a number of "major solutions" to the problems affecting biodiversity in Viet Nam, including:

- i. To consolidate and strengthen the capacity of the system of state management agencies
- ii. Review, compile, amend and complete the systems of mechanisms, policies and legal documents
- iii. To apply financial instruments to biodiversity management such as taxes and fees on the exploitation and use of natural resources, environmental service fees and conservation funds
- iv. To decentralize and assist localities in biodiversity management
- v. To diversify models of community-based management
- vi. To establish interregional mechanisms to coordinate localities' activities in biodiversity management

35. A key policy document governing administration of the protected area system in Viet Nam is the Decision of the Prime Minister No.: 192/2003/QĐ-TTg, dated 17th September 2003, entitled "*The Management Strategy for a Protected Area System in Viet Nam to 2010*". The primary objective of the Management Strategy (MASPAS) is to establish, organize and manage effectively an integrated protected area system covering terrestrial, wetland and marine ecosystems. MASPAS highlights five fields where urgent action is required to develop and safeguard Viet Nam's protected areas system: (1) landscape

management, (2) local community participation, (3) development control, (4) financial innovation and (5) institutional reform.

36. The Prime Minister's decision (192/2003) identified four strategic priorities:

- i) To develop “*an essential legal framework*” for PA management;
- ii) Establish “*a national focal agency to manage PAs*”;
- iii) Establish “*formal links between PA management boards and agencies responsible for development of buffer zones*” and
- iv) Develop “*plans and regulations to manage PAs*”.

37. Currently, the management of the SUF system is in compliance with the Law on Forest Protection and Development 2004; Decree No. 23/2006/NĐ-CP dated 3rd March 2006 of the Government on the implementation of the Law on Forest Protection and Development; and Decision No. 186/2006/QĐ-TTg dated 14th August 2006 on issuing forest management regulations. Decree No. 109/2003/NĐ-CP dated 23rd September 2003 on wetland conservation and sustainable development can be used for managing SUF in wetlands as mentioned in Decision 186.

38. The management of wetlands and inland areas is in compliance with the Fisheries Law 2003, Decree No. 27/NĐ-CP dated 8th March 2005 regulating details and guiding the implementation of articles in the Fisheries Law; the above mentioned Decree 109/2003; and Decision No. 1479/QĐ-TTg dated 13th October 2008, approving Planning of the IPA system to 2020. In reality, the WPA system has not been approved yet by the PM and therefore, the WPAs located within the SUF system are managed by legal documents relating to both SUF and wetlands (according to Decision 186/2006).

39. MPAs are managed in compliance with the Fisheries Law 2003, Decree 27/2005 and Decree No. 57/2008/NĐ-CP dated 2nd May 2008, issuing management regulations for MPAs of national and international importance. Again, due to the absence of an approved MPA system, PAs located within SUFs with marine areas are managed under the guidelines for forest management in Decision 186/2006, although they may have a larger area of marine ecosystems than of forest ecosystems.

40. Other laws related to management of PAs include the Law on the Government Organization, Land Law, Law on the Environmental Protection, and the Law on Water Resources.

41. All national parks (NPs)/nature reserves (NRs) are state agencies which receive 100%, or at least more than 90% of their budget from the state (as defined by Circular No. 71/2006/TT-BTC dated 9th August 2006, guiding the implementation of Decree No. 43/2006/NĐ-CP dated 25th April 2006, regulating self-reliance rights, responsibility for task fulfillment, organization, staffing and finance of state agencies. Hence, all financial matters of PAs are regulated by the Budget Law and Circulars of the Ministry of Finance (MOF) guiding the preparation, management, use and financial accounts of the state budget for the implementation of National Action Plans, programs, tasks, projects, etc. of natural resources and the environment, agriculture and rural development sectors and localities.

42. The new Law on Biodiversity (No. 20/2008/QH12), which will come into effect on July 1, 2009, will likely form the basis for some major changes in PA policy. Clearly, the new Law on Biodiversity will be the dominant legal instrument when it comes into force on 1st July, 2009. In relation to financing of protected areas, several articles are of relevance:

- Article 4 states that “*Organizations and individuals that benefit from biodiversity exploitation and use shall share their benefits with concerned parties; ensuring harmony between the interests of the State, organizations and individuals*”.

- Article 5 (State policies on the conservation and sustainable development of biodiversity) commits the state to “*Ensuring funds for basic survey, observation, inventory and building of databases on biodiversity and planning of biodiversity conservation; investing material- technical foundations for conservation zones and biodiversity conservation facilities set up by the State; and ensuring local people’s participation in the process of formulating and implementing biodiversity conservation plannings*” and “*Developing ecotourism in association with hunger eradication and poverty alleviation, ensuring stable livelihood for households and individuals lawfully living in conservation zones; developing in a sustainable manner buffer zones of conservation zones*”.
- Under Article 29, a conservation zone management unit, while being responsible for conserving biodiversity, also has the right “*To do business or enter into joint ventures in ecotourism, scientific research, resort and other services in the conservation zone according to law*”.
- Article 73, on Finances for biodiversity conservation and sustainable development, states that funds for biodiversity conservation come from: (i) The state budget; (ii) Investments and contributions of domestic and foreign organizations and individuals; and (iii) Proceeds from environmental services related to biodiversity and other sources in accordance with law. It also states that the Government shall specify environmental services related to biodiversity.

43. The Law on Biodiversity clarifies the role of the state in biodiversity planning and reporting. It establishes (Chapter 2) that a national master plan on biodiversity conservation should be prepared, for which “*The Ministry of Natural Resources and Environment shall assume the prime responsibility for, and coordinate with ministries and ministerial-level agencies in, organizing the formulation of a national master plan on biodiversity conservation and submission thereof to the Government for approval*” and “*On the basis of the national master plan on biodiversity conservation, ministries and ministerial-level agencies shall organize the formulation, approval and adjustment of plannings on biodiversity conservation under their management*”. Also “*The Ministry of Natural Resources and Environment shall assume the prime responsibility for, and coordinate with concerned ministries and ministerial-level agencies, in guiding the implementation of the national master plan on biodiversity conservation*”.

44. Article 33 establishes that every three years, conservation zone management units must report on the current status of their conservation zones’ biodiversity including:

- The actual status and the restoration situation of, and plan to restore the conservation zone’s natural ecosystems;
- The actual status of and plan on conservation of the conservation zone’s species on the list of endangered precious and rare species prioritized for protection;
- Requirements for conservation of the conservation zone’s biodiversity;
- Current situation of land use in the conservation zone.

45. Furthermore, Article 72 requires that biodiversity reports must be included in the national environmental report, and include (among other issues):

- The current status and change of major natural ecosystems;
- The current status, distribution region, estimated number of individuals and characteristics of species on the list of endangered precious and rare species prioritized for protection

1.2. Threats, causes and impacts

46. In common with the situation in many developing countries, threats to biodiversity in Viet Nam can be ascribed to two basic processes: loss of natural ecosystems; and degradation of natural ecosystems.

i) **Loss of natural ecosystems:** The major causes of loss of natural ecosystems are:

47. *Land Clearing for Agriculture and Aquaculture:* Expansion of arable land by encroaching into forest lands is one of the most important causes leading to biodiversity loss. In the northern mountains of Viet Nam, the converted land is mainly used for annual crops. In the central highlands and the south-eastern regions, perennial crops are planted such as coffee, cashew and rubber. In coastal areas, mangroves are cleared and land is drained for aquaculture. This expansion of arable land and aquaculture areas occurs under government policy guidelines to meet food demands for the growing population and to promote the necessary economic development of the country by increasing highly valuable agricultural produce and seafood exports. However, much of the converted land is of limited productivity and is often abandoned; this is especially true of shrimp farms in mangrove areas. Primary agents of conversion to agriculture are poor farmers who have migrated from the delta provinces and from the northern mountainous regions to the southern provinces, especially the Central highlands.

48. *Infrastructure Construction:* Associated with the rapid with the socio-economic development of the country is the expansion of infrastructure, including roads, bridges, harbours, right-of-ways for electricity power-lines, sewage and water supply systems. For example, the Hồ Chí Minh Highway construction has resulted in conversion of some areas in National Parks such as Cúc Phương and Phong Nha. Other examples are roads through the Plain of Reeds (Đồng Tháp Mười); roads connecting Hà Tiên Province with Cà Mau Province; and the 500 KV trans-Viet Nam electricity power-line, etc. Reservoirs are another significant cause of ecosystem loss affecting important protected areas such as Na Hang NR.

ii) **Degradation of natural ecosystems:** The major causes of degradation in natural ecosystems are:

49. *Logging:* Illegal logging and unsustainable legal logging pose a great threat to biodiversity. They not only deplete natural timber resources but also dramatically change forest quality. Between the years 1986-1991 an average annual volume of 3.5 million m³ of timber was logged legally. In the period 1992 – 1996 the average annual volume harvested more than halved to about 1.5 million m³. Since 1997 the volume has reduced further, to about 0.35 million m³ per year from natural forests. Illegal logging occurs everywhere, even in Protection and Special-use Forests. The main reasons leading to serious and uncontrollable illegal logging are the demands for timber for domestic uses and for export, the low risks of being caught and the high financial rewards. Timber harvesting generates large profits and the forest protection force has not been strong and effective enough to regulate the industry. Prosecution of violations of timber exploitation and trafficking has been limited and insufficient to deter forest degradation.

50. *Firewood Needs:* Wood collection for fuel also occurs at a large scale and is difficult to control. Demand for energy from firewood accounts for 75% of total energy demands of the whole country. It is estimated that about 22 -23 million tons of fuel have been harvested annually from natural forests. Before 1995, about 21 million tons of firewood was collected per year to meet living needs for households. This was as much as six times the export timber volume each year. Additionally, firewood is collected mainly in areas near villages, leading to higher levels of harvesting locally than can be accommodated sustainably, and rapid dwindling and degradation of those forest areas.

51. *Use of Non-timber Forest Products (including wildlife):* In Viet Nam's forests, there are more than 5,000 species used for non-timber forest products (NTFPs) such as rattan, palm leaves, bamboo, fungi and herbal plants, which are collected for food, construction materials, handicrafts, herbal medicine and export. There are also more than 100 species of birds, mammals and reptiles being exploited frequently for food or medicinal purposes and for export. These activities pose great threats to the survival of species such as dugong, turtles, many species of snakes, gaur, tiger, rhino, sun bears (*Helarctos malayanus*),

snub-nosed monkey, golden-headed langur, black gibbon, Edwards and imperial pheasants (*Lophura edwardsi* and *L. imperialis*, respectively), Ngoc Linh ginseng (*Panax Viet Namensis*) and red shoe-shaped orchid (*Bulbophyllum albociliatum*), etc. The effects on many species are unknown. Wildlife trading, especially in species such as snakes, bears, tortoises, turtles, chameleons, pangolins, etc. for food, medicinal or illegal export purposes is on the increase. Trading activities are spreading to areas in different regions of the country and are difficult to control. Many endangered and vulnerable species have been seen for sale in various markets, even in the larger cities.

52. *Fishing*: Destructive methods such as dynamite, poisons (cyanide) and electric-shocking are often used for fishing. The results of over-fishing can be seen clearly in declines in total catch volume, fish sizes and catch-for-effort statistics, especially for marine fisheries. In addition, some seafood specialties such as lobster (*Panulirus*), abalone (*Haliotes*), shell fish (*Chalamys*) and squid (*Loligo*) have experienced significant decline. The exploitation of these species has continued, even though five spotted herring species, four lobster species and two abalone species are listed as vulnerable. Mother-of-pearl has disappeared in the northern sea in Viet Nam.

53. *Introduced Faunal and Floral Species*: Deliberate and accidental introduction of exotic species most directly threatens important biodiversity, especially agro-biodiversity. However, some introduced species also become invasive, leading to degradation of natural ecosystems. Examples include the freshwater golden snail (*Pomacea canaliculata*) and marsh mimosa (*Mimosa pigra*).

54. *Forest Fires*: Although forest fire is a natural process in some ecosystems, the frequency and extent of fires throughout forested ecosystems in Viet Nam is a cause of degradation. Regions that often have forest fires are the Mekong Delta, Southeastern, Central Highlands and Northwestern regions. Shifting cultivation is largely obsolete, though it is still used as a traditional agricultural production system by some ethnic minority groups in mountainous areas. Consequently, shifting cultivation typically does not lead to ecosystem loss, as the total area under cultivation is declining. However, the use of fire to clear fallow land, if not carefully controlled, can lead to fire spreading into natural forests. Other sources of fire include cooking, hunting and honey collection.

55. *Pollution*: Many activities such as industry and urban development, mineral ore extraction, rural and traditional handicraft village development, and industrial and domestic waste treatment can cause pollution of water, air, land and marine environments. Many industrial entities in the country are small scale and use out-of-date technology. Consequently, large volumes of untreated wastes find their way into rivers and streams and underground water sources and frequently contaminate land. These rivers and streams carry pollutants and wastes into wetlands and the coastal and marine environments. The rural environment is also polluted by inappropriate use of agricultural chemicals.

Underlying Causes of Biodiversity Loss

56. Again, underlying causes of threats to biodiversity in Viet Nam differ little from causes in many other countries. However, the most important underlying causes are:

57. *Population Growth and Migration*: Population challenges in Viet Nam are serious in terms of resource availability, environment capacity and health. In the ten years 1989 to 1999, the population growth rate was 1.7% per year on average. The population is still increasing at a high rate while the availability of land, water and other resources remains static. Rapid population growth near protected areas, including in-migration, is one of main causes leading to biodiversity loss in Viet Nam. Population growth results in increases in living and other essential demands while resources are limited especially land resources for agricultural production. Consequently, arable land expansion is on the rise affecting forest land encroachment and biodiversity degradation.

58. Both controlled and free migration policies impact on biodiversity conservation. From the 1960s onwards, the government encouraged about people to move from the lowland plains areas to live in and develop mountainous regions. This mobilization changed the ethnic structure of the central and northern mountainous regions in particular. In the period following the unification of the country (1975-1989), all migrations were supported by the State, and it is estimated that about 2.4 million people migrated in this period, of which 75% were provincial internal migrants and 25% were provincial external migrants. Most external migrants moved from the Red River Delta to the Central Highlands. These days migration is spontaneous, and driven by economic factors. Migrants are often the poor who lack production experience. Arriving in new lands, they usually cut down trees for housing, destroy forested areas for residential purposes and cultivate the land.

59. *Poverty*: Nearly 80% of the population lives in rural areas and, especially in remote areas, the people are among the poorest in the country. According to 2001 figures, poor households make up 17% of the population; most of them are in rural, mountainous, and remote and border areas. The poor often do not have land or are pushed to live in impoverished, steep and infertile lands. Economic activities are mostly limited to agriculture, forestry and fishing, as they lack long-term capital to invest in the development of other livelihood options. Poverty thus leads to unsustainable resource utilization and resource degradation. In the past ten years, significant achievements have been made in poverty reduction, improving greatly the living standards of a major portion of the population. Over two million poor households have been raised above the poverty line.

60. *Economic Policy*: Due to a long period of war, economic policies for much of the second half of the 20th century focused on meeting essential requirements for the war, including the exploitation of natural resources. After 1975, the economy continued to face many difficulties, leading to (for example) timber being logged very heavily for construction and export to fund economic development. Policies in the “*Đổi mới*” (renovation) period, since 1986, have helped on one hand to boost the economy but on the other hand they had negative impacts on biodiversity. For instance, the promotion of agricultural and fishery product exports has encouraged mangrove destruction for fish and shrimp farming and investments in forest clearance in order to have more land for such crops as coffee, rubber and cashews.

61. *Legislation Enforcement*: Since the 1960s many legal documents, guidelines and policies have been issued and some action programmes related to biodiversity conservation have been implemented. Nevertheless, implementation has not been thorough and people’s perception of biodiversity protection, particularly among ethnic people in mountainous areas has been poor. In regard to state management, the forest protection force has not been strong enough, welfare and benefit policies for them have been limited, they generally have poor technical equipment, and sanctions and legislation have not been specific. Sometimes these constraints discourage forest rangers and communities from taking part in forest conservation efforts.

1.3. Long-term solution and barriers to achieving the solution

62. The proposed long-term solution for biodiversity conservation in Viet Nam’s system of protected areas is strengthened systemic, institutional and individual capacities, supported by sustainable financing. A key difference in approach from previous support to protected areas in Viet Nam is the focus on a system-wide approach. Although Viet Nam has benefitted from a substantial number of project aimed at improving protected areas management, including a number of GEF-funded projects¹ (), an inadvertent consequence of past support focusing on individual protected areas has been the development of a protected areas system that is highly fragmented. The decentralization process for PA management

¹ Project IDs 209: Ba Bể NP, Na Hang NR and Yok Don NP; 4: Hon Mun MPA; 1477: Cúc Phương NP; 1943: Chu Yang Sin NP; 1030: Kon Ka King and Kon Cha Rang NRs; and 1031: Côn Đảo NP

mentioned in an earlier section of this document has accentuated this fragmentation, such as there is essentially no coordination or cooperation among protected areas, resulting in cost inefficiencies and even competition for scarce resources, for example, from tourism revenue.

63. In order to identify the key barriers achieving the long term solution, a number of analyses, stakeholder discussions and site visits were undertaken. In addition two key tools were applied during the period of the PPG. These were:

UNDP's Financial Scorecard: This is a tool developed by UNDP specifically to assess the strengths and weaknesses of financial management of protected area systems². The scorecard was completed during two multi-stakeholder expert consultations (13th May and 9th June, 2008), and detailed results are provided in Annex 4.

UNDP's Capacity Scorecard: This is a tool developed by UNDP to assess the broader capacity strengths and weaknesses of protected area systems. The scorecard was completed during a single multi-stakeholder expert consultation (10th June, 2008), and detailed results are provided in Annex 5.

The Management Effectiveness Tracking Tool (METT) in project pilot sites: This is a standard tool used for all GEF-funded protected area projects, consisting of a questionnaire with scores assigned to alternative text answers. Managers are asked to complete the tracking tool, ideally with a team of staff and other stakeholders. METT tables for the PAs included in the project pilot sites are given in Annex 6 (see also Annex 7, which describes the rationale and process of pilot site selection).

64. Barriers to the implementation of the identified long-term solution can be grouped under four headings: (i) policy; (ii) institutional mandates and individual capacities; (iii) practical experiences with diversified revenue streams; and (iv) monitoring and reporting, as follows:

(i) The lack of a comprehensive and harmonized legal and policy framework for PA financing

65. Legal, policy and regulatory support for issues such as tenure rights, revenue retention and sharing within the PA system are currently very weak in Viet Nam. Currently there is no national PA financing policy and strategies at the national level.

(ii) The lack of clear and harmonized institutional mandates and processes for PA financing mechanisms

66. As multiple institutions are responsible for PA management, there is lack of clarity on roles and responsibilities on effective PA management and financing. Furthermore, this lack of clarity leads to institutional inertia, and institutions that cannot respond effectively to change.

67. These institutional constraints are exacerbated by limited individual capacity on development and management of revenue generation mechanisms, PA planning/management, business planning, marketing and communication strategies. Incentive systems are currently ineffective in motivating individuals to perform effectively, and these results in adverse values, integrity and attitudes among PA staff.

(iii) Little knowledge or experience of sustainable financing options

68. Within the protected area system there is little operational experience with revenue generation mechanisms (PES; Operational concessions; effective fee collection systems; economic valuation), or with economic valuation of protected area systems. PA site-level business planning is largely absent, and there are no PA training programmes on revenue generation mechanisms. Past training and capacity

² <http://www.undp.org/gef/05/kmanagement/newpublication.html>

development on skills for PA planning/management have been ad hoc and not institutionalized, as a result of which the benefits were not sustainable.

(iv) Lack of information and information sharing on biodiversity and PA status

69. Information to develop and monitor strategies and action plans for the management of the protected area system is limited. In particular, monitoring of the state of protected areas by society does not occur because of lack of access to information and the absence of tools to disseminate such information even if it existed. Consequently, public support for protected areas is limited.

1.4. Stakeholder analysis

70. The Viet Nam Environmental Administration (VEA) will be the main partner for project implementation and will work in close cooperation with the Forest Protection Department and Department of Fisheries Resources Exploitation and Protection of MARD, Ministries of Planning and Investment and Finance, the Viet Nam National Administration of Tourism, Provincial People’s Committees, Provincial Departments of Agriculture and Rural Development, District and Commune People’s Committees, Universities and Research Institutes, and representatives of the local people. Table 5 below describes the major categories of stakeholders and their involvement in the project.

Table 5: Key stakeholders and roles and responsibilities

Stakeholder	Roles and Responsibilities
Viet Nam Environmental Administration (VEA) / MONRE	VEA will be responsible for the overall coordination of the project on behalf of MONRE. It will also be a lead agency of project activities for several activities and outputs identified in Annex 1. VEA was recently created by the up-grading of the previous Viet Nam Environmental Protection Agency. Its role in project implementation is presented under the section on Management Arrangements.
Forest Protection Department (FPD)/MARD	The FPD will be the lead agency on behalf of MARD. It will lead on some of the project outputs as presented in Annex 1 and its role in project management is detailed under the section on Management Arrangements.
Dept. of Fisheries Resources Exploitation and Protection / MARD	DOFREP will work in close cooperation with VEA. It will contribute to the project through administration and management of MPAs and IPAs.
Ministry of Planning and Investment (MPI)	MPI will support the project through its work on an evolving investment and investment allocation mechanism for SUFs (and potentially other forms of PAs. The project will generate information to support MPI in its work.
Ministry of Finance (MoF)	The MoF is a key partner in reviewing and approving budgets; it will assist the project in reviewing and, where necessary, revising financial regulations and procedures to support improved and diversified financial management of PAs
The Viet Nam National Administration of Tourism (VNAT)	VNAT will cooperate with the project in developing tourism plans for pilot sites and reviewing policy on generation and allocation of tourism revenues.
Provincial People’s Committees (PPCs)	As a major administrator of PAs throughout the country, PPCs will be critical to implementation of project activities in the pilot sites.
Provincial Departments of	DARDs are the main technical agency at the local level. DARDs

Stakeholder	Roles and Responsibilities
Agriculture and Rural Development (DARDs)	report to PPCs, but take policy guidance from MARD. As such, they will be important in implementing project activities at pilot sites, especially in building capacity of local stakeholders
District and Commune People's Committees	District and Commune PCs are important in supporting local socio-economic development. While many are supportive of PA management, they may also be ambivalent since PA land may be viewed as having valuable alternative uses. District and Commune PCs will therefore be targets of awareness raising activities,
Viet Nam Conservation Fund (VCF)	As a component of the Forest Sector Development Programme, the VCF offers small grants to selected SUFs to improve management. As such, this project can establish close cooperation with the VCF to help capture lessons from the VCF for up-scaling; the VCF can help extend field testing of diversified revenue generation
Universities	Universities having conservation-related departments will contribute through scientific surveys and educational activities.
Research Institutes	Relevant regional research institutes such as CRES will contribute project in scientific surveys and educational activities.
National press and media	The project will cooperate with national press and media on public awareness issues.
Local press and media	The project will cooperate with local press and media at selected pilot areas on public awareness issues.
Representatives of local communities (villages)	Inhabitants of the villages within the selected pilot project areas will be made aware of the issues and invited to take part in the decision making process. Their cooperation will be sought in implementing project activities including protection and alternative income development (ecotourism, sustainable harvesting of natural resources), awareness raising, etc.
UNDP-Viet Nam	The roles and responsibilities of UNDP-Viet Nam will include: Ensuring professional and timely implementation of the activities and delivery of the reports and other outputs identified in the project document; Coordination and supervision of the activities, including ensuring alignment of the programme with the UN's One-Plan for Viet Nam; Assisting and supporting VEA for organizing coordinating and where necessary hosting all project meetings; Manage and be responsible of all financial administration to realize the targets envisioned in consultation with VEA; Establishing an effective networking between project stakeholders, specialized international organizations and the donor community.

1.5. Baseline analysis

71. Baseline programmes and initiatives may be divided into four main areas, corresponding with the four project groups of barriers identified previously. These baseline activities are described below.

72. Baseline assessment using the UNDP Capacity Scorecard identified a number of key issues that need to be addressed to catalyze sustainable PA management in Viet Nam. The issues for which the assigned

score was less than 40% of the maximum are listed below, including one issue which had a score less than 10% of the maximum (shown in bold text):

Society monitors the state of protected areas
There are adequate skills for PA planning/management
PA institutions are transparent and accountable
PAs are effectively protected
Individuals are highly motivated
Protected areas have the public support they require
Individuals carry appropriate values, integrity and attitudes
Protected area institutions have the information they need to develop and monitor strategies and action plans for the management of the protected area system
Institutions are highly adaptive, responding effectively and immediately to change
Institutions have effective internal mechanisms for monitoring, evaluation, reporting and learning
Individuals are adaptive and continue to learn

73. Baseline assessment using the PA Financing Scorecard in 2008 has identified a number of weaknesses, some of which reiterate the Capacity Scorecard assessment findings. Key weaknesses that had scores less than 40% of the maximum included the following, with those with the lowest scores (less than 10% of the maximum) shown in bold text:

- **National PA financing strategies**
- **Training and support networks enable PA managers to operate more cost-effectively**
- Legal, policy and regulatory support for revenue retention and sharing within the PA system
Economic valuation of protected area systems
- PA site-level business planning
- Operational, transparent and useful accounting and auditing systems
- Number and variety of revenue sources used across the PA system
- Setting/establishment of user fees across PA system
- Effective fee collection systems
- Marketing and communication strategies for revenue generation mechanisms
- Operational PES schemes for PAs
- Operational concessions within PAs
- Training programs on revenue generation

74. More details are provided on the baseline situation on these key issues below.

1. Legal and policy framework

75. The baseline situation on the institutional, legal and policy frameworks has already been described above, under the situation analysis. As already noted, PA policy in Viet Nam has evolved over the past several decades, resulting in a multitude of legal and policy documents which are overlapping, inconsistent and often contradictory. This has contributed to a score of 33 (out of a possible total of 94) for the “Legal, regulatory and institutional frameworks” component of the UNDP Financial Scorecard.

76. For example, concepts of wetlands and inland PAs have been confused. The inland PA system approved in Decision No.1479/QDD-TTg dated 13 October 2008 of the PM actually refers to wetlands; and according to Article 5 of Decree No. 27/2005/NĐ-CP, dated 8 March 2005, guiding the implementation of some articles of the Fisheries Law, inland PAs will be managed by Decree 109/2003 on the conservation and sustainable development of wetlands. However, the wetland PA system has never been officially approved so, under Decision 1479/2008, it may be that a wetland PA system can now be developed under the guise of an “inland” PA system.

77. In practice, PA staff have to apply legal documents relevant to forests, wetlands and marine areas for PA management. For example, in relation to zoning, according to the Law on Forest protection and development, SUFs must be divided into a strictly protected zone (core zone), rehabilitation zone, service-administration zone and buffer zone. In contrast, Decree 57 stipulates that each MPA is divided into at least three zones: strictly protected zone, rehabilitation zone and development zone; a MPA also has a protection belt with the same function as the SUF buffer zone. When a decision is issued to establish a new PA which contains several ecosystems, the decision typically does not specify the zones to be applied. As a result, PA staff do not know which legal documents would be applied to treat violations.

78. The Law on Biodiversity seems to offer a solution as it specifies a single zoning system that will apply to all protected areas. Also, when dealing with issues covered by earlier laws and regulations, the Law on Biodiversity, being the most recent, takes supremacy. In practice, however, application of the Law on Biodiversity requires the development of new regulations which, if not crafted carefully, could result in new problems emerging, particularly in relation to the Forest Protection and Development Law for terrestrial protected areas.

Emerging policy on PA financing

79. In 2008, MPI carried out a study to research and develop investment and financial support policies for the development and protection of SUFs and protection forests. The policies included (i) management mechanism, responsibilities, mandates and operational budget for forest management boards; (ii) investment mechanism, investment rate and investment sources for forest protection and development projects; (iii) responsibilities of management agencies at national level and local level. The final output of the project is a draft Decision of the Prime Minister regarding “*An investment and investment allocation mechanism for Special use forest system.*” Weaknesses identified in this report, and in other similar initiatives, contribute to a current score of only 5.5 (out of a possible total of 9) for the “Capacity to conceptualize and formulate policies, legislations, strategies and programmes” component of the UNDP Capacity Scorecard. The unofficial, preliminary conclusions of the MPI report were:

- PAMBs are allowed to cooperate with individuals, economic entities to do and manage business/economic activities within SUFs to generate revenues that will gradually replace the state budget currently allocated for SUFs
- Administration/management expenditures are recurrent expenditures that are stably guaranteed by the state budget at the level of one salary portion per 500ha
- The area set aside for business activities should not account for more than 20% of a zone. All business activities should be under joint-stock SUF development companies.
- All current business entities inside SUFs should be shifted into joint-stock companies for SUF development. PAMBs should own 51% stock of the joint-stock companies for SUF development.
- PAMBs are allowed to rent out the forests (environmental services) to individuals and organizations for doing business (except collection of entrance fees).
- Preferential treatments for investment and development inside SUFs: Phasing out of income tax during the first 10 years; etc. etc.
- Support from PAMBs to communities living in the buffer zone should be increased from 50 million VND/village/year. This investment support to villages should be clearly linked to protection and management of SUFs.

80. These conclusions highlight the need to ensure that emerging national policies and guidelines on sustainable financing allow PAMBs to benefit from PES and other revenue generation options, and that the system as a whole can pursue off-site revenue generation.

2. Institutional mandates and processes

Institutional management of a unified PA system

81. As noted earlier, the current situation of PA administration in Viet Nam is very complex, with four different systems recognized according to ecosystem, and three different agencies from two ministries responsible for developing and administering policy for specific ecosystem types (Table 3). Furthermore, management of PAs is assigned to a multitude of agencies from central government to various forms of local government (Table 2). Even the legal basis of the land in many protected areas is unclear. For example, in Bai Tu Long NP, there are significant areas under private land ownership, dating from prior to the establishment of the NP, while frequently the PA management board itself does not have land tenure certificates (“red books”). The inevitable result is unclear, overlapping and contradictory mandates resulting in ineffective PA management. These factors have led to a score of 21 (out of a possible total of 57) for the “Business planning and tools for cost-effective management” component of the UNDP Financial Scorecard, and a score of 21.4 (out of a possible total of 48) for the “Capacity to implement policies, legislation, strategies and programmes” component of the UNDP Capacity Scorecard.

82. The decentralization process has been complicated by additions and modifications to the SUF system. In general, provincial authorities manage nature conservation areas, cultural-historic-environmental sites and a growing number of national parks. Currently, only six national parks that are of “special importance” and/or that extend across more than one province are the responsibility of MARD. Table 2 shows the current breakdown of management responsibility for SUFs:

Table 2: Status of SUF management responsibility

MARD	6
PPC (in full please for all)	24
DPC	2
Provincial FPD	43
District FPD	4
DARD	19
Dept. of Culture, Sports and Tourism	4
Forest Development Department	1
State Forest Enterprise	3
No MB or unclear MB	22
TOTAL	128

**Source: Report of Nguyễn Mạnh Hiệp, FPD/MARD, 6/2008*

83. The Law on Biodiversity attempts to address these problems through various Articles, including Article 6, which assigns the Ministry of Natural Resources and Environment with responsibility for performing the state management of biodiversity, and Article 25 that establishes the right of PA management boards to *land* tenure certificates. Consequently, there is clearly a need for a coordination mechanism to ensure coordinated institutional management of a unified PA system.

84. The Forest Sector Development Project is an initiative of MARD with support from the World Bank, the Royal Netherlands Government and other donors. The goal of the project is the sustainable management of forests and the conservation of biodiversity, to achieve environmental protection, improved livelihoods of people in forest-dependent areas and enhanced contribution of forestry to the national economy. The project has four components, one of which is Special-use Forest conservation. Under this component seeks the Viet Nam Conservation Fund has been established on a pilot basis to

provide small grants to improve management of up to 50 SUFs and to mobilize international and local technical assistance to build the capacity of SUF management boards and local communities to plan and implement priority conservation activities. The VCF has been operational since 2005, and will run initially to 2011.

85. While it is clear that a management board is identified as the “owner” of the protected area, it is not clear what that means in practice. Consequently, while management boards have been given ultimate responsibility for the maintenance and enhancement of protected areas, in practice they have little of the authority needed to achieve this goal. This has led to poor morale and frustration, low performance and uncertainty about how best to carry out their duties. The Prime Minister’s Decision 192/2003 identified as a priority strategic action the need to “*define clearly the duties and mandates of PA management boards*” and to “*direct the improvement in organisation of PA management boards*”. That direction is stressed in the MASPAS itself. It calls for “*Reform of the organisation and management mechanisms for PA management boards*” and to “*stipulate specific duties of PA management boards*”.

- *Boards are not always established:* When PAs are established, whether at central or provincial level, a Management Board must be set up, yet more than 40% of PAs do not have management boards.
- *Board tenure is not well defined:* When a province or central government does establish a board they become the “owners” but they are not issued with tenure certificates (commonly referred to as “red books”) which stipulate their rights and authorities as is normal practice for other land holders. It should be noted, however, that the new Law on Biodiversity states (Article 25) that “*Based on decisions on establishment of conservation zones, competent land allocation agencies under the Land Law shall allocate land to conservation zone management units or other organizations assigned to manage conservation zones*”. This appears to establish the principle that conservation management units (= PA management boards) do have the right to tenure certificates.
- *No guidance on board structure:* There is no common model to follow for organisational structure. Each province takes its own initiative on the basis of past experience and practices. In some provinces the “board” is the entire management unit of Director and his staff organised in different ways (for example, functional departments, forest protection unit, and forest protection and management stations). In other provinces, the “board” is made up only of the Director and his Deputy. In still other areas, it is viewed in a corporate sense as a “Board of Directors” in which the Director and various other government officials meet regularly to decide and oversee key PA management issues. Even in this latter model, the concept of a board allowing stakeholders from outside government as members is not understood or accepted.
- *Multiple institutions operating in PAs:* For example, Xuân Thủy National Park has a forest protection unit which is accountable to the Park Board but which has limited enforcement power. Besides this unit there is a forest ranger unit which has more enforcement power but is under the provincial FPD. The issue whether or not SUFs should have forest rangers remains unresolved. Current management of individual PAs is sometimes based on earlier institutional and tenure arrangements for the same forest area. For example, many were once production forest and some, such as Tâm Quý Nature Reserve, remain under SFE management. SFE’s come under DARD in the provinces, so PAs resulting from reformed SFEs often remained under DARD management. This situation applies to 19 SUFs, some in Hà Tĩnh and Kiên Giang Provinces.
- *One PA but different regulations:* One implication for having many institutions operating within a PA is that they bring with them their own regulations. Uncertainty arises when determining whose regulations should apply in any given management situation. For example, there may be a PA management board, tourist company and mining company all operating in a PA under different sets of

regulations. Such a situation often results from PAs having been established without consultation with other stakeholders.

86. *PA staff at all levels trained on business management, tourism management, monitoring and participatory management*

87. Individual capacities are affected by a number of factors, including overall PA budgets (described above), staffing levels, training, and motivation.

88. Regarding staffing levels, the Prime-Minister’s Decision No 186/2006/QĐ-TTg establishes that for every 500ha of PA there should be one ranger/officer. However, most PAs do not currently reach this level. For example, Bidoup-Nui Ba NP, with a total area of 64,700ha, should have a staffing level of 129, but there are currently only 96 staff, 70 of whom are rangers, while 41 have a university education (2 having post-graduate education). These figures are fairly typical - a recent survey of 50 SUFs revealed that 33% have undergraduate or graduate degrees and the rest have almost no professional training, while 60% of staff are assigned to law enforcement only. The “Capacity Building for Biodiversity Conservation Project” (CBBC) has undertaken extensive training needs assessments, and developed a number of training modules, supported by textbooks and other materials for Basic Ranger, Technical Ranger, and Middle Management courses. These modules and materials are currently being piloted in three northern provinces.

89. Some protected areas have no staff at all. For example, Tien Hai nature reserve was established in 1996, but no management board has been established and no funding has been assigned to the PA. At neighbouring Xuan Thuy NP, there are only 15 staff, which is less than 50% of the staff approved under the national park’s 2003 investment plan (which called for 32 staff). Figures 3 and 4 reflect the range of staffing levels and staff education for SUFs and highlight the need for enhanced and systematic staff training.

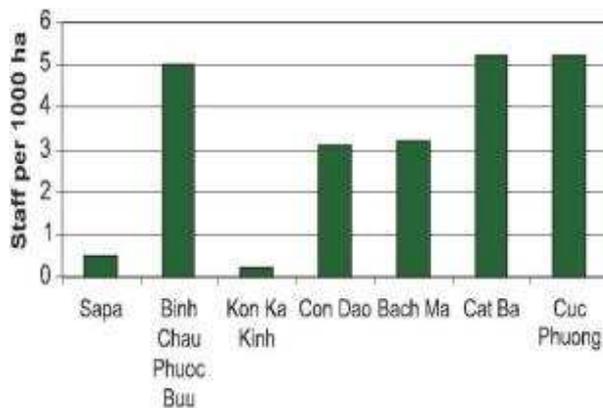


Figure 3: Staff per 1000ha for a number of SUF

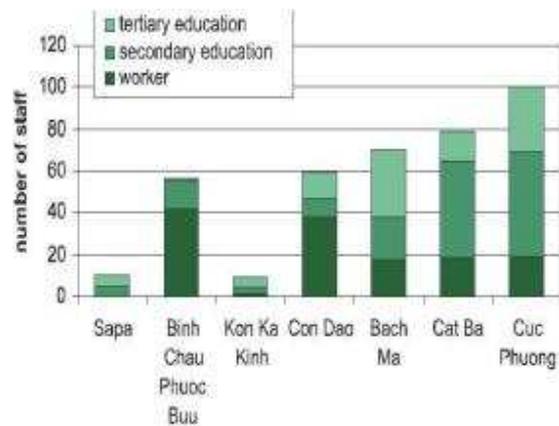


Figure 4: Education levels for staff at a number of SUF

Source for both Figures: Viet Nam Environment Monitor 2005. World Bank, Hanoi

90. The Viet Nam Conservation Fund (VCF) undertook a study on financial status across the SUF system, which included a survey of 50 SUFs. The study concluded that basic weaknesses included:

- The total number of staff of the 50 SUFs included in the study exceeds 2800, 69% of whom are permanent staff.
- PAs staff cannot adequately address conservation needs, especially for PAs under provincial management. Most staff have been trained only in forest protection and management, but not in conservation.
- Capacities of PAs management boards are very limited in business and financial planning.
- However, some PAs are very active in mobilizing investment for conservation activities.
- All PAs management boards aim to support socio-economic development in buffer zones in order to reduce pressures to biodiversity conservation.
- Budget allocation for national parks under PPC management is predominantly for infrastructure development; 60% of them have higher infrastructure than operational budgets.
- Financial management is unnecessarily complex; for example, regular budgets are often managed by the provincial FPD, but Programme 661 belong is managed by the provincial DARD.
- National parks under provincial authority management face more financial difficulties compared to national parks under MARD management; especially with low budgets for biodiversity conservation.
- Liaison and cooperation among national parks is rare; there are few opportunities to share experiences on biodiversity conservation management and other activities.
- All PAs lack capacity to conduct business and to generate revenues for conservation activities.

Source: VCF

System-wide incentive measures for performance improvement

91. During the PPG, a survey was made of rangers working in protected areas in the pilot sites. Almost all had a university education, and about one-third had working for the PA for 5-15 years. The main motivation is the relationship to their training and their preferences for jobs in biodiversity/nature conservation. However, typically morale tends to be low due to difficulties in PA management, such as lack of equipment/ facilities, low salary, low awareness of higher authorities towards nature conservation, and poor community awareness. This indicates the need for a revised and enhanced system of incentives.

92. Most rangers identified encroachment for agriculture, hunting, and illegal logging as major threats; few rangers thought forest fire is a serious threat, while none of them thought that construction of hydropower dams or roads; mining; and invasive species can cause negative impacts for the park. When rangers were asked to make a list of park stakeholders few of them named local communities as important stakeholders. Similarly, a survey done by PanNature (2007) in Chu Yang Sin NP also found that park staff only recognize those with whom they usually work with for law enforcement, such as police and local authorities as stakeholders. Most rangers ignored local communities as key factors for their efforts to improve park protection.

93. There are only two activities/tasks that park staff believe they have done well: protecting forest resources, and raising community awareness on forest protection. Those activities for which performance was considered poor included mobilizing the local community to participate in forest protection; checking and fining violation cases; and collaborating with other organisations on law enforcement. However, according to PanNature (2007), park staff/rangers cannot assess their performance in frank and objective ways. For example, 90-95% of rangers in Chu Yang Sin NP said that they have done “very well” on tasks of forest protection and community mobilisation for forest protection; yet the park is under serious threat from illegal hunting and large-scale logging.

94. None of rangers can name over 5 legislative documents (title and code) which they usually use during daily practice for park management. Most rangers can name 2 of those documents, the Law on Forest Protection and Development being the most commonly named. In Chu Yang Sin NP, 40% of its staff

could not properly name any legislative document that they use. One reason for this is many of them have not yet been trained in those legislative documents.

95. The Capacity Building for Biodiversity Conservation project is currently designing a modified system of incentives for PA staff which will be piloted at a number of sites.

3: Knowledge and experience on sustainable financing from diversity sources

96. PAs in Viet Nam are largely funded from the state budget, with individual PAs also benefitting from overseas development assistance (see Table 6). State budget funds are channeled through the Viet Nam Environment Fund, created in 2002, with a commitment of 1% of the annual state budget (the Fund also supports work on brown issues and other green issues unrelated to PAs). Decision No. 114/2008/QĐ-BNN of the Ministry of Agricultural and Rural Development established the Viet Nam Forest Protection and Development Fund. The Fund is under the management of Ministry of Agricultural and Rural Development established to mobilize, receive and manage financial sources to protect and develop forests. PES payments will be channeled through the Fund, which also receives funds from the state budget (\$60M in 2008/9) and various other sources, for example, taxes paid by forest plantation production companies. In addition, SUF management boards can receive funding from government programmes, such as the national 661 Programme (“5-million hectare reforestation programme”), which supports both reforestation and forest protection activities. For example, funding for conservation contracts with local households comes from the 661 Programme.

97. SUF management boards receive two main sources of government funding: (i) recurrent budgets for staff salaries, fuel, repairs, maintenance and other running expenses; and (ii) investment budgets for equipment, infrastructure, and management activities (these are received via Viet Nam Environment Fund).

98. Government funding to centrally managed SUFs is, in general, heavily skewed towards capital investment (infrastructure, vehicles, etc.), at the expense of operational conservation management. Nevertheless, investment funding is accounting for a steadily decreasing proportion of SUF costs. In 1997, investment budgets accounted for 72% of total government funding to centrally managed SUFs; by 2001, this proportion had fallen to 59% (IUCN 2002c). Of the VND 48.0 billion (US\$ 3.04 million) of government budget allocated to centrally managed SUFs between 1999 and 2001, VND 31.3 billion (US\$ 1.98 million) was in the form of investment budgets, while VND 16.7 billion (US\$ 1.06 million) was in the form of recurrent budgets.

99. The budgeting process for investment budgets is complex (see Figure 1). Investment budgets are allocated annually, according to Annual Budget Plans (whose annual budget plans), in line with funding priorities set out in the individual PA Investment Plans. Investment Plans are requests for investment funding, supported by detailed biological and socio-economic justifications. Investment Plans are typically prepared when an SUF is established, and then updated on a rolling basis, every 5 to 10 years. Investment Plans are generally not prepared by the SUF management board itself but by a government technical institute, usually FIPI (in full please). Dividing the responsibility for investment budget setting from the management board in this way is a major obstacle to linking investment budgets with conservation priorities.

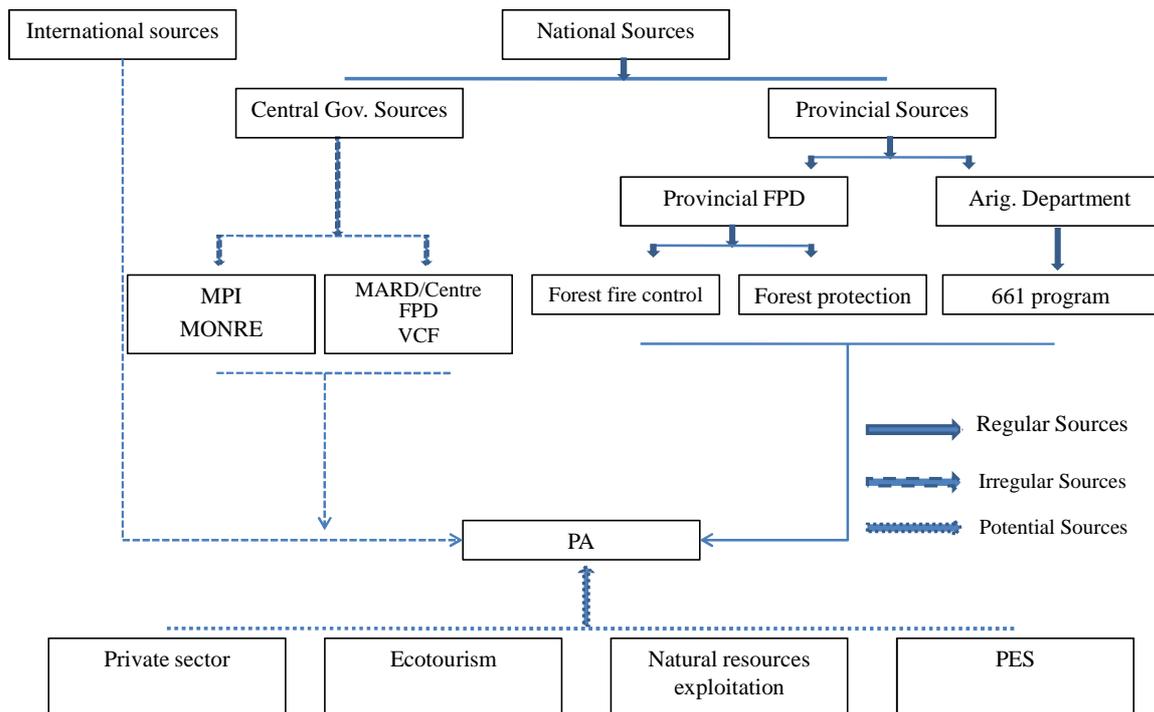


Figure 1A: Budget allocation decision making for provincially-managed PAs

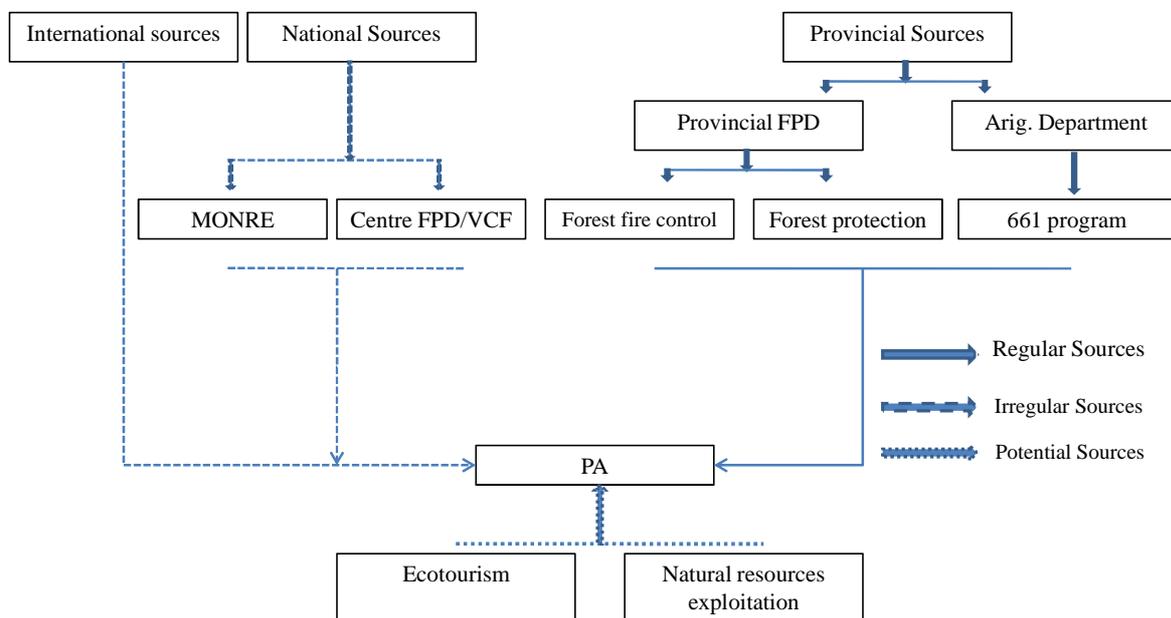


Figure 1B: Budget allocation decision making for centrally-managed PAs

100. Upon completion, Investment Plans are submitted to the relevant PPC for approval. They are then appraised by relevant line departments at the provincial level, such as the Department of Planning and Investment (DPI) and the FPD. After approval at the provincial level, Investment Plans are submitted to MARD for appraisal (Investment Plans for centrally managed SUFs are submitted directly to MARD, by-

passing the provincial-level approval process). After appraisal by MARD, Investment Plans with a budget in excess of VND 15 billion are submitted to MPI for assessment and then to the Prime Minister for final approval.

101. Although SUF management boards usually prepare and submit their Annual Budget Plans by October each year, they do not usually receive their investment budgets until mid-way through the following year, usually between March and May but sometimes as late as September or October.

102. In addition to government budget allocations and (limited) local revenue generation, ODA-funded biodiversity conservation projects have been estimated to contribute an average of US\$ 4 million per year towards centrally managed SUFs (IUCN 2002c); a smaller amount is provided to provincially managed SUFs. Table 3 shows the relative contribution of state, ODA and other funding for a sample of protected areas.

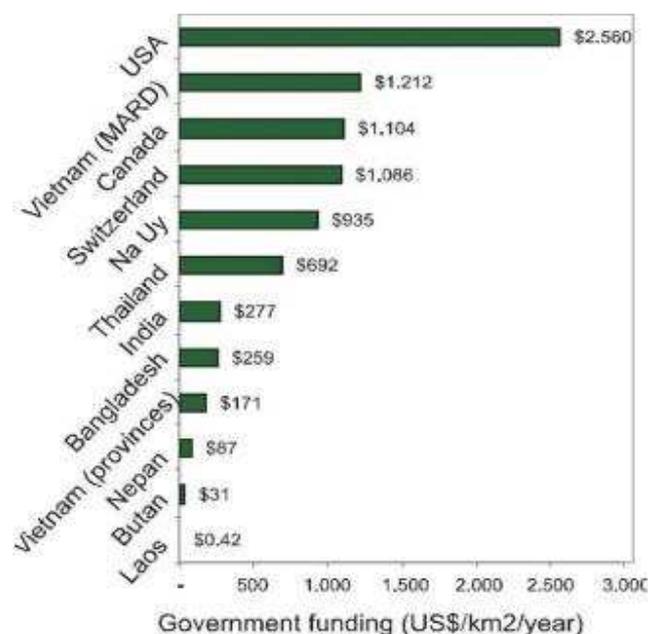
Table 3: Investment sources of National Park in the period from 2001 to 2006

(Unit: Percentage)

No	NP name	State budget	Other revenues	ODA	Total
1	Bến En	99.37	-	0.63	100.00
2	Cát Tiên	94.69	3.72	1.60	100.00
3	Bạch Mã	91.88	2.61	5.51	100.00
4	Yok Don	69.72	0.62	29.67	100.00
5	Cúc Phương	68.08	1.38	30.54	100.00
6	Tam Đảo	49.98	1.66	48.36	100.00
1	Xuân Thủy	100.00	-	-	100.00
2	Lò Gò-Xa Mát	100.00	-	-	100.00
3	Phú Quốc	100.00	-	-	100.00
4	Tràm Chim	100.00	-	-	100.00
5	U Minh Hạ	100.00	-	-	100.00
6	U Minh Thượng	100.00	-	-	100.00

(Source: VCF 2008)

103. During 1999-2001, over two-fifths of the total government budget allocation to the national SUF system was allocated to nine centrally managed SUFs, which received, on average, US\$ 340,000 per site per year. The remaining three-fifths were divided among 97 provincially managed SUFs, which each received, on average, only US\$ 40,000 per annum. Figure 2 shows the funding per unit area for a number of OECD and developing countries. Funding for centrally managed PAs in Viet Nam exceeds the figures for Canada, Switzerland and Norway, yet funding for other PAs is very low, falling below India and Bangladesh. Table 6 shows the range of values for some specific SUFs.



Source: Viet Nam Environment Monitor 2005. World Bank, Hanoi

Figure 2: Funding per unit area for a number of OECD and developing countries

Table 6: Average investment from State Budget for PAs in recently years

No	PA's name	Level	Investment from state budget/ha/year ('000 VND)
1	Xuân Thủy	Very high	2,009
2	Ba Bể	Very high	1,292
3	Cúc Phương	High	333
4	Bến En	High	206
5	Tam Đảo	High	199
6	Bạch Mã	Medium	131
7	Cát Tiên	Medium	119
8	Yok Don	Low	98
9	Vũ Quang	Low	41
10	Chu Mom Rây	Low	27

Source: VCF, 2007

104. The shortcomings reflected in these various issues led to a score of only 13 (out of a possible total of 57) for the “Tools for revenue generation” component of the UNDP Financial Scorecard.

Current Models of effective collection and sharing of revenues to support sustainable PA financing

105. Experience with diversified revenue sources for protected areas in Viet Nam is extremely limited – as noted previously (Table x), many protected areas rely entirely on government budget allocations, others benefit from significant inputs of ODA, but none have significant other sources of revenue.

106. Currently PA managers lack the authority to explore the options for generating revenue locally that exist at all PAs, and thereby reduce their dependence on the state budget and ODA. There is a need, therefore, to confer greater authority on PA managers with regard to decision making on the raising and use of funding.

107. Beside, the funds from State Budget for the annual expenditures and projects allocated by relevant agencies, the PAs also operate as enterprises regulated by the Decree 43/2006, in which State enterprises may receive a part of their annual budget from the State Budget and part from their business activities. There several regulations regarding investment to PAs, as follows:

- Article 10 of the Forest Protection and Development Law, 2004, states that the Government is in charge of investing for special use forest protection activities and protection of endangered fauna and flora species
- Article 51 of Decree 23/2006/ND-CP, dated 3rd March 2006, on Implementing the Forest Protection and Development Law indicates that *“based on the forest protection and development plan, which is approved by authorities, the forest owners have to submit long term investment project for core zone and in cooperation with the local authority to establish the community development project for the buffer zone.”* This Article also calls for investment from private sector, social group, and other available resources.”
- Article 17 of Decision 186/2006/QD-TTg, dated 14th August 2006, of the Prime Minister on the regulations of forest management stipulates the sources invest to special use forest including the annual salary for the operation of PA’s Management Board; fund for the evaluation and monitoring of ecosystem and biodiversity; field survey, personnel training, raising awareness activities on forest protection and investment fund for infrastructure, enrich forest activities and this investment could come from different sources. Pursuant to the ten years planning, the Management Board designs the investment project for Authority approval.

PES

108. Since April 2008, Pilot Policy 380 (Decision 380 QD-TTg; the Pilot Policy on Payment for Forest Environmental Services) has applied to five provinces and Ho Chi Minh City (HCMC). In addition, GTZ is testing PES in Son La province. Under the scheme, hydro-electricity plants will pay VND 20 (0.125 US cents) per kilowatt; water companies VND 40 (0.25cents) per litre of water; and ecotourism companies between 0.5 and 2% of revenue. These payments will be channelled through the Viet Nam Forest Protection and Development Fund to land owners responsible for generating the environmental services. In theory this includes PAMBs, but the unclear status of land ownership in many PAs means that the benefits of PES payments to PAs remain unclear.

106. One of the pilot sites for the pilot PES policy is the Dong Nai River Basin Project in Lam Dong province, where Winrock International and USAID are cooperating with local authorities to pilot payments for soil conservation in the catchment of a hydro-power reservoir and water conservation for domestic consumption. The Dong Nai River Basin is expected to supply 20% of Viet Nam’s power needs through hydro-electricity, while demand for water in HCMC increases by 19 percent each year. One of this project’s pilot sites, Bidoup-Nui Ba NP, lies partly in the watershed of the Dong Nai River, while the UNDP/UNEP/FAO UN-REDD programme for Viet Nam is also expected to work in the same district. A detailed distribution system for revenues from PES still needs to be developed, so it is unclear what proportion, if any, of the revenues will go to the NP management board. However, even if the management board itself is not a direct beneficiary, it is certain that a large proportion of the revenues will be paid to those households which are contracted to protect the forests within the NP, so biodiversity conservation inside the NP will be strengthened through PES.

Tourism and concessions

109. The MOF has agreed in writing that Bạch Mã and Cúc Phương NPs are allowed to collect entrance fees. Many other PAs charge entrance fees, but this is, in effect, illegal – only Bạch Mã and Cúc Phương have thus far followed the formal approval process for entrance fees. The authority for regulating fees has been outlined in Decree 57/2002/NĐ-CP dated 3rd June 2002, regulating the implementation of the Ordinance on fees and charges as below:

- The Government stipulates important charges, those charges generating large income, and those related to many national socio-economic policies.
- People's Councils at the provincial level stipulate charges associated with land and natural resources management, associated with the state administrative management function of local governments.
- MOF stipulates the rest of fees to apply in the whole country.

110. The situation regarding collection of revenue from tourism fees and protected area entrance fees is uncoordinated, as noted previously, so there are no guidelines related to entrance fees or to the proportion of tourism revenue to be retained by the protected area management board.

111. In the case of Bidoup-Nui Ba NP, no entrance fee is currently charged, but there is a proposal to charge VND15.000 (\$0.90) per person. One problem at Bidoup-Nui Ba which is typical of many protected areas is that there is a public highway running through the park. As both the highway right-of-way and the park itself is considered to belong to the state, no charges can be levied on vehicles passing long the highway, and consequently control of entrance to the park itself is very difficult. Tourism use of the park is actually quite high – for example, every day significant numbers of mountain bikers cycle along the highway, some of them travelling all the way from BDNB to the coastal resort of Nha Trang. Clearly the cyclists are attracted by the physical beauty of the area, and the tourist service companies that are providing the experience are benefitting financially from this, but BDNB itself receives no benefits.

112. At Ba Be National Park, the management board generates a small amount of revenue from a guesthouse that it manages, plus a coffee shop and karaoke bar concessions. In 2001, the national park management board raised about VND 200 million (equivalent to US\$ 12,700) from these activities, of which 75% was retained by the management board for re-investment, after paying tax. An entrance fee (less than US\$ 1 per visitor) is charged at Ba Be National Park but the majority of this fee is retained by the provincial authorities, with only a small percentage being returned to the national park management board. By way of contrast, at Yok Don National Park, no entrance fee is charged but charges are made for use of the guesthouse, guides and rangers, camping and elephant hire. An average overnight visitor to the national park is estimated to spend US\$ 35 per night, of which 75% is paid to the national park authorities as various fees; for day visitors, the national park receives significantly less. Although a small number of SUFs (such as Cuc Phuong and Phong Nha-Ke Bang National Parks) generate significant tourism revenue, none could self-subsidise at current levels.

113. The only experience regarding charging fees at MPAs comes from Nha Trang Bay MPA, where a service fee for divers of US\$ 3 per head has been introduced on a trial basis. In order to become institutionalised, this fee needs to be included into the national fee system, which is determined by MoF.

114. Figures 5 and 6 show the overall situation in Viet Nam with regard to protected area entrance fees, compared with other countries in the region. As can be seen, typical entrance fees for Viet Nam (when they are charged at all) are among the lowest, at around \$0.50 for a citizen and \$1.00 for a foreign visitor.

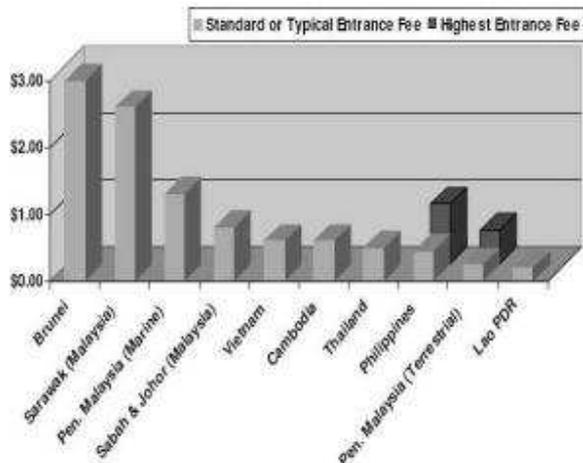


Figure 5: PA entrance fees for citizens, SE Asia

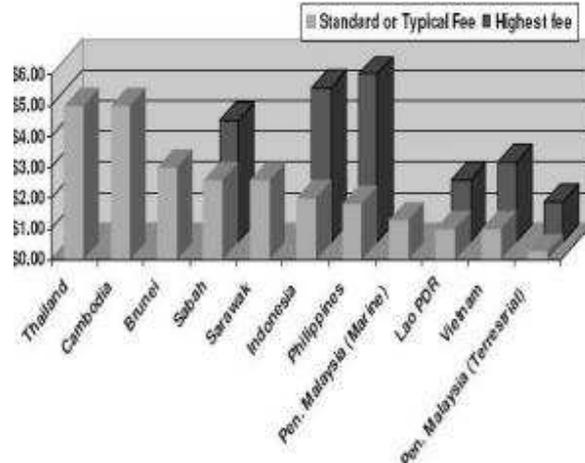


Figure 6: PA entrance fees for foreigners, SE Asia

Source for both Figures: Tarman, W., Laplante, B. and Lee, K.F. 2005. *Conservation Financing: A Review of the Southeast Asian Experience*

115. *The Viet Nam Conservation Fund (VCF)* is one of the four components of the Forest Sector Development Project funded by the GEF and a number of partner donors. The VCF is run by the Forest Protection Department (FPD) under the Ministry of Agriculture and Rural Development. Total funding for VCF is about US\$ 17.5 million for the period from 2005 to 2011, through which grants are made to 53 SUFs.

116. During the project preparation phase detailed questionnaires were completed on financial status and prospects were undertaken for 6 protected areas (see Annex 8 for results from each site). Overall the following common issues were noted:

- The differences in terms of infrastructure and operational budgets are enormous. For example
- at Xuan Thuy N.P. the current annual budget for environment protection is 200 million VND and for infrastructure development is 7000 millions VND; whereas at Bai Tu Long N.P.
- the current annual budget for environment protection is 5000 million VND; and for infrastructure development is 200 million VND
- None of the studied parks have seriously undertaken revenue generation activities. In the case of Bai Tu Long N.P.
- the PAMB has been instructed by the PPC not to do so
- Nevertheless all parks have undertaken analyses or more formal studies of potential to generate revenues, in most cases from ecotourism, including the charging of entrance fees.

117. Overall, the scores indicate the following common weaknesses:

METT Issue	Sites with scores of 0 or 1
7. Management plan	Bai Tu Long, Bidoup Nui Ba, Cat Ba, Chu Yang Sing
9. Resource inventory	Bai Tu Long, Bidoup Nui Ba, Cat Ba,
14. Staff training	Bai Tu Long, Bidoup Nui Ba, Cat Ba,
15. Current budget	Bai Tu Long, Bidoup Nui Ba, Chu Yang Sing, Xuan Thuy
20. Education and awareness	Bai Tu Long, Bidoup Nui Ba, Cat Ba, Chu Yang Sing
27. Visitor facilities	Bai Tu Long, Bidoup Nui Ba, Xuan Thuy
28. Commercial tourism operators	Bai Tu Long, Bidoup Nui Ba, Xuan Thuy

Information on biodiversity and PA and public support for the PA system

114. Current approach to monitoring to support PA management decisions and budgeting: There is no unified approach to monitoring across the protected area system. Endangered and charismatic species are often monitored in individual protected areas, where their conservation is a high priority, but even then there are no guidelines to establish a common approach. More often it is left to NGOs who focus on individual species to undertake research and monitoring of those species. Protected area staff often lack the funds, equipment and training to undertake systematic monitoring, even though under the new Law on Biodiversity (Article 29) they are required to “*monitor and collect information and data on, and build a database and report on the current status of, the conservation zone’s biodiversity*”. Consequently, the score for the “Build consensus”, “Mobilize information”, and “Monitor, report and learn” components of the UNDP Capacity Scorecard was only 14, out of a possible total of 39. The VCF is currently developing a SUF biodiversity monitoring system which will be applied in all SUF’s applying for grants.

115. Approach to reporting on biodiversity status and trends : A similar situation applies to reporting on biodiversity, which currently lacks a systematic approach. However, under the Law on Biodiversity protected area management units are required to report on the current status of their conservation zones’ biodiversity every three years. Furthermore, under Article 72 of the law, the Ministry of Natural Resources and Environment is assigned responsibility for producing biodiversity reports and a component of the national environment report, and to coordinate with concerned ministries and ministerial-level agencies in this regard.

116. Public support for protected areas: During the PPG a gender-balanced survey of the urban public in three major cities, HCMC (south); Danang (central); and Hanoi (north) was undertaken (detailed results in Annex 9). All interviewees had at least an upper secondary education. Results indicated that the level of awareness of the protected area system in Viet Nam is low. For example:

- Only 4-12% were able to explain terms such as “*national park*” and “*nature reserve*”
- Only 25% were able to name at least one protected area in Viet Nam. This figure was 29% for HCMC, 24% for Danang, and 21% for Hanoi. In most cases where respondents were able to name a protected area it was in the surrounding area or nearby provinces. For instance, people in Hanoi could name Cuc Phuong and Ba Vi NPs; in Danang people can name Bach Ma NP; and people in HCMC can name Cat Tien and U Minh Thuong NPs. No NRs that were named.
- In contrast, residents of HCMC were least aware of the reason for establishing a PA, with only 51% able to explain, compared with 64% in Danang and 83% in Hanoi.
- Although more than 80% of the respondents identified hunting and illegal logging as threats to biodiversity, barely 30% considered mining a threat, and less than that number thought that road construction and hydropower development are serious threats
- However, when asked about “willingness to pay” for access to a protected area, 93% indicated a willingness in Hanoi; 78% in HCMC and 76% in Danang.

117. However, a recent survey by TRAFFIC (2007) revealed that wildlife consumption by Hanoi residents is becoming increasingly common in parallel with rising incomes.

118. Another interview was conducted of household representatives living in buffer zones of the three pilot sites. Most of interviewees are Kinh people (i.e., not ethnic minorities), aged ranging from 20 to 50,

literate (with at least primary education); and have been living in the area for over 20 years, mainly dependent on agricultural and forestry. Results indicate that almost all interviewees (91%) are aware of the presence of the park in their area. More than half of them knew the year that the PA was established, the location of the park's headquarters, and the park boundaries (around 56%).

119. However, these results may not be typical, as another study by PanNature (2007) in the buffer zone of Chu Yang Sin NP in the Central Highland's Dac Lak province, 56% of interviewed villagers did not know about the NP, even though field-rangers attended their monthly village meetings and talked about forest protection. Part of the reason for the low figure could be that indigenous M'ong people in Krong Bong district usually call Chu Yang Sin "forestry area" instead of "national park". Similarly, many villagers in Giao An and Giao Thien communes in Xuan Thuy NP's buffer zone usually call the NP "environmental area".

120. Most villagers do not know the purposes for establishing the park, even though 75% believed that they knew those reasons. Many villagers cannot name important/endangered species of mammals or birds of the park and/or being protected by the park.

121. Only 25% of interviewed villagers in Xuan Thuy NP and 35% in Bi Dup-Nui Ba NP knew those parks have conducted some community awareness and/or propaganda activities. Approximately 60% of interviewees said the park has done well in their tasks. More than half of the interviewees believe that the area of natural forests, quantity of animals, and quantity of big trees inside the park are increasing, while number of violation cases are decreasing. Nearly 44% of villagers said that the park generated no benefits for their income generation or economic improvement.

Part II: Strategy

2.1 Project Rationale and Policy Conformity

Fit with the GEF Focal Area Strategy and Strategic Programme

122. The project will contribute significantly to meeting the targets of GEF Focal Area Strategy and Strategic Objective 1 (SO-1), Catalyzing Sustainability of Protected Area Systems at national levels/ Strategic Programme 1: Sustainable Financing of Protected Area Systems at the National Level, but initiatives to improve financing will also result in improved management of terrestrial PAs and an expanded system of marine protected areas over the longer term. This project will contribute to the sustainability of Viet Nam's protected area system by supporting national policy development and institutional strengthening and through pilot site demonstrations to ensure that the national PA system has plans and actions for long term financial sustainability. In line with SP1, the project will ensure development of business plans that include diversified funding sources and cost effective use of resources. The project will also strengthen the partnerships between PA authorities and local communities, local government, NGOs and the private sector to achieve the long-term sustainability of PA financing.

Rationale and summary of GEF Alternative

123. Support to removing the above barriers constitutes the essential rationale for the present project and forms the basis for its three outcomes. In order to achieve these outcomes, GEF has joined in partnership with key protected area management agencies VEA, FPD, PPCs and other local PA management agencies, together with essential co-operating partners such as the Ministry for Planning and Investment, the Ministry of Finance, and relevant national and international NGOs.

2.2 Project Goal, Objective, Outcomes and Outputs/activities

124. As mentioned above, the proposed long-term solution for biodiversity conservation in Viet Nam's system of protected areas is strengthened systemic, institutional and individual capacities, supported by sustainable financing. Barriers to the implementation of the identified long-term solution can be grouped under four headings: (i) policy; (ii) institutional mandates and individual capacities; (iii) practical experiences with diversified revenue streams; and (iv) monitoring and reporting.

125. Given these barriers, the proposed **Objective** of the project is: *"To secure a sustainably financed PA system, to conserve globally significant biodiversity"*. This will contribute to the broader **Goal** of *"Biodiversity is effectively conserved in Viet Nam"*. In order to achieve the project Objective, a number of Outcomes and Outputs must be secured. These are described below.

Outcome 1: A comprehensive and harmonized legal and policy framework supports sustainable PA financing

126. As discussed above, PA policy in Viet Nam has evolved over the past several decades, resulting in a multitude of legal and policy documents which are inconsistent and often contradictory. The project will strengthen the legal and policy frameworks so that there is a comprehensive and harmonized legal and policy framework. The following outputs will be achieved through this project.

Output 1.1: Regulations under the Law on Biodiversity that ensure consistency in protected area administration in the context of national BD planning

127. A major contribution of the project will be to develop regulations required to support implementation of the Law on Biodiversity. This will be done in the context of a new approach to national BD planning, required under the law. Examples of international best practices will be mobilized to guide the formulation of regulations, with a key result being to ensure that all PAs in Viet Nam are administered under a common set of definitions and procedures.

128. The Law on Biodiversity also offers an opportunity to overcome some specific constraints to PA financing. Therefore the project will ensure that regulations permitting and encouraging site-based business planning are developed, and similarly that the basis for system-wide financial planning and management is established. The development of comprehensive regulations on PA financing will essentially serve to establish a national financing strategy.

129. The process of reporting and processing violations and crimes in PAs is currently uncoordinated and ineffectually applied. The project will, therefore, support the introduction of a common, system-wide approach to presorting on and processing violations and crimes. Regulations governing conditions for access to genetic resources in protected areas and procedures to ensure the equitable sharing of benefits arising from the use of those genetic resources will also be supported. Indicative activities under this output will include:

- Analysis of current practices and constraints
- Analysis of regulations required to make the Law on Biodiversity effective
- Mobilization of international best practice
- Review of ABS procedures in other countries
- Discussions with Ministry of Finance and MPI on consistency with other legal instruments
- Development of proposals for a uniform system-wide approach to reporting and processing violations and crimes

- Drafting of regulations
- Stakeholder consultations
- Revisions to, and support for approval of regulations
- Training and awareness raising on application of new regulations

Output 1.2: Policy on PA financing allows revenue generation and effective management of revenues for individual PAs and the system as a whole

130. The draft policy on PES (Decision 380) for forestry is currently being piloted in a few provinces, and will lead to a nation-wide policy that will apply to the whole country within the next few years. Several agencies are already supporting the local testing of approaches to PES, including Winrock International, GTZ, ICRAF, WWF and others under the leadership of MARD. Consequently the project will supplement these on-going initiatives with measures to ensure that PAs are able to benefit from institutionalized payments through national and local Forest Protection Development Funds.

131. Off-site financing for Viet Nam's natural heritage is already enshrined in the 1994-2010 Tourism Development Master Plan, which envisaged 50% of all visa fees being used to preserve cultural and natural heritage, and this proposal was endorsed by the Prime Ministerial decision but has not been implemented. Currently, the Ministry of Culture, Sports and Tourism is preparing a new Strategy for Tourism Development for 2010-2020, and this will also generate a new Master Plan for the same period. The project will work with key tourism partners to analyze why the decision contained in the current Master Plan has not been implemented, and the processes required to ensure that the new Strategy and Master Plan are able to mobilize off-site funding.

132. The MPI and MARD (FPD) have undertaken analyses required to develop a Prime Ministerial decision on sustainable financing of SUFs. However, it is recognized that even though the PM's Decision is expected to be passed in 2009, further experiences with approaches to sustainable financing will be required, and that therefore there will need to be modifications to the Decision, as new lessons on sustainable financing become available through this project and others. The project will therefore work with MPI and MARD to ensure that both domestic and international best practices are incorporated into modifications of the PM's Decision, or to ministerial decisions required to implement the PM's Decision. Indicative activities under this output will include:

- Identification of other PES mechanism on biodiversity services – that are relevant to marine and wetland protected areas as well.
- Review of experiences with revenue generation and management initiatives
- Discussions with key partners on reasons for previous failure to operationalize off-site funding
- Review domestic and international best practices
- Stakeholder discussions on measures required to ensure benefits to PAs
- Assistance with drafting of new policy/regulations
- Awareness raising on the national policy
- Training and awareness raising on implementation of sustainable financing decisions
- Support to the preparation and implementation of nature conservation measures in the new Strategy and Master Plan

Outcome 2: Clear and harmonized institutional mandates and processes support sustainable PA financing mechanisms

133. The current situation of PA administration in Viet Nam is very complex, with four different systems recognized according to ecosystem, and three different agencies from two ministries responsible for

developing and administering policy for specific ecosystem types. Furthermore, management of PAs is assigned to a multitude of agencies from central government to various forms of local government. Even the legal basis of the land in many protected areas is unclear. For example, in Bai Tu Long NP, there are significant areas under private land ownership, dating from prior to the establishment of the NP, while frequently the PA management board itself does not have land tenure certificates (“red books”). The inevitable result is unclear, overlapping and contradictory mandates resulting in ineffective PA management.

134. The Law on Biodiversity attempts to address these problems through various Articles, including Article 6, which assigns the Ministry of Natural Resources and Environment with responsibility for performing the state management of biodiversity, and Article 25 that establishes the right of PA management boards to *land* tenure certificates.

135. During 1999-2001, over two-fifths of the total government budget allocation to the national SUF system was allocated to nine centrally managed SUFs, which received, on average, US\$ 340,000 per site per year. The remaining three-fifths were divided among 97 provincially managed SUFs, which each received, on average, only US\$ 40,000 per annum.

136. SUF management boards receive two main sources of government funding: (i) operational budgets for staff salaries, fuel, repairs, maintenance and other running expenses; and (ii) investment budgets for equipment, infrastructure, and management activities. In addition, SUF management boards can receive funding from government programmes, such as the national 661 Programme, which supports reforestation and forest protection activities.

137. Although SUF management boards usually prepare and submit their Annual Budget Plans by October each year, they do not usually receive their investment budgets until mid-way through the following year, usually between March and May but sometimes as late as September or October. Moreover, PA managers lack the authority to explore the options for generating revenue locally that exist at all PAs, and thereby reduce their dependence on the state budget and ODA. There is a need, therefore, to confer greater authority on PA managers with regard to decision making on the raising and use of funding.

138. Regarding staffing levels, the Prime-Minister’s Decision No 186/2006/QĐ-TTg establishes that for every 500ha of PA there should be one ranger/officer. However, most PAs do not currently reach this level. For example, Bidoup-Nui Ba NP, with a total area of 64,700ha, should have a staffing level of 129, but there are currently only 96 staff, 70 of whom are rangers, while 41 have a university education (2 having post-graduate education). Some protected areas have no staff at all. For example, Tien Hai nature reserve was established in 1996, but no management board has been established and no funding has been assigned to the PA.

139. During the PPG, a survey was made of rangers working in protected areas in the pilot sites. There are only two activities/tasks that park staff believe they have done well: protecting forest resources, and raising community awareness on forest protection. Those activities for which performance was considered poor included mobilizing the local community to participate in forest protection; checking and fining violation cases; and collaborating with other organisations on law enforcement. None of rangers can name over 5 legislative documents (title and code) which they usually use during daily practice for park management. Most rangers can name 2 of those documents, the Law on Forest Protection and Development being the most commonly named.

Output 2.1: Clarified and coordinated institutional management of a unified PA system

140. Numerous constraints to effective management of the PA system result from the absence of an effective coordinating body for PA financing and budgeting. The process of decentralization that has taken place in Viet Nam has neutralized the role that FPD formerly played in this regard. Even though MARD, through FPD, still has an advisory role on PA financing, it is not always the case that the budgeting process responds appropriately to FPD advice. The process of decentralization will continue, but there need to be measures to ensure that the overall approach to PA financing and budgeting is consistently applied across the system, and is linked to PA needs. Furthermore, it is inevitable that by taking advantage of diverse funding sources, some protected areas will generate revenues that are surplus to their needs, so a system is required to permit transfer of surplus revenues to protected areas that are under-funded. Due to the diversity of agencies responsible for management of different PAs, there is little or no consistency in management philosophies or procedures. This is a major constraint to a unified and viable PA system in Viet Nam. While it is not feasible to envisage a single PA authority having management responsibility for all PAs, it is nevertheless necessary to ensure that an agency has the authority and mandate to ensure that PAs are managed consistently across the system. This is necessary, for example, to ensure that budgeting is linked to needs. For this to happen, needs must be assessed in a consistent manner, the interpretation of needs in terms of the resulting budget allocations needs to be consistently applied, and there needs to be a transparent system of PA accounting. Indicative activities under this output will include:

- Review of the legal basis for PA budgeting
- Identification of measures required to overcome legal and procedural constraints
- Analysis of options for possible mandates for a PA management authority
- Formulation of proposal for mandate of a new or modified legal entity to coordinate PA financing
- Discussions with PPCs and other key stakeholders
- Drafting of proposal for a PA management authority
- Stakeholder consultations
- Support to the process of establishing a modified or new PA financing entity
- Capacity building for new or modified entity
- Capture of lessons learned and feedback into modified mandates and procedures

Output 2.2: PA staff at all levels with necessary skills, including business management, tourism management, monitoring and participatory management

141. PA staff at all levels are not adequately trained for planning and managing a system of sustainably financed protected areas. The CBBC project has begun to address this shortcoming by developing a number of modules for education of rangers and PA middle managers, including textbooks and other materials. A number of training sessions have already taken place, and the training programme is currently being piloted in three northern provinces. However, there is a need for further development of training in a number of areas. Firstly, the resources available to the CBBC project are not sufficient either to complete the preparation of training modules or to scale-up training to a national level. Secondly, the training supported under the CBBC project does not include financial planning, revenue generation, or related topics required for sustainable financing of the PA system. Therefore, utilizing the best-qualified partners in terms of expertise and capacity, the project will further develop the work initiated by the CBBC project, in terms of completing training modules for rangers, and developing specialized courses for PA managers and decision makers. The project will also put in place conditions required for institutionalization of PA training, for example, through assigning a fixed amount of PA revenues for on-going training. At least 100 PA staff will be trained on different aspects on effective PA management – including PA financing. Indicative activities under this output will include:

- Training needs assessments of PA staff and decision makers at different levels
- Design of training modules
- Training of trainers and
- Support to the organization and conduct of training courses to train protected areas staff and other primary stakeholders
- Identification of follow-up measures, including measure to institutionalize training

Output 2.3: Consistent system-wide incentive measures that promote improved performance

142. Not only is there not an effective system of incentives for PA workers, the systems in place often serve as disincentives to performance. For example, if the operational budget of Bai Tu Long NP is not fully spent, the remaining funds can be paid as a year-end salary bonus! This means that staff have incentives not to invest in proper PA management activities. Good PA management requires a consistent system of incentives that rewards good performance. Performance of rangers can be linked to changes in levels of threats to biodiversity, while performance of managers can be linked both the reduction of threats and to meeting targets with regard to revenue generation and financial sustainability. The CBBC project is already working on an improved system of incentives, especially for rangers. Utilizing the best-qualified partners in terms of expertise and capacity, the project will support and further develop this process through indicative activities such as:

- Mobilization of international best practice
- Stakeholder consultations on incentive proposals
- Pilot testing of proposals at demonstration sites under Outcome 3 that aid effective capacity building and the utilization of skills developed by PA staff
- Workshops and other events to review lessons and improve on proposed incentive systems

Outcome 3: Knowledge and experience of sustainable financing options developed through demonstrations

143. Experience with diversified revenue sources for protected areas in Viet Nam is extremely limited – as noted previously, many protected areas rely entirely on government budget allocations, others benefit from significant inputs of ODA, but none have significant other sources of revenue.

144. Sustainable financing for Viet Nam’s protected areas will realistically depend on diversified sources of revenues, which will include PES and visitor entrance fees.

145. Outputs under this Outcome will demonstrate solutions to the most relevant PA financing problems, at three sites, selected during the PPG (see Annex 6 and 7). A mechanism for mobilizing funding to individual PAs has already been established by the VCF. Utilizing the best-qualified partners in terms of expertise and capacity, funding for demonstration activities under this Outcome will be mobilized to the pilot sites selected during the PPG process.

Output 3.1: Models of effective collection and sharing of revenues to support sustainable PA financing

146. The project will work primarily with Cat Ba NP and Bai Tu Long NP to increase revenues from tourism, ensure their appropriate use in PA operations, and demonstrate the potential for cooperation in maximizing tourism revenues between two national parks, which lie in different provinces. This might include, for example, cross-PA promotions and advertising, and a common approach to tourism management, including information dissemination.

147. The project will work at additional sites to increase revenues generated through commercial concessions, and ensure their appropriate use in PA operations. Such concessions might include facilities for tourist accommodation, the provision of food and other services, and the provision of nature-based tourism activities (e.g. diving, cycling, trekking facilities and guides). Here, the project will work primarily at Bidoup Nui Ba NP with multiple partners, including Lam Dong DARD and Winrock International to ensure that the emerging PES regime reflects the role of the NP in provision of ecosystem services, and that benefits from payments for ecosystem services are used effectively to support PA operations. In particular, the project will focus on ensuring that lessons from pilot PES initiatives are adequately captured in the emerging national policy on PES.

148. The project will work primarily at Xuan Thuy NP in order to demonstrate an approach to sustainable management of harvesting of natural resources, specifically shell-fish, which are harvested and, in some cases, farmed by local residents. Indicative activities include re-zoning, and the negotiation of exemptions from existing regulations prohibiting harvesting of natural resources.

Indicative activities under this output will include:

- Assessment of opportunities for increased tourism revenue
- Formalization of a fee system
- Development of options for cooperation in tourism development
- Development of consistent information materials
- Improvement of tourism facilities
- Mainstreaming tourism revenue into a comprehensive financing strategy for the PA
- Generation of lessons for up-scaling to the PA system as a whole
- Comprehensive assessment of values of ecosystem services
- Engagement with purchasers and other stakeholders in developing a benefit-sharing mechanism
- Development of a monitoring system to satisfy purchasers that revenues are used in improving services
- Mainstreaming PES into a comprehensive financing strategy for the PA
- Generation of lessons for up-scaling to the PA system as a whole
- Analysis of sustainable harvesting levels
- Awareness raising among harvesters of the need to manage the resource sustainably
- Engagement with harvesters and other stakeholders in developing a participatory management approach to harvesting of natural resources
- Development of a participatory monitoring system
- Mainstreaming revenues from natural resource harvesting into a comprehensive financing strategy for the PA
- Generation of lessons for up-scaling to the PA system as a whole
- Capacity building of PA staff to learn from, use and replicate examples demonstrated by the project

Output 3.2: Models of operational cooperation and resource sharing among neighbouring PAs

149. The project will work at multiple sites (Bai Tu Long/Cat Ba; Xuan Thuy/Tien Hai; Bidoup Nui Ba/Chu Yang Sin) to explore opportunities for improved cooperation and coordination in order to reduce costs and improve overall PA management. Indicative activities under this output will include:

- Analysis of current costs, including the identification of duplicative or competitive activities
- Development of options for increased cost efficiencies

- Capacity development of PA staff and PA management boards to support implementation of options
- Monitoring of costs and experiences
- Generation of lessons for up-scaling to the PA system as a whole

Output 3.3: Models of local and provincial BD planning

150. The project will work at a number of the selected demonstration sites to help develop provincial BD plans, as required under the Law on Biodiversity, thus providing a framework for management of PAs within the province. Indicative activities under this output will include:

- Engagement with provincial stakeholders in clarifying the status of BD in the province, identifying appropriate goals for BD conservation, and establishing a system for monitoring progress
- Formulation of a draft provincial BD plan, linked to the management plans of PAs within the province
- Stakeholder consultations
- Capacity building for monitoring
- Generation of lessons for up-scaling to the PA system as a whole

Outcome 4: Information on biodiversity and PA status supports PA management and builds public support for the PA system

151. There is no unified approach to monitoring across the protected area system. Endangered and charismatic species are often monitored in individual protected areas, where their conservation is a high priority, but even then there are no guidelines to establish a common approach. More often it is left to NGOs who focus on individual species to undertake research and monitoring of those species. Protected area staff often lack the funds, equipment and training to undertake systematic monitoring, even though under the new Law on Biodiversity (Article 29) they are required to “*monitor and collect information and data on, and build a database and report on the current status of, the conservation zone’s biodiversity*”.

152. The VCF is currently developing a proposal for a monitoring system to be applied in those SUFs eligible for VCF funding. A framework has been prepared, under which each SUF must identify locally relevant indicators. The project will up-scale the monitoring approach to the national level.

153. A similar situation applies to reporting on biodiversity, which currently lacks a systematic approach. However, under the Law on Biodiversity protected area management units are required to report on the current status of their conservation zones’ biodiversity every three years. Furthermore, under Article 72 of the law, the Ministry of Natural Resources and Environment is assigned responsibility for producing biodiversity reports and a component of the national environment report, and to coordinate with concerned ministries and ministerial-level agencies in this regard.

154. During the PPG a gender-balanced survey of the urban public in three major cities, HCMC (south); Danang (central); and Hanoi (north) was undertaken. Results indicated a low level of awareness of the protected area system in Viet Nam. A recent survey by TRAFFIC (2007) revealed that people living in big cities like Hanoi are a critical threat to biodiversity of PAs. More than 47% of 2000 interviewees in Hanoi said that they have used wildlife products, mainly as special food or for health remedies. The survey found that wildlife consumption by Hanoi residents is becoming increasingly common in parallel with rising incomes.

155. Most villagers living nearby protected areas do not know the purposes for their establishment, even though 75% believed that they knew those reasons. Many villagers cannot name important/endangered species of mammals or birds of the park and/or being protected by the park. Nearly 44% of villagers said that the local protected area generated no benefits for their income or economic improvement. Therefore, a number of project outputs are planned to improve biodiversity information systems and to increase awareness on biodiversity conservation issues.

Output 4.1: A system-wide approach to monitoring to support PA management decisions and budgeting in line with international standards

156. A system of BD monitoring is now being applied in VCF-eligible SUFs, in order to justify the small grants made to individual SUFs through the VCF. This project will support measures required to up-scale the system of BD monitoring to a national level. Indicative activities under this output will include:

- Capture of lessons in terms of development and deployment of the monitoring system
- Analysis of options for up-scaling
- Stakeholder consultations
- Implementation of up-scaling measures
- Review and revision to the up-scaling approach, as needed

Output 4.2: A system-wide approach to reporting on biodiversity status and trends in line with international standards

157. As required under the Law on Biodiversity, PA managers and MONRE are obliged to prepare and disseminate regular reports on the status of biodiversity at site and national levels. The project will support the development of capacity to do this through indicative activities such as:

- Mobilization of international best practice
-
- Design of pilot reporting system
- Testing of pilot system at demonstration sites under Outcome 3
- Design and implementation of a PA clearing house mechanism
- Review of lessons learnt and revision to proposed system
- Support to design and implementation of up-scaling measures

Output 4.3: Increased public awareness of the importance of, and threats to the protected area system

158. The project will design and implement a programme to increase public awareness of and support to the PA system, both among the urban population and those living in proximity to protected areas. The project will work with the Ministry of Information and Communication, Ministry of Education and Training (MOET), and MARD to ensure wider public awareness on PA issues. Indicative activities under this output will include:

- Design of awareness raising campaigns
- Implementation of measures to raise awareness
- Assessment of impacts
- Design of follow-on measures to address weaknesses in original campaigns and/or to re-enforce successes of original campaigns

2.3 Project Indicators, Risks and Assumptions

159. The project indicators are detailed in the Logical Framework – which is attached in Section II, of this Project Document. Table 7 below summarizes key indicators.

Table 7: Indicators

Objective / Outcomes	Indicator:	Target
Objective: To secure an effectively constituted and financed PA system, to realize its function as an effective storehouse for threatened biodiversity	• Overall Financial scorecard scores	• By the end of the project the score is at least 85
	• Overall Capacity scorecard scores	• By the end of the project the score is at least 52
	• Average METT scores	• By the end of the project the score has increased by at least 30%
Outcome 1: A comprehensive and harmonized legal and policy framework supports sustainable PA financing	• “Legal, regulatory and institutional frameworks” component of the UNDP Financial Scorecard	• At the end of the project the score has increased to at least 50
	• “Capacity to conceptualize and formulate policies, legislations, strategies and programmes” component of the UNDP Capacity Scorecard	• At the end of the project the score has increased to at least 7.5
Outcome 2: Clear and harmonized institutional mandates and processes support sustainable PA financing mechanisms	• Score for the “Business planning and tools for cost-effective management” component of the UNDP Financial Scorecard	• At the end of the project the score has increased to at least 45
	• Score for the “Capacity to implement policies, legislation, strategies and programmes” component of the UNDP Capacity Scorecard	• At the end of the project the score has increased to at least 32
Outcome 3: Knowledge and experience of sustainable financing options developed through demonstrations	• Score for the “Tools for revenue generation” component of the UNDP Financial Scorecard	• At the end of the project the score has increased to at least 35
Outcome 4: Information on biodiversity and PA status supports PA management and builds public support for the PA system	• Score for components 3-5 of the UNDP Capacity Scorecard (“Build consensus”, “Mobilize information”, and “Monitor, report and learn”)	• At the end of the project the score has increased to at least 24

Table 8. Risks facing the project and the risk mitigation strategy

Risk	Risk rating	Risk mitigation strategy
Sustainable financing will be prevented by poor cooperation and coordination among government agencies and other initiatives at national level	Medium	A common interest amongst agencies on sustainable financing is expected to support better coordination between agencies. Outcome 2 seeks to improve institutional capacity, based on policy changes resulting from passage of the Biodiversity Law. The institutional arrangement has been designed so as to better coordinate actions between the main government agencies related to biodiversity conservation (MONRE) and protected areas management (MARD). The project will ensure strong coordination and cooperation with other stakeholders supporting biodiversity conservation, environmental financing and capacity building.
Regulatory inertia limits potential for revenue generation	Low	The piloting of alternative financing sources in individual PAs will require the development of new regulations. Part of the problem under the business-as-usual scenario is that a fragmented PA system is unable to mobilize sufficient support to effect such changes; as a result of the project, support should be much stronger. Awareness raising of policy makers will also help to overcome this risk. The project has selected sites with relatively high capacity and PAMB commitment to pilot demonstrations
Reduced levels of tourism affect revenue generation potential	Low	Both domestic and international tourism have been increasing strongly in Viet Nam, in large part due to a stable political and policy environment promoting international travel to Viet Nam. This is unlikely to change in the future. In working at Cat Ba and Bai Tu Long, the project will be working on the periphery of Halong Bay, one of Viet Nam's most famous tourist sites, and therefore one that is most immune to global economic pressures
Conflicts between conservation and development in provincial planning	Medium	The project will explicitly address this risk by piloting innovative financing mechanisms in a number of PAs in the poorest provinces, demonstrating that conservation is a potential revenue-earning process rather than a drain on scarce resources. The capacity building component of the project will also help to overcome this risk. The overall project strategy is to demonstrate that conservation and development are not inherently conflicting
Climate change is likely to increase the occurrence pest and diseases, forest fires and floods that will negatively affect PAs. The incidence and scale of such events will be unpredictable.	Medium in the short term	The sustainable financing strategy developed under the project will ensure that coping strategies to these are incorporated within the PA operations framework.

2.4 Incremental reasoning and expected global, national and local benefits

160. The project addresses the main barriers that prevent Viet Nam from addressing threats to globally significant biodiversity within its protected area system. These barriers include: (i) an unclear, complex, and incomplete legal environment for PA management and financing; (ii) unclear and complex institutional arrangements and low individual capacities, that prevent budgeting being linked to PA needs; (iii) a lack of knowledge and experience with revenue generation and approaches to increasing the effectiveness and efficiency of limited financial resources; and (iv) inadequate information flow, including information on the status of and threats to biodiversity, and information needed to build public support for the PA system.

161. Under the “business-as-usual” scenario, Viet Nam’s biodiversity would remain under significant threat, with only minor advances in the effectiveness of individual PAs due to ineffective and inefficient use of financial resources, low individual capacities of PA staff, a lack of experience of approaches to revenue generation, limited information of relevance to PA management, and low public support for the PA system.

162. The global environmental objective of GEF support is conservation of globally significant biodiversity within Viet Nam’s protected area system.

163. Under the alternative scenario, Viet Nam’s PA system will be strengthened in a number of ways as compared with the baseline. First, the legal and policy environment will have been clarified, made more comprehensive, and brought in line with modern approaches to PA management. Related to this, institutional arrangements will have been simplified and made more transparent, most significantly creating a linkage between PA needs, in terms of resources required to address threats to biodiversity, and PA budgeting. Capacities of PA staff at all levels will also have been improved. Models of various approaches to increased financial sustainability will have been piloted and the conditions established to up-scale the models to a system-wide basis. Information flow relevant to PA management and financing will have been established, and public support for the PA system increased.

164. System Boundary: In biological terms, the project is concerned with the conservation of biological diversity of national and international importance within Viet Nam’s protected area system. Geographically, the project is concerned with all of Viet Nam’s protected areas, but with a particular focus on the pilot sites, which consist of:

Terrestrial and marine ecosystem of the North Tonkin Archipelago, including Bai Tu Long N.P. and Cat Ba N.P.

Wetland and coastal ecosystems of the Red River Delta, including Xuan Thuy N.P. and Tien Hai N.R.

Forest and mountain ecosystems of the Central Highlands, including Bidoup Nui Ba N.P. and Chu Yang Sin N.R.

165. In terms of time, baseline and incremental costs have been assessed over the planned 5-year life-span of the project.

Summary of costs:

166. The total cost of the project, including co-funding and GEF funds, amounts to US\$22,077,403. Of this total, co-funding constitutes nearly 84% or US\$18,541,043. GEF financing comprises the remaining 16% of the total, or US\$ 3,536,360. The incremental cost matrix in the Project Document provides a summary breakdown of baseline costs and co-funded and GEF-funded alternative costs

Expected global, national and local benefits

167. By the end of the project, efforts to conserve biodiversity within Viet Nam's protected areas will have been strengthened in a number of important ways. The country's system of PAs will enjoy diverse and sustainable sources of financing, and supported by the necessary information on biodiversity status and threats, this financing will be used effectively to overcome threats to nationally and globally significant biodiversity. Increased financial flows will not only benefit PAs, but also communities living in and around PAs due to increased opportunities for income from activities such as tourism and provision of ecosystem services. Well trained and motivated PA staff will also be better able to assist local communities in securing sustainable social and economic development.

168. The project is expected to have significant positive impacts on Viet Nam's biodiversity compared with the baseline scenario. The global biodiversity benefits are associated with more secure protection of globally significant biodiversity over nearly 200,000ha of demonstration sites, together with increased effectiveness of management of other PAs in the system. The globally significant biodiversity that will be more securely conserved includes a number of globally threatened species, such as the rarest primate in the world, the golden-headed langur, and numerous species of endangered migratory birds, such as the white-winged duck.

Country Ownership: Country Eligibility and Country Drivenness

169. Viet Nam ratified the Convention on Biological Diversity on 16th November 1994, and is eligible for technical assistance from UNDP.

170. The Prime Minister's decision 79/2007/QĐ-TTg (May 31, 2007) assigned MONRE the role of consolidating the system of state management agencies. In line with this decision, the project has been designed by MONRE to seek GEF support covering (a) consolidating the policy and legislative framework; (b) systematizing inter-agency cooperation; (c) establishing a financial sustainability mechanism, and (d) strengthening data and information management.

Sustainability

171. Environmental sustainability: Viet Nam's system of protected areas help to ensure environmental sustainability of social and economic development in the country. By establishing a secure financial basis for the protected area system, the project will thus be contributing to environmental sustainability. Reduced threats to globally significant biodiversity provides additional support to environmental sustainability.

172. Financial sustainability: As noted in the situation analysis and baseline description, the total volume of funding the Viet Nam's protected area system is substantial, exceeding the funding calculated on an area basis for several OECD countries. The project will directly address weaknesses identified through UNDP's Financial Scorecard assessment, particularly focussing on those issues for which the lowest scores were recorded. By increasing the overall score, and particularly scores for the weakest components, much greater financial sustainability will be secured. Specifically, Outcome 1 addresses the key policy shortcomings, for example, legal constraints on the ability of protected area managers to generate and retain revenues. Outcome 3 will pilot various approaches to increased financial sustainability.

173. Social sustainability: Social sustainability will be achieved through the contribution of increased revenues to the livelihoods of local communities, thus serving not only to increase average incomes, but reducing threats and building greater support for protected area management. Interventions to build national civil society support (for example, Output 4.3) will also contribute to social sustainability.

174. Institutional sustainability: Outcome 2 is entirely devoted to improving the current institutional arrangements in order to make them more transparent and simpler. Existing agencies will be used for implementation of institutional reforms, thus ensuring institutional sustainability.

Replicability

175. The GEF Alternative includes both piloting of measures to overcome barriers to sustainable financing and measures to up-scale pilot activities to the national level, and to feed lessons from the pilots into an improved legal and policy environment. Therefore, conditions to ensure replicability will be established.

PART III: Management Arrangements

176. The project will follow the National Execution (NEX) modality with procedures set out in the UNDP Provisional Project Management Guidelines (PPMG; October 2005), to be replaced by the Harmonized Programme & Project Management Guidelines (HPPMG) that are under preparation. The proposed management arrangements and lead agencies have been identified based on current legal mandates of agencies.

Government Agency/National Implementing Partner (NIP)

177. MONRE will be the NIP and thus be primarily accountable to the Government and UNDP for ensuring (a) the substantive quality of the project, (b) the effective use of both national and UNDP resources allocated to it, (c) the availability and timeliness of national contributions to support project implementation and (d) the proper coordination among all project stakeholders, particularly national parties.

Project Focal Point/Responsible Party

178. MONRE will assign Viet Nam Environment Administration Administration to be the Project Focal Point, also known as main responsible party, which will be the lead organisation in the present project, acting for MONRE and working with various departments, offices and institutes in MONRE, MARD and other stakeholders.

179. The Project Focal Point will be responsible for day-to-day management and implementation of the project. This includes mobilizing all national and international inputs to support project implementation; organizing and monitoring project activities in accordance with the agreed work plans; and on a quarterly basis reporting to MONRE and UNDP on the progress as well as financial status of the project.

Implementation structure

180. The project implementation structure will be set up as below:

- The Project Executive Board (PEB)
- The Project Management Unit (PMU)

181. **Project Executive Board (PEB):** The PEB will make all necessary decisions and provide guidance for implementation of project activities, including approval of the overall project work-plan, and budget revisions.

182. The PEB will consist of members representing the National Assembly, MONRE, MARD, MOF and MPI together with a representative of UNDP-CO. The Vice Minister from MONRE will be the chairperson of the PEB. The PEB will meet every six-months, or more often on an *ad-hoc* basis, if deemed necessary.

183. **Project Management Unit (PMU) in MONRE.** To assist VEA and MONRE in implementation of the project, a project management unit will be established. MONRE will assign a leader of VEA to be the National Project Director (NPD), who will head the PMU. The NPD is accountable to MONRE for the use of project resources and to deliver on outcomes. Specifically the NPD will be responsible for overall management and implementation of the project, especially through managing a project management unit (PMU). The NPD will supervise as well as guide the work of the National Project Manager (PM) and the PMU..

184. The Project Management Unit (PMU) in MONRE will be responsible for the following.

- Prepare an inception report including detailed work plan and identification of target provinces. This inception report will be done in coordination with MARD and other stakeholders.
- Support the Project Executive Board and translate their guidance into day-to-day project coordination and management.
- Provide technical support to MONRE, MARD and other stakeholders for implementation efforts to achieve the project outcomes.
- Mobilize technical assistance in support of the achievement of all project outcomes
- Undertake project monitoring, budget management, detailed work planning (annual, quarterly), and fulfilling report needs to government and international donors

185. The PMU will be hosted in the main building of VEA, and will comprise of the following positions:

- Project Manager (PM) (recruited, 60 months, full-time)
- Project Secretary/Accountant (recruited, 60 months, full time)
- A Project Secretary/Interpreter (PSI) (recruited, 60 months, full time)

186. **The project implementation team in MARD.** MARD will assign a senior government official to be Component Director with responsibilities for the MARD assigned outputs as identified in Annex 1, and is accountable for the use of project resources and to deliver those results.

187. The Component Team in MARD will work closely with MONRE and will be responsible for:

- Mobilizing technical assistance in support from within MARD for the achievement of all project outcomes listed as MARD's primary responsibilities or where joint responsibilities have been identified with MONRE
- Undertaking appropriate technical inputs, coordination, monitoring and detailed (annual, quarterly) work planning and reporting to UNDP concerning the MARD component, with assistance from the PMU
- Ensuring that work being undertaken does not duplicate or simply replicate the work of VCF but builds on the best practices to add incremental value to the work of the project
- Reporting on sectoral issues to MARD, the NPD/Project Management Unit, and UNDP.

188. The Component Team in MARD will comprise of the following positions:

- A (National) Project coordinator
- A Project Secretary/Accountant

Financial management mechanism

189. MONRE will maintain overall accountability for the proper financial management of inputs, both directly managed by MONRE, and delegated to other participating agencies (Responsible Parties – RPs), as per the NEX guidelines. MARD will maintain accountability for the proper financial arrangement of inputs under their component and directly report to UNDP.

190. With support from the Project Management Unit, MARD will formulate its component detailed annual and quarterly work plans and component-financial reports; and MONRE will be responsible for the financial report of its own activities and consolidate financial reports submitted to it from provinces and other RPs (as regulated in the Letter of Agreements or sub-contracts). MONRE and MARD will thus report to the UNDP on the use of project resources as per the NEX guidelines.

191. The Project Management Unit will be responsible for ensuring that an annual NEX audit of the project is carried out in line with guidance from UNDP/GACA. MONRE will be held accountable to follow up on recommendations by auditors.

Public Information and Advocacy:

192. During its lifetime, the project may produce technical reports, education materials/publications, organize workshops and document experience/lessons learnt. UNDP will provide necessary support, upon official request from the NPD and PMU.

193. In order to accord proper acknowledgement to GEF for providing funding, a GEF logo should appear on all relevant GEF project publications, including among others, project hardware and vehicles purchased with GEF funds. Any citation on publications regarding projects funded by GEF should also accord proper acknowledgment to GEF.

UNDP Support

194. If MONRE or MARD requires from the UNDP CO any of the types of additional support services as stipulated in UN/UNDP project management guidelines³, they will be expected to send to the UNDP CO requests for such support services, together with specific TORs, specifications and/or other instructions based on which the UNDP CO will directly access funds to undertake its implementation support duties and recover service costs (“ISS”), in line with relevant provisions in UN/UNDP project provisional guideline⁴.

PART IV: Monitoring and Evaluation Plan and Budget

195. Project monitoring and evaluation will be conducted in accordance with established UNDP and GEF procedures and will be provided by the project team and the UNDP Country Office (UNDP-CO) with support from the UNDP/GEF Regional Coordination Unit in Bangkok. The Logical Framework Matrix in Annex 1 provides performance and impact indicators for project implementation along with their corresponding means of verification. The METT tool, Financial Scorecard and Capacity Assessment Scorecard will all be used as instruments to monitor progress in PA management effectiveness. Baseline METT scores attached in Annex 6. The M&E plan includes: inception report, project implementation reviews, quarterly and annual review reports, a mid-term and final evaluation. The following sections outline the principle components of the Monitoring and Evaluation Plan and indicative cost estimates

³ These support services are outlined in Annex II.3.2 of the PGPM, but the HPPMG may replace the PGPM

⁴ These provisions are stipulated in Section J (Chapter 8) of the PGPM.

related to M&E activities. The project's Monitoring and Evaluation Plan will be presented and finalized in the Project's Inception Report following a collective fine-tuning of indicators, means of verification, and the full definition of project staff M&E responsibilities.

Monitoring and reporting⁵

Project Inception Phase

196. Project monitoring and evaluation will be conducted in accordance with established UNDP and GEF procedures and will be provided by the project team and the UNDP Country Office (UNDP-CO) with support from the UNDP/GEF Regional Coordination Unit in Bangkok. The Logical Framework Matrix in Section II provides *performance* and *impact* indicators for project implementation along with their corresponding *means of verification*. The Financial Scorecard (Annex 4), Capacity Assessment Scorecard (Annex 5) and METT tool (see Annex 6) will all be used as instruments to monitor progress in PA management effectiveness. The M&E plan includes: inception report, project implementation reviews, quarterly and annual review reports, a mid-term and final evaluation. The following sections outline the principle components of the Monitoring and Evaluation Plan and indicative cost estimates related to M&E activities. The project's Monitoring and Evaluation Plan will be presented and finalized in the Project's Inception Report following a collective fine-tuning of indicators, means of verification, and the full definition of project staff M&E responsibilities.

Monitoring and reporting⁶

Project Inception Phase

197. A Project Inception Workshop will be conducted with the full project team, relevant government counterparts, co-financing partners, the UNDP-CO and representation from the UNDP-GEF Regional Coordinating Unit, as well as UNDP-GEF (HQs) as appropriate. A fundamental objective of this Inception Workshop will be to assist the project team to understand and take ownership of the project's goal and objective, as well as finalize preparation of the project's first annual work plan on the basis of the logframe matrix. This will include reviewing the logframe (indicators, means of verification, assumptions), imparting additional detail as needed, and on the basis of this exercise, finalizing the Annual Work Plan (AWP) with precise and measurable performance indicators, and in a manner consistent with the expected outcomes for the project. Additionally, the purpose and objective of the Inception Workshop (IW) will be to: (i) introduce project staff with the UNDP-GEF team which will support the project during its implementation, namely the CO and responsible Regional Coordinating Unit staff; (ii) detail the roles, support services and complementary responsibilities of UNDP-CO and RCU staff vis à vis the project team; (iii) provide a detailed overview of UNDP-GEF reporting and monitoring and evaluation (M&E) requirements, with particular emphasis on the Annual Project Implementation Reviews (PIRs) and related documentation, the Annual Review Report (ARR), as well as mid-term and final evaluations. Equally, the IW will provide an opportunity to inform the project team on UNDP project related budgetary planning, budget reviews, and mandatory budget rephasings. The IW will also provide an opportunity for all parties to understand their roles, functions, and responsibilities within the project's decision-making structures, including reporting and communication lines, and conflict resolution mechanisms. The Terms of Reference for project staff and decision-making structures will be discussed again, as needed, in order to clarify for all, each party's responsibilities during the project's implementation phase.

⁵ As per GEF guidelines, the project will also be using the BD 1 Management Effectiveness Tracking Tool (METT). New or additional GEF monitoring requirements will be accommodated and adhered to once they are officially launched.

⁶ As per GEF guidelines, the project will also be using the BD 1 Management Effectiveness Tracking Tool (METT). New or additional GEF monitoring requirements will be accommodated and adhered to once they are officially launched.

Monitoring responsibilities and events

198. A detailed schedule of project review meetings will be developed by the project management, in consultation with project implementation partners and stakeholder representatives and incorporated in the Project Inception Report. Such a schedule will include: (i) tentative time frames for Project Board Meetings and (ii) project related Monitoring and Evaluation activities. Day-to-day monitoring of implementation progress will be the responsibility of the Project Manager based on the project's Annual Work Plan and its indicators. The Project Manager will inform the UNDP-CO of any delays or difficulties faced during implementation so that the appropriate support or corrective measures can be adopted in a timely and remedial fashion. The Project Manager will fine-tune the progress and performance/impact indicators of the project in consultation with the full project team at the Inception Workshop with support from UNDP-CO and assisted by the UNDP-GEF Regional Coordinating Unit. Specific targets for the first year implementation progress indicators together with their means of verification will be developed at this Workshop. These will be used to assess whether implementation is proceeding at the intended pace and in the right direction and will form part of the Annual Work Plan. Targets and indicators for subsequent years would be defined annually as part of the internal evaluation and planning processes undertaken by the project team.

199. Measurement of impact indicators related to global biodiversity benefits will occur according to the schedules defined in the Inception Workshop, using METT scores. The measurement of these will be undertaken through subcontracts or retainers with relevant institutions. Periodic monitoring of implementation progress will be undertaken by the UNDP-CO through quarterly meetings with the Implementing Partner, or more frequently as deemed necessary. This will allow parties to take stock and to troubleshoot any problems pertaining to the project in a timely fashion to ensure smooth implementation of project activities.

200. Annual Monitoring will occur through the Project Board Meetings (PBM). This is the highest policy-level meeting of the parties directly involved in the implementation of a project. The project will be subject to PBMs two times a year. The first such meeting will be held within the first six months of the start of full implementation.

201. The Project Manager in consultations with UNDP-CO and UNDP-GEF RCU will prepare a UNDP/GEF PIR/ARR and submit it to PBM members at least two weeks prior to the PBM for review and comments. The PIR/ARR will be used as one of the basic documents for discussions in the PB meeting. The Project Manager will present the PIR/ARR to the Project Board, highlighting policy issues and recommendations for the decision of the PBM participants. The Project Manager also informs the participants of any agreement reached by stakeholders during the PIR/ARR preparation on how to resolve operational issues. Separate reviews of each project component may also be conducted if necessary. The Project Board has the authority to suspend disbursement if project performance benchmarks are not met.

192. Benchmarks will be developed at the Inception Workshop, based on delivery rates, and qualitative assessments of achievements of outputs.

202. The terminal PBM is held in the last month of project operations. The Project Manager is responsible for preparing the Terminal Report and submitting it to UNDP-CO and UNDP-GEF RCU. It shall be prepared in draft at least two months in advance of the terminal PBM in order to allow review, and will serve as the basis for discussions in the PBM. The terminal meeting considers the implementation of the project as a whole, paying particular attention to whether the project has achieved its stated objectives and contributed to the broader environmental objective. It decides whether any actions are still necessary, particularly in relation to sustainability of project results, and acts as a vehicle through which lessons learnt can be captured to feed into other projects under implementation of formulation.

203. UNDP Country Offices and UNDP-GEF RCU as appropriate, will conduct yearly visits to project sites based on an agreed upon schedule to be detailed in the project's Inception Report/Annual Work Plan to assess first hand project progress. Any other member of the Project Board can also accompany. A Field Visit Report/BTOR will be prepared by the CO and UNDP-GEF RCU and circulated no less than one month after the visit to the project team, all Project Board members, and UNDP-GEF.

Project Reporting

204. The Project Manager in conjunction with the UNDP-GEF extended team will be responsible for the preparation and submission of the following reports that form part of the monitoring process. The first six reports are mandatory and strictly related to monitoring, while the last two have a broader function and the frequency and nature is project specific to be defined throughout implementation.

205. A Project Inception Report will be prepared immediately following the Inception Workshop. It will include a detailed First Year/ Annual Work Plan divided in quarterly time-frames detailing the activities and progress indicators that will guide implementation during the first year of the project. This Work Plan will include the dates of specific field visits, support missions from the UNDP-CO or the Regional Coordinating Unit (RCU) or consultants, as well as time-frames for meetings of the project's decision making structures. The Report will also include the detailed project budget for the first full year of implementation, prepared on the basis of the Annual Work Plan, and including any monitoring and evaluation requirements to effectively measure project performance during the targeted 12 months time-frame. The Inception Report will include a more detailed narrative on the institutional roles, responsibilities, coordinating actions and feedback mechanisms of project related partners. In addition, a section will be included on progress to date on project establishment and start-up activities and an update of any changed external conditions that may effect project implementation. When finalized, the report will be circulated to project counterparts who will be given a period of one calendar month in which to respond with comments or queries. Prior to this circulation of the IR, the UNDP Country Office and UNDP-GEF's Regional Coordinating Unit will review the document.

206. An Annual Review Report shall be prepared by the Project Manager and shared with the Project Board. As a self-assessment by the project management, it does not require a cumbersome preparatory process. As minimum requirement, the Annual Review Report shall consist of the Atlas standard format for the Project Progress Report (PPR) covering the whole year with updated information for each element of the PPR as well as a summary of results achieved against pre-defined annual targets at the project level. As such, it can be readily used to spur dialogue with the Project Board and partners. An ARR will be prepared on an annual basis prior to the Project Board meeting to reflect progress achieved in meeting the project's Annual Work Plan and assess performance of the project in contributing to intended outcomes through outputs and partnership work. The ARR should consist of the following sections: (i) project risks and issues; (ii) project progress against pre-defined indicators and targets and (iii) outcome performance.

207. The Project Implementation Review (PIR) is an annual monitoring process mandated by the GEF. It has become an essential management and monitoring tool for project managers and offers the main vehicle for extracting lessons from ongoing projects. Once the project has been under implementation for a year, a Project Implementation Report must be completed by the CO together with the project team. The PIR should be participatorily prepared in July and discussed with the CO and the UNDP/GEF Regional Coordination Unit during August with the final submission to the UNDP/GEF Headquarters in the first week of September.

208. Quarterly progress reports: Short reports outlining main updates in project progress will be provided quarterly to the local UNDP Country Office and the UNDP-GEF RCU by the project team.

209. UNDP ATLAS Monitoring Reports: A Combined Delivery Report (CDR) summarizing all project expenditures, is mandatory and should be issued quarterly. The Project Manager should send it to the Project Board for review and the Implementing Partner should certify it. The following logs should be prepared: (i) The Issues Log is used to capture and track the status of all project issues throughout the implementation of the project. It will be the responsibility of the Project Manager to track, capture and assign issues, and to ensure that all project issues are appropriately addressed; (ii) the Risk Log is maintained throughout the project to capture potential risks to the project and associated measures to manage risks. It will be the responsibility of the Project Manager to maintain and update the Risk Log, using Atlas; and (iii) the Lessons Learned Log is maintained throughout the project to capture insights and lessons based on good and bad experiences and behaviours. It is the responsibility of the Project Manager to maintain and update the Lessons Learned Log.

210. Project Terminal Report: During the last three months of the project the project team will prepare the Project Terminal Report. This comprehensive report will summarize all activities, achievements and outputs of the Project, lessons learnt, objectives met, or not achieved, structures and systems implemented, etc. and will be the definitive statement of the Project's activities during its lifetime. It will also lay out recommendations for any further steps that may need to be taken to ensure sustainability and replicability of the Project's activities.

211. Periodic Thematic Reports: As and when called for by UNDP, UNDP-GEF or the Implementing Partner, the project team will prepare Specific Thematic Reports, focusing on specific issues or areas of activity. The request for a Thematic Report will be provided to the project team in written form by UNDP and will clearly state the issue or activities that need to be reported on. These reports can be used as a form of lessons learnt exercise, specific oversight in key areas, or as troubleshooting exercises to evaluate and overcome obstacles and difficulties encountered. UNDP is requested to minimize its requests for Thematic Reports, and when such are necessary will allow reasonable timeframes for their preparation by the project team.

212. Technical Reports are detailed documents covering specific areas of analysis or scientific specializations within the overall project. As part of the Inception Report, the project team will prepare a draft Reports List, detailing the technical reports that are expected to be prepared on key areas of activity during the course of the Project, and tentative due dates. Where necessary this Reports List will be revised and updated, and included in subsequent APRs. Technical Reports may also be prepared by external consultants and should be comprehensive, specialized analyses of clearly defined areas of research within the framework of the project and its sites. These technical reports will represent, as appropriate, the project's substantive contribution to specific areas, and will be used in efforts to disseminate relevant information and best practices at local, national and international levels.

213. Project Publications will form a key method of crystallizing and disseminating the results and achievements of the Project. These publications may be scientific or informational texts on the activities and achievements of the Project, in the form of journal articles, multimedia publications, etc. These publications can be based on Technical Reports, depending upon the relevance, scientific worth, etc. of these Reports, or may be summaries or compilations of a series of Technical Reports and other research. The project team will determine if any of the Technical Reports merit formal publication, and will also (in consultation with UNDP, the government and other relevant stakeholder groups) plan and produce these Publications in a consistent and recognizable format. Project resources will need to be defined and allocated for these activities as appropriate and in a manner commensurate with the project's budget.

Independent evaluations

214. The project will be subjected to at least two independent external evaluations as follows: An independent Mid-Term Evaluation will be undertaken at exactly the mid-point of the project lifetime. The

Mid-Term Evaluation will determine progress being made towards the achievement of outcomes and will identify course correction if needed. It will focus on the effectiveness, efficiency and timeliness of project implementation; will highlight issues requiring decisions and actions; and will present initial lessons learned about project design, implementation and management. Findings of this review will be incorporated as recommendations for enhanced implementation during the final half of the project's term. The organization, terms of reference and timing of the mid-term evaluation will be decided after consultation between the parties to the project document. The Terms of Reference for this Mid-term evaluation will be prepared by the UNDP CO based on guidance from the UNDP-GEF Regional Coordinating Unit.

215. An independent Final Evaluation will take place three months prior to the terminal Project Board meeting, and will focus on the same issues as the mid-term evaluation. The final evaluation will also look at impact and sustainability of results, including the contribution to capacity development and the achievement of global environmental goals. The Final Evaluation should also provide recommendations for follow-up activities. The Terms of Reference for this evaluation will be prepared by the UNDP CO based on guidance from the UNDP-GEF Regional Coordinating Unit.

Learning and knowledge sharing

216. Results from the project will be disseminated within and beyond the project intervention zone through a number of existing information sharing networks and forums. In addition, the project will participate, as relevant and appropriate, in UNDP/GEF sponsored networks, organized for Senior Personnel working on projects that share common characteristics. UNDP/GEF Regional Unit has established an electronic platform for sharing lessons between the project coordinators. The project will identify and participate, as relevant and appropriate, in scientific, policy-based and/or any other networks, which may be of benefit to project implementation through lessons learned. The project will identify, analyze, and share lessons learned that might be beneficial in the design and implementation of similar future projects. Identifying and analyzing lessons learned is an on-going process, and the need to communicate such lessons as one of the project's central contributions is a requirement to be delivered not less frequently than once every 12 months. UNDP/GEF shall provide a format and assist the project team in categorizing, documenting and reporting on lessons learned.

Table 9. Project Monitoring and Evaluation Plan and Budget

Type of M&E activity	Responsible Parties	Budget US\$ <i>Excluding project team Staff time</i>	Time frame
Inception Workshop	Project Coordinator UNDP CO UNDP GEF	10,000	Within first two months of project start up
Inception Report	Project Teams UNDP CO	None	Immediately following IW
Measurement of Means of Verification for Project Purpose Indicators	Project Managers will oversee the hiring of specific studies and institutions, and delegate responsibilities to relevant team members	To be finalized in Inception Phase and Workshop. Indicative cost: 15,000.	Start, mid and end of project
Measurement of Means of Verification for Project Progress and Performance (measured on an annual basis)	Oversight by Project Managers Project teams	To be determined as part of the Annual Work Plan's preparation. Indicative cost: 8,000 (annually); total: 32,000	Annually prior to ARR/PIR and to the definition of annual work plans
ARR and PIR	Project Teams UNDP-CO UNDP-GEF	None	Annually

Type of M&E activity	Responsible Parties	Budget US\$ <i>Excluding project team Staff time</i>	Time frame
Quarterly progress reports	Project teams	None	Quarterly
CDRs	Project Managers	None	Quarterly
Issues Log	Project Managers UNDP CO Programme Staff	None	Quarterly
Risks Log	Project Managers UNDP CO Programme Staff	None	Quarterly
Lessons Learned Log	Project Managers UNDP CO Programme Staff	None	Quarterly
Mid-term Evaluation	Project team UNDP- CO UNDP-GEF Regional Coordinating Unit External Consultants (i.e. evaluation team)	26250	At the mid-point of project implementation.
Final Evaluation	Project team, UNDP-CO UNDP-GEF Regional Coordinating Unit External Consultants (i.e. evaluation team)	28250	At the end of project implementation
Terminal Report	Project team UNDP-CO local consultant	0	At least one month before the end of the project
Lessons learned	Project team UNDP-GEF Regional Coordinating Unit (suggested formats for documenting best practices, etc)	12,000 (average 3,000 per year)	Yearly
Audit	UNDP-CO Project team	12,000 (average 3,000 per year)	Yearly
Visits to field sites	UNDP Country Office UNDP-GEF Regional Coordinating Unit (as appropriate) Government representatives	Paid from IA fees and operational budget	Yearly
TOTAL INDICATIVE COST Excluding project team staff time and UNDP staff and travel expenses		US\$ 103500	

PART V: Legal Context

217. This project document shall be the instrument referred to as such in Article I of the Standard Basic Assistance Agreement between the Socialist Republic of Viet Nam and the United Nations Development Programme signed by the parties on 21 March 1978. The host country executing agency shall, for the purpose of this Agreement, refer to the Government Cooperating Agency described in that Agreement.

218. The UNDP Resident Representative in Viet Nam is authorized to effect in writing the following types of revision to this project document, provided that s/he has verified the agreement thereto by the UNDP-GEF Unit and is assured that the other signatories of the project document have no objection to the proposed changes:

- a) Revision of, or addition to, any of the annexes to the Project Document;
- b) Revisions which do not involve significant changes in the immediate objectives, outputs or activities of the project, but are caused by the rearrangement of the inputs already agreed to or by cost increases due to inflation;
- c) Mandatory annual revisions which re-phase the delivery of agreed project inputs or increased expert or other costs due to inflation or take into account agency expenditure flexibility; and
- d) Inclusion of additional annexes and attachments only as set out here in this Project Document

219. *National Professional Project Personnel:* The Government agrees to the recruitment of nationally recruited project professional personnel (NPPP) required for the implementation of this project, in accordance with UNDP policies and procedures established within the United Nations system for this purpose. These services constitute an addition to the regular personnel resources to be provided by the Government and will be available for the duration of UNDP participation in the project. The remuneration of NPPP will be determined on a case-by-case basis in accordance with the policies and procedures of UNDP; it should exceed neither the prevailing compensation for comparable functions in the host country nor remuneration levels applicable within the United Nations system.

SECTION II: STRATEGIC RESULTS FRAMEWORK (SRF)

RESULT	INDICATOR	BASELINE VALUE	TARGET	MEANS OF VERIFICATION	RISKS AND ASSUMPTIONS
Objective: To secure a sustainably financed PA system, to conserve globally significant biodiversity	Overall PA System's Financial scorecard scores	67	By the end of the project the score is at least 85	Scorecard assessment	<ul style="list-style-type: none"> All PA management agencies responsive to new legal environment Governance fundamentals support capacity improvements Conservation remains government priority
	Overall Capacity scorecard scores	40.9	By the end of the project the score is at least 52	Scorecard assessment	
	Average METT scores (for all sites)	45%	By the end of the project the score is at least 59%	METT assessment	
Outcome 1: A comprehensive and harmonized legal and policy framework supports sustainable PA financing	"Legal, regulatory and institutional frameworks" component of the UNDP Financial Scorecard	33	At the end of the project the score for has increased to at least 50	Score card assessment	<ul style="list-style-type: none"> Processing of legal documents is not delayed Inter-agency cooperation on legal environment is effective
	"Capacity to conceptualize and formulate policies, legislations, strategies and programmes" component of the UNDP Capacity Scorecard	5.5	At the end of the project the score has increased to at least 7.5	Score card assessment	
Output 1.1: Regulations under the Law on Biodiversity that ensure consistency in protected area administration in the context of national BD planning	Approval of regulations	No regulations approved	By the end of year 4 of project implementation regulations have been formally issued (these regulations incorporate specific measures related to populations living within PAs)	Project reports/ regulations	<ul style="list-style-type: none"> Law on Biodiversity is not superceded by other legal instruments Consensus can be reached on revised regulations
Output 1.2: Emerging policy on PA financing that allows revenue generation and effective management of revenues for individual	National PES policy identifies PES as one of the financing mechanisms for PAs	Draft policy under development	The text of the PM's Decision on PES incorporates unambiguous wording establishing the basis for PAs to receive a significant proportion of PES funding for ecosystem services originating from land within the PA	Project reports/ Decision	<ul style="list-style-type: none"> Policy development processes effectively engage with project Issuance of new policy documents does not incur

PAs and the system as a whole	Guidelines for operationization of PM's Decision on PA financing	No guidelines prepared	Guidelines on implementation of the PM's Decision on Sustainable Financing issued during the first year of project implementation reflect international best practice	Project reports	unreasonable delays
	Existence of off-site financing policy and strategy	New strategy under development	By the end of year 1 of project implementation a new Tourism Development Strategy incorporates off-site financing	Project reports/survey	
Outcome 2: Clear and harmonized institutional mandates and processes support sustainable PA financing mechanisms	Score for the "Business planning and tools for cost-effective management" component of the UNDP Financial Scorecard	21	At the end of the project the score has increased to at least 45	Score card assessment	
	Score for the "Capacity to implement policies, legislation, strategies and programmes" component of the UNDP Capacity Scorecard	21.4	At the end of the project the score has increased to at least 32	Score card assessment	
Output 2.1: Clarified and coordinated institutional management of a unified PA system	Establishment of a mechanism to promote coordination between MONRE and MARD	No mechanism exists	By the end of year 2 of project implementation, a coordinating mechanism has been created by decree/decision	Project reports/decree	
	Mechanism is operational	As above	By the end of year 3 of the project the coordinating mechanism is promoting a coordinated approach to PA management (see also Output 4.1).	Project reports	
Output 2.2: PA staff at all levels with necessary skills, including	Proportion of PA managers and staff trained in essential	No PA managers trained in	By the end of year 3 of project implementation, PA directors from at least 50% of PAs have been trained in key skills, such as	Project reports/training reports	

business management, tourism management, monitoring and participatory management	skills	issues such as business planning	business planning; by the end of the project this figure is 85%		
	Proportion of PA rangers trained in essential skills	Pilot programme for ranger training (CBBC)	By the end of year 3 of project implementation, rangers and other staff from at least 60% of PAs have been trained in key skills; by the end of the project this figure is 85%	Project reports/training reports	
Output 2.3: Revised and consistent system-wide incentive measures that promote improved performance	Existence of system-wide system of incentives	Current incentive system ineffective and disjointed	By the end of year 2 of project implementation, a revised system of incentives designed to promote improve performance among PA staff has been drafted and endorsed by PA managers	Project reports	
	Evidence of incentive system in operation	As above	By the end of year 3 of project implementation the revised system is in operation	Project reports	
	Level of support for revised incentive system	Little awareness of benefits of effective system	By the end of the project, at least 60% of PA managers indicate that the revised incentives have improved PA management	Survey/interviews	
Outcome 3: Knowledge and experience of sustainable financing options developed through demonstrations	Score for the “Tools for revenue generation” component of the UNDP Financial Scorecard	13	At the end of the project the score has increased to at least 35	Score card assessment	<ul style="list-style-type: none"> • Demonstrations are an effective way of developing new policy and procedures • Local political support for demonstrations
Output 3.1: Models of effective collection and sharing of revenues to support sustainable PA financing	Existence of measures to increase tourism revenues	Tourism revenue generation low	By the end of year 1 of project implementation measures to increase tourism revenue (in parallel with improved tourism services) have been identified at one or more pilot sites	Project reports	<ul style="list-style-type: none"> • Pilot PES policy is up-scaled to national level • REDD is developed as a component of a post-Kyoto instrument
	Existence of measures to generate revenues from concessions	Concession revenue generation low	By the end of year 1 of project implementation measures to increase revenue from commercial concession have been identified at one or more pilot sites	Project reports	
	Measures to generate PES	Pilot revenue generation yet to be	By the end of year 2 of project implementation, measures are in place to generate revenues from PES at one or more	Project reports	

		tested	pilot sites		
	Measures to generate revenues from sustainable harvesting	No revenue generation	By the end of year 2 of project implementation, measures are in place to generate revenues from sustainable harvesting of natural resources at one or more pilot sites	Project reports	
	Capture of lessons to improve the legal environment	Sustainable financing guidelines have no lessons on which they are based	By the end of year 3 of project implementation, lessons from increasing revenues have contributed to revised guidelines under Output 1.2	Project reports/ revised guidelines	
Output 3.2: Models of operational cooperation and resource sharing among neighbouring PAs	Analysis of opportunities for cost efficiencies	No analyses undertaken	By the end of year 1 of project implementation, opportunities for increased cost efficiencies by cross-PA cooperation and coordination have been identified at one or more pilot sites	Project reports	<ul style="list-style-type: none"> • Different PA management agencies are willing to cooperate
	Measures to promote cost efficiencies	No measures in place	By the end of year 2 of project implementation, measures are in place to increase cost efficiencies by cross-PA cooperation and coordination at one or more pilot sites	Project report	
	Capture of lessons to improve the legal environment	Sustainable financing guidelines have no lessons on which they are based	By the end of year 3 of project implementation, lessons from increasing cost efficiencies by cross-PA cooperation and coordination have contributed to revised guidelines under Output 1.3 and the decree/decision to create a PA authority under Output 1.5	Project reports/ revised guidelines/draft decree	
Output 3.3: Models of local and provincial BD planning	Existence of a pilot provincial BD plan	No such plans exist	By the end of year 2 of project implementation, a provincial BD plan has been developed at one or more pilot sites	Project reports	<ul style="list-style-type: none"> • Local planning will improve effectiveness of PA management
Outcome 4: Information on biodiversity and PA status supports PA management and builds public support for the PA system	Score for components 3-5 of the UNDP Capacity Scorecard (“Build consensus”, “Mobilize information”, and “Monitor, report and learn”)	14	At the end of the project the score has increased to at least 24	Score card assessment	<ul style="list-style-type: none"> • There is willingness to support transparent information exchange • Staff turnover does not negate benefits of training

Output 4.1: A system-wide approach to monitoring to support PA management decisions and budgeting in line with international standards	Existence of endorsed system-wide approach	Draft system developed (VCF)	By the end of 6 months of project implementation a proposal for a system-wide approach to monitoring that meet international standards has been prepared and endorsed by key stakeholders, including PA managers	Project reports	<ul style="list-style-type: none"> • Framework approach to BD monitoring proves to be effective
	Application of system-wide monitoring	No system-wide application	By the end of year 4 of project implementation the system-wide monitoring programme is operational	Project reports	
	Linking of budgets to needs defined from monitoring	Budgets not linked to needs	By the end of the project PA budgeting is linked to monitoring results	Project reports	
Output 4.2: A system-wide approach to reporting on biodiversity status and trends in line with international standards	Existence of system-wide reporting approach	No system in place	By the end of year 2 of project implementation a reporting process has been designed and endorsed by key stakeholders, including PA managers	Project reports	<ul style="list-style-type: none"> • Reporting on BD contributes to effectiveness of PA management • No delays in establishment of clearing house • All agencies willing to cooperate
	CHM operational	No CHM design	By the end of year 2 of project implementation the Clearing House is operational	Project reports	
	PA-specific BD reports	No reports produced	By the end of year 4 of project implementation reports are produced for at least 30% of all PAs; by the end of the project this figure is at least 60%	Project reports	
Output 4.3: Increased public awareness of the importance of, and threats to the protected area system	Existence of public awareness campaign design	No campaign designed	By the end of year 1 of project implementation a public awareness campaign has been designed and approved by MONRE	Project reports	<ul style="list-style-type: none"> • Increased public awareness translates into increased political support
	Public awareness campaign implemented	As above	By the end of year 2 of project implementation the public awareness campaign is operational	Project reports	
	Increase in public awareness	Basic awareness	By the end of the project, measures of public awareness and support for PAs have increased by at least 30% of their baseline values ⁷	Survey/interviews	

⁷ Measures are described in the Baseline section of the project document; specific targets for each measure will be defined before submission of the project document

List of Annexes

- Annex 1: Allocation of key responsibilities of Monre and Mard for different outputs
- Annex 2: Incremental cost analysis
- Annex 3: List of relevant legal and policy documents
- Annex 4: Financial scorecard results
- Annex 5: Capacity scorecard results
- Annex 6: METT tables for the PAs included in the project pilot sites
- Annex 7: Rationale and process of pilot site selection
- Annex 8: Results of detailed questionnaires on financial status and prospects for pilot sites
- Annex 9: Results of surveys on awareness of PA issues