

# Nature-based Tourism Funding Mechanisms for Biodiversity Conservation



## Experiences and future directions in the Lao PDR

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**Connecting People's Capacities**

# Brief History of Tourism Funding Mechanisms in the Lao PDR

- In 2001/2 the LNTA NZAID/UNESCO Nam Ha Ecotourism Project developed first mechanisms
  - 4 trekking, boating home-stay products
  - product price included \$1 per tourist per day for the Nam Ha PA
  - 2003 around 2,000 tourists buying the products, around \$3,000 raised for PA

# Brief History of Tourism Funding Mechanisms in the Lao PDR

- 2004 ded LNTA project in Phou Khou Khouay NPA
  - elephant observation, home-stay and trek, boating products
  - product price included \$4 PA entry fee (\$3 to PA, \$1 community fund)
- 2004 SNV PTO projects in Phou Xang He and Dong Phou Vieng PAs
  - trekking, home-stay and boating products
  - product price included \$1 per tourist per entry

# Constraints

- PA staff have little knowledge of tourism - unsure how to react and engage with PTOs
- PAs unsure how and where to spend funds
- PTO resistance to hand funds to PAs
- Collection and transfer of funds to PAs (local and national issues)
- PTOs feel tourists would be unwilling to pay higher fees
- Funds raised fall way short of funds required by PA managers

# Constraints (2)

- Need to identify new products (other than trekking and home-stays)
- Lack of tourist numbers
- Lack of access
- Lack of infrastructure
- Tourism very new / emerging destination
- Need to build private sector confidence to invest

# Constraints - conclusion

- Key constraint is low capacity:
  - local communities lack awareness of tourist needs and tourism system
  - district and provincial officials lack understanding of tourists needs, tourism system, management tools and approaches
  - centre-level agencies lack understanding of tourism management tools and approaches – and the funding to implement work programmes
  - Domestic private sector lack understanding of markets and potential / yet to mature

# Opportunities – progress made

- Modest but important funds raised for PA managers
- Local people see reasons (incentives) to support conservation (Savannakhet guides receive wildlife cash incentive)
- Nam Ha received UNDP award for contribution to poverty alleviation (high % of product price retained by local communities)
- Government keen to support tourism and PA agenda
- Increased dialogue and cooperation between PA managers & PTOs (could be first of a series of funding mechanisms)

# Opportunities - building synergy

- NBSAP prepared in 2003 – ecotourism component
- 2004 develop National Ecotourism Strategy and Action Plan (as component of wider tourism strategy)
- Formation of Ecotourism Technical Cooperation Group (ETCG)
- Tourism very high on the government agenda – tourism and poverty alleviation relationship well understood

# Opportunities - conclusion

To maximise the revenue earned from ecotourism funding mechanisms for biodiversity conservation there is a need to assess and strengthen the total ecotourism system: funding mechanisms cannot be developed in isolation

# The Ecotourism Technical Cooperation Group (ETCG)

- was established by a government decree in February 2005
- is an inter agency body with representation from
  - Lao National Tourism Administration
  - Ministry of Agriculture and Forestry (Division of Forest Resource Conservation)
  - Science Technology and Environment Agency
  - National University of Laos
  - supporting NGOs

**The ETCG is composed of representatives from:**

***Centre level:*** (6 people)

LNTA

DFRC (DoF, MAF)

STEA

NUoL

***Provincial level:*** (12 people)

PTO

PAFO

***NGO advisors:*** IUCN, WWF, WCS

& SNV

**4 target PAs**

**Nam Ha**

**Phou Khou Khouay**

**Pho Hin Phoun**

**Xe Pain**



# The ETCG works with target PAs & provinces in the north, centre and south to:

- implement key policies and actions identified in the National Ecotourism Strategy and Action Plan
- oversee the overall implementation of the National Ecotourism Strategy
- make recommendations to further develop ecotourism policy & regulatory mechanisms
- report to line agencies and the National Tourism Council, chaired by the Deputy Prime Minister

# Expected 'Project' Outcomes

1. Protected area programmes are benefiting from increased annual budgets and more financial sustainability
2. As a result of a clearer understanding of (eco)tourism policy and regulatory mechanisms among regional, national and local stakeholders, communities living in and around protected areas are more actively involved in the planning and management of protected areas – especially with regard to ecotourism
3. A strong policy and institutional framework for ecotourism is addressing the needs for poverty alleviation, income generation, and, biodiversity and cultural conservation.

## Output 1 The implementation of financial mechanisms to ensure tourism activity in and around NPAs supports the primary purpose of these areas – biodiversity conservation

- identify appropriate funding mechanisms
- select priority mechanisms ('product' fees to entry fees, transport, parking, research, concessions / leases for ecolodges and restaurants)
- quantify and compare potential income with set up and management costs
- develop & apply funding mechanisms in selected sites
- monitor progress and replicate in other sites

# Other Project Outputs

- **Output 2:** data collection systems to measure and analyse visitor use of PAs
- **Output 3:** review legal and regulatory mechanisms – prioritise HR training needs
- **Output 4:** develop ecotourism strategies for the 4 target PAs
- **Output 5:** increase community involvement in ecotourism & biodiversity conservation activities

# Other Project Outputs (2)

- **Output 6:** increase private sector investment in ecotourism activities in and around PAs (especially ecolodges)
- **Output 7:** develop tourism and conservation research partnerships
- **Output 8:** increase regional dialogue and cooperation on related policies & programmes (ecotourism conference)

# At the GMS level, the ETCG is interested to:

- share experiences & lessons on ecotourism and protected areas (PA ecotourism plans, research papers, study tours, funding mechanisms, laws, rules and regulations, conference)
- assess options for regional funding proposals
- exchange ideas on marketing and promotion (specialist tour packages)

Thank you for listening



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