

# PUBLIC PRIVATE PARTNERSHIP IN SUSTAINABLE TOURISM DEVELOPMENT IN TRANG AN LANDSCAPE COMPLEX - NINH BINH IN THE CONTEXT OF CLIMATE CHANGE

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## RESEARCH BRIEF

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**Abstract:** *Tourism public-private partnerships (PPPs) can create new economic opportunities for residents. However, they can also bring about new environmental and social risks that are compounded by climate change. CECR research in Trang An, Ninh Binh, Viet Nam, shows that proactive comprehensive planning involving government, the private sector, and civil society can reduce these risks and ensure that the benefits of tourism are sustained into the future.*

#### Introduction

Ninh Binh is a secondary city in Viet Nam, located in the southern portion of the Red River Delta. Thanks to the area's beautiful limestone karst ranges and ancient historical significance, Ninh Binh has become a popular destination for natural and cultural tourism. The Trang An Landscape Complex (TALC) is the best known attraction, recognized by UNESCO as a World Heritage Site in 2014.

The Vietnamese government has announced plans to expand the site with the goal of converting it into a world-class tourist destination by 2030 in partnership with private developers. Tourism development has already prompted the area to urbanize rapidly, transforming physical landscapes and livelihoods. Climate change adds additional risks to the development process. Ninh Binh is increasingly exposed to extreme and unpredictable weather patterns associated with climatic change, particularly floods and unseasonal rainfall.

The Center for Environment and Community Research (CECR), a Vietnamese NGO, has been conducting research on the environmental and social impacts of tourism public-private partnerships in Trang An in the context of climate change. We find that tourism provides considerable economic opportunities for local people and business. However, rapid urban development creates new forms of environmental contamination and livelihood instability, which are being exacerbated by climate change. Local government – in cooperation with civil society and the private sector – can play a key role in ensuring that residents are equipped to respond to these changes and benefit into the future.

## Research Context

One of Viet Nam's most promising tourist destinations, the Trang An Landscape Complex (TALC) is famous for its karst ranges, flooded valleys and interconnected cave systems which visitors tour through on wooden human-powered boats. It is also home to the Hoa Lu Ancient Capital, the first kingdom of Viet Nam. In an innovative arrangement for Viet Nam, this important tourism complex is operated through a public-private partnership (PPP) between a public entity (the Ninh Binh Provincial People's Committee) and a private company (the Xuan Truong Corporation). The committee owns and directly manages the property, while the corporation runs conservation, forest restoration, and tourism activities.

Interested in this unique arrangement, CECR conducted research in Truong Yen commune, the largest of twelve communes in Trang An's 122 km<sup>2</sup> area. Like other nearby communes, Truong Yen has seen dramatic changes in recent years. Tourism has transformed the once rural landscape into a peri-urban one with concrete road systems, houses, and other hard infrastructure. Previously mainly agricultural, many residents now supplement agricultural livelihoods by working in tourism as boat riders or performing other tourism-related services (e.g. waitstaff, taxi drivers, food vendors, construction, etc.).



*Boat tour in Trang An, Truong Yen commune, Ninh Binh, Viet Nam (source: CECR)*

## Research Approach

The main goal of the research was to understand how rapid changes to Trang An brought by urbanization, tourism, and climate change are affecting people's well-being in Truong Yen Commune. We examined the drivers of these changes, and assessed the capacity of residents, local governments, and the private sector to adapt to them.

To understand residents' vulnerability to change and ability to adapt to it, we assessed their:

- Livelihoods;
- Overall well-being; and
- Access to support for adaptation at the individual/household level (self-protection) and from the community and government (social protection).

To understand local government preparedness for changes related to economic development and climate change, we used an internationally proven Local Government Self-Assessment Tool. Using this participatory tool, we worked with policymakers at the commune and provincial level to assess their:

- Organizational, financial, and data collecting capacity related to disasters and climate change; and
- The strength of existing policies related to climate change.

Data were collected in 2017 through:

- In-depth interviews with 120 Truong Yen commune residents, 12 governmental staff from the commune and provincial levels, and TALC management board representatives; and
- Two participatory discussion groups with: (1) 12 commune and village-level authorities' and (2) 26 residents.

## Findings

Trang An Landscape Complex has been cited as a successful case study of public private partnerships in Viet Nam. CECR research supports this. The business model has helped the local economy grow, brought jobs, substantially increased household income, and generally improved quality of life for local people.

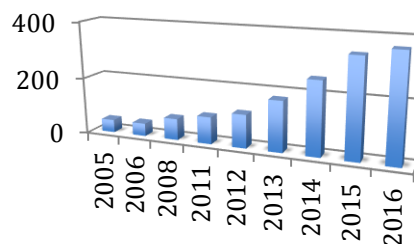
However, we have also identified trade-offs associated with this new economy. Tourism and associated urban development have brought new environmental and social risks, including diminished access to clean water and contamination from inadequate solid waste management. New social risks include food price increases associated with tourism. Finally, people are also feeling the adverse effects of climate change, particularly more frequent extreme weather events such as floods and droughts.

When combined, environmental, social, and climate risks are creating new livelihood and health vulnerabilities. People who live under poverty line (4.65 % of the population) are most affected. While manageable now, risks will only get worse if they are not taken into account as Trang An develops in the future. Here we draw attention to six key challenges before concluding with recommendations for mitigating risks.



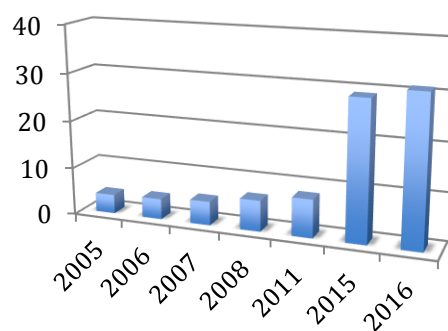
1. **Tourism is improving incomes, but livelihoods are sensitive to climate change:** According to the Socio-Economic Development Reports of Truong Yen Commune from 2005 to 2016, income from tourism and services grew eightfold over that period. Total income increased from VND 45 billion in 2005 to VND 367 billion in 2016 (see Table 1)\*.

**Table 1. Total Income Truong Yen Commune 2005-2016 (VND billion)**



Household annual average income increased from VND 4 million in 2005 to VND 31 million in 2016 (see Table 2)\*. According to interview and focus group data, income increases are directly related to tourism development.

**Table 2. Average income per capita (million VND/year)**



Both agriculture and tourism, Truong Yen's economical pillars, however, are highly climate-sensitive and thus vulnerable to trends associated with global climate change. According to CECR interviews, every year Truong Yen

has received an average of three to four storms. Residents report that drought, floods, and unseasonal rainfall have affected their lives and livelihoods. Flooding, for example, has caused losses to crops and houses.

During extreme weather events, no income is generated from tourism. From 2015 to 2017, TALC was closed annually for an average of three to seven days as heavy rains raised water levels making tourist cave routes impassible.

2. **Residents need access to accurate information to prepare for extreme and unpredictable weather**

With adequate weather information, residents can plan ahead and minimize some livelihood risks associated with climatic change. However, people in Truong Yen sometimes do not receive accurate information on weather or the severity of extreme weather conditions because existing weather predictions do not reflect the particular climate of

***"In 2016 a storm hit [...] we did not prepare for that. Luckily no one died, but we lost rice fields and properties were damaged."***

\* Source: Report on the socio-economic performance of Truong Yen Commune in 2005; 2006; 2007; 2008; and 2011-2016)

Truong Yen. Truong Yen Commune is surrounded by mountains and exhibits very distinct climate patterns and weather events from Ninh Binh City where the closest weather station is located. A Truong Yen farmer expresses the consequence of unreliable weather forecasting: “In 2016, a storm hit Truong Yen in April, and we did not think it would affect us. We did not prepare for that. Luckily, no one died, but we lost rice fields and properties were damaged. My family spent nearly VND 8 million to repair the house”

3. ***Tourism is increasing people’s dependence on cash incomes and food prices are rising:*** Additionally, as residents transition away from agriculture to more urban lifestyles, they are increasingly dependent on cash income to buy basic needs. This creates food security challenges when tourism incomes are affected by weather-related events.

Tourism is also driving up the prices of basic goods for local people. Results from interviews and discussion groups revealed that the cost of living has increased for Truong Yen residents, especially during the peak tourism season (January-May) when prices can increase by up to two or three times. These increases are felt most by the poor. This instability highlights the importance of maintaining multiple livelihood activities to offset risk (e.g. both agriculture and tourism), and strengthening social supports to help people adapt to economic change.

4. ***Solid waste management systems are overburdened from growing population and plastic consumption:*** As is typical of tourist destinations, municipal solid waste has become a major problem. Plastic consumption has increased and local waste management cannot keep up. Waste collection in Truong Yen Commune is carried out by a small local cooperative and transported to a nearby commune for incineration. The cooperative lacks the capacity to keep up with growing demand. Solid waste contaminates waterways and also blocks natural drainage channels, thereby exacerbating flood risk since water has nowhere to go.
5. ***Water supplies are under increased pressure from population growth and contamination:*** Increased tourism development will be heighten demand for clean water. This will put additional pressure on already stressed water supplies unless additional infrastructure is built. Some villages, such as Trang An and Ching Phong in Truong Yen Commune, currently do not have access to piped water and households rely on wells for their main water supply. During flooding events those wells become flooded and contaminated with run-off from agriculture and solid wastes, posing health risks.
6. ***Residents, policymakers, and the private sector need additional information on climate change:*** Our research also suggests that community members, the Provincial People Committee, and the forestry company could benefit from additional knowledge related to climate change to better plan for its impacts. Eighty-seven percent of people interviewed agreed that Truong Yen’s weather and climate have changed significantly over the last few years, yet they do not always understand how changes are linked to global climate patterns. There is also a knowledge gap related to climate change’s interaction with other environmental and social issues.



7. *Interviews indicate that climate change adaptation is a fairly new concept for policymakers and the private sector*, and that more can be done in terms of raising awareness and supporting the implementation of climate change plans. The Xuan Truong Company (the private entity in the PPP), for example, has increased forest conservation and restoration, but has not considered climate change adaptation as one of the responsibilities in its cooperation with Truong Yen Commune and other local communities. This leads to missed opportunities to address people's vulnerability to climate change.

## Conclusions and Recommendations

### **Local authorities in Trang An have an opportunity to address risks now in order to maximize benefits into the future**

*Overall, our research suggests that local authorities in Trang An have an opportunity to address risks now as the site develops in order to maximize tourism benefits into the future. Where they are not addressed proactively, risks can become more serious or expensive to address in the future. CECR proposes actions in five main areas:*

#### ***1. Mainstreaming climate change into PPPs investments and infrastructure planning with the involvement of civil society and the private sector***

'Mainstreaming' climate change means that current and future climate change risks are considered across all plans and investment decisions. There are many opportunities to mainstream climate change into the planning TALC. For example, the Urban Master Plan for 2030 to 2050 approved in 2013 does not include climate change impacts. In 2012, Ninh Binh approved an Action Plan to implement the National Target Program to Respond to Climate Change for the period 2011-2015, expanding to 2020, yet implementation remains incomplete. Third parties such as CECR can play a positive role in advising on and monitoring climate change action plans.

#### ***2. Implementing capacity building on climate change for residents, decision makers, and the private sector***

Third parties such as CECR can also play a role in building local expertise on climate change adaptation to support the development of local plans. Climate change connects with urbanization and economic change in complex ways, requiring new ways of planning and collaboration across sectors and scales of governance.

***3. Increasing the budget for climate change planning now, to reduce costs and losses later:*** Allocating more resources now can prevent additional costs from climate change impacts in the future. Currently, Ninh Binh's local budget for climate risks is below national guidelines. Under the national Vietnamese Law Decree 163, Article 7, each province can earmark 2-4% of their budget for natural disaster prevention. However, local budgets for environmental management and climate change in Ninh Binh represent only 1% of the total, meaning that there is room for improvement.

**4. Strengthening local weather information systems to help people prepare** Weather forecasting needs to be done at a local scale to ensure that residents – especially agricultural producers and tourism operators – are receiving accurate and up-to-date information to empower them to plan ahead and minimize losses.

**5. Supporting residents' transitions from agriculture to tourism or other activities:** Finally, as resident's transition from agriculture into new urban livelihoods associated with tourism, additional social supports can help them take advantage of the opportunities associated with the transition. This includes supports for food and income security, as well as employment training so that more local people can benefit as Trang An evolves as a world class tourism destination.

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