



## Tracking Tool for Biodiversity Projects in GEF-3, GEF-4, and GEF-5

### Objective 1: Catalyzing Sustainability of Protected Area Systems

#### SECTION III: Financial Sustainability Scorecard

**Note:** Please complete the financial sustainability scorecard for each project that is focusing on improving the financial sustainability of a PA system or an individual PA, per outcome 1.2 in the GEF biodiversity strategy. As we did in GEF-4, we will use the scorecard that was developed by Andrew Bovarnick of UNDP as it addresses our needs in a comprehensive fashion.

**The scorecard has three sections:**

Part I - Overall financial status of the protected areas system. This includes basic protected area information and a financial analysis of the national protected area system.

Part II - Assessing elements of the financing system.

Part III - Scoring

**Important: Please read the Guidelines posted on the GEF website before entering your data**

#### Part I: Protected Areas System, sub-systems and networks

**Part I** requires financial data to determine the costs, revenues and financing gaps of the PA system both in the current year and as forecast for the future. It provides a quantitative analysis of the PA system and shows the financial data needed by PA planners needed to determine financial targets and hence the quantity of additional funds required to finance effective management of their PA system. As different countries have different accounting systems certain data requirements may vary in their relevance for each country. However, where financial data is absent, the first activity the PA authority should be to generate and collect the data.

#### Part 1.1 - Basic Information on Country's National Protected Area System, Sub-systems and Networks. Detail in the Table every sub-system and network within the national system of protected areas in the country.

Protected Areas System, sub-systems and networks	Number of sites	Terrestrial hectares covered	Marine hectares covered[1]	Total hectares covered	Institution responsible for PA management
National System of PAs					
Sub-system					
Sumatran terrestrial PAs (10 NPs covering 84% of mainland island PA system)	10	3,613,914	n/a	3,613,914	Ministry of Environment and Forestry

#### Part 1.2 - Financial Analysis of the National Protected Area System

Financial Analysis of the Sub-System or Network -[Insert name of Sub-System or Network]	Baseline year - 2014 (US\$) [1][2]	Year (US\$) [3][4]	Comments Add the source of data and state confidence in data (low, medium, high)
<b>Available Finances[5]</b>			
(1) Total annual central government budget allocated to PA management (excluding donor funds and revenues generated for the PA system)	10,903,180	13,286,471	Data source: Ministry of Forestry, 2019. (Sumatra PAs budget allocation in 2019); high confidence; USD1 = Rp14243 (UNORE April 2019)
- operational budget (salaries, maintenance, fuel etc)	9,227,809	9,700,484	Taken from high level wages/salary, operational and technical activities categories
- infrastructure investment budget (roads, visitor centres etc)	1,675,371	3,585,986	Taken from high level procurement categories
(2) Extra budgetary funding for PA management			Specify sources of funds
- Total of A + B -	6,110,000	5,297,325	
A. Funds channelled through government - total	0	1,459,325	
- PA dedicated taxes	0	0	
- Trust Funds	0	0	
- Donor funds	0	1,459,325	2019: Forest Program II KfW- TNKS, TNGL (Biodiversity Conservation and Climate Protection) IDR 18.078.208.000; GEF UNDP to TNGL and TNKS; SCU Australia to TN Way Kambas; USD1 = Rp14243 (UNORE April 2019)
- Loans	0	0	
- Debt for nature swaps	0	0	
- Others	0	0	
B. Funds channelled through third party/independent institutional arrangements - total	6,110,000	3,838,000	

- Trust Funds	3,046,000	1,543,000	2014: funds from TFCA for ALERT (\$400K, Way Kambas NP), YABI (\$611K, Way Kambas NP + BBSNP), Kota Agung Utara Consortium (\$416K, BBS buffer zone), KoRoar Berbak (\$439K, Berbak), Ulayat Consortium (\$402K, KSNP + BBS corridor), Sumatran Rainforest Institute (\$578K, Batang Gadis NP), Tesso Nilo Foundation (\$200K, Tesso Nilo); high confidence for all sources  2019: funds received by 10 PAs only in year 2019 - BBSNP: YABI \$84K, IAR \$12K; GLNP: FKL \$374K, Yayasan Orangutan \$323K, YEL \$81K, Yayasan Scorpion Indonesia \$9K; KSNP: Lingkar Institut \$20K, PILI \$11K; BSNP: PILI \$18K; Bukit 12 NP: KKI \$16K; Bukit 30 NP: PKHS \$56K; TNNP: Yayasan TNTN \$111K; WKNP: PKHS \$27K, Alert \$83K, Auriga \$31K, YABI \$161K, YKHS \$126K
- Donor funds	3,064,000	603,000	2014: NGOs for 2014 - FFI (\$460K, KSNP), WCS (\$300K, GLNP; \$150K, BBSNP), ZSL (\$125K, Berbak NP; \$125K, Sembilang NP), FZS (\$500K, B30NP); Paneco/YEL (\$100, GLNP), LIF (\$110,000, GLNP), IRF (\$170K, WKNP; \$302K, BBSNP), WWF (\$372,000, Tesso Nilo; \$350,000, BBSNP); high confidence for all sources  2019: donor received by 10 PAs only in year 2019 - WCS \$273K in GLNP, USAID \$87K in GLNP, ZSL \$215K in BSNP, WCS \$28K in WKNP
- Loans	0	0	
- Others	0	1,692,000	2019: partnership with local governments and private sector in 10 PAs only in year 2019 - BSNP: PT Adhiniaga and BKSDA Bengkulu \$97K, PT Indosat \$75K, PT PLN \$4K, PT Telkom \$9K; GLNP: Dinas Bina Marga Sumatera Utara \$51K; KSNP: PT Supreme \$216K, Pemda Kab Lebong \$196K, Pemda Kab Merangin \$105K; BSNP: PT Pertamina \$4K, PT Tri Pupajaya \$2K, PT Rimba Hutani Mas \$2K, PT Sumber Hijau Permai \$7K; Bukit 12 NP: PT Sari Aditya \$184K, CRC990 IPB \$2K, Pemkab Sarolangun \$431K; Bukit 30 NP: PE Lestari Asri Jaya \$51K; TNNP: EMP Malacca Strait SA \$256K
(3) Total annual site based revenue generation across all PAs broken down by source[6]			Indicate total economic value of PAs (if studies available)[7] A total economic valuation has been performed for Aceh province (including GLNP) [van Beukering P., Grogan K., Hansfort, S.L., & Seager D. 2008. An economic valuation of Aceh's forests: The road towards sustainable development. Unpublished technical report, TIPERESKA, Banda Aceh, Aceh], but none solely conducted for the PAs
- Total	0	0	
A. Tourism entrance fees	0	0	0 Data source: Ministry of Forestry, 2014. (Sumatra PAs revenue from entrance fee in 2013); High confidence. Information on fees not available. All goes to Central Govt and is not directly reinvested to support PA management
B. Other tourism and recreational related fees (camping, fishing permits etc)	0	0	0 A nominal, yet unquantified, amount (e.g. fee for film crews to take equipment inside NP and film)
C. Income from concessions	0	0	0 None
D. Payments for ecosystem services (PES)	0	0	0 None
- water	0	0	0 None
- carbon	0	0	0 None
- biodiversity	0	0	0 None
E. Other non-tourism related fees and charges (specify each type of revenue generation mechanism)	0	0	0
- scientific research fees	0	0	0 A nominal, yet unquantified, amount
- genetic patents	0	0	0 none
- pollution charges	0	0	0 none
- sale of souvenirs from state run shops	0	0	0 A nominal, yet unquantified, amount
(4) Percentage of PA generated revenues retained in the PA system for re-investment[8]	0%	0%	Any revenue generated is not retained in the PA system
(5) Total finances available to the PA system [line item 1+2.A+2.B]+ [line item 3 * line item 4]	17,013,180	18,583,796	
Available for operations	15,337,809	14,997,809	
Available for infrastructure investment	1,675,371	3,585,986	
<b>Costs and Financing Needs</b>			
(1) Total annual expenditure for PAs (all PA operating and investment costs and system level expenses)[9]	16,260,861	17,089,717	Based on 2013 and 2018 expenditures
- by government	10,150,861	11,792,392	Source: according to Ministry of Forestry expenditure report for 10 Sumatra NPs in 2013, 93.1% of the allocated budget (\$13,632,766) was spent. [Likely the remainder covers bureaucratic constraints]  2018: expenditure report for 10 Sumatra NPs in 2018. IDR 167.959.044.000; USD1 = IDR 14,243 (UNORE April 2019)

- by independent/other channels	6,110,000	5,297,325	Source: 100% expenditure presumed from NGOs/other donors; high confidence for all sources
(2) Estimation of PA system financing needs			Where possible breakdown by terrestrial and marine sub-systems
A. Estimated financing needs for <i>basic</i> management costs (operational and investments) to be covered	34,149,000	36,139,140	The 2012 recommendation from ASEAN Protected Area Congress in Bangkok indicated that per ha costs of PAs in the region should be from US\$10-18. For the basic financing needs estimate, US\$10/ha is used.
- PA central system level operational costs (salaries, office maintenance etc)	15,537,795	16,443,309	45.5% of the total need (based on 2014 Wages/Salary category allocation).
- PA site management operational costs	4,097,880	4,336,697	12.0% of the total need (based on 2014 Operational category)
- PA site infrastructure investment costs	5,293,095	5,601,567	15.5% of the total need (based on 2014 Procurement category)
- PA system capacity building costs for central and site levels (training, strategy, policy reform etc)	9,220,230	9,757,568	27.0% of the total need (based on 2014 Technical Activities category allocation).
B. Estimated financing needs for <i>optimal</i> management costs (operational and investments) to be covered	61,468,200	65,050,452	Recommended 2012 ASEAN standard for per ha costs of PA management in the region should be from US\$10 to US\$18. Thus, US\$ 18/ha is taken as the optimal amount for management costs.
- PA central system level operational costs (salaries, office maintenance etc)	27,968,031	29,597,956	45.5% of the total need (based on 2014 Wages/Salary category allocation).
- PA site management operational costs	7,376,184	7,806,054	12.0% of the total need (based on 2014 Operational category)
- PA site infrastructure investment costs	9,527,571	10,082,820	15.5% of the total need (based on 2014 Procurement category allocation).
- PA system capacity building costs for central and site levels (training, strategy, policy reform etc)	16,596,414	17,563,622	27.0% of the total need (based on 2014 Technical Activities category allocation).
C. Estimated financial needs to expand the PA systems to be fully ecologically representative	0		No gap analysis has been conducted, therefore needs have not been identified at this time.
- basic management costs for new PAs	0	-17,555,344	
- optimal management costs for new PAs	0	-46,466,656	
<b>Annual financing gap (financial needs - available finances)[10]</b>			Where possible breakdown by terrestrial and marine sub-systems
1. Net actual annual surplus/deficit[11]			Source: this is based on the underspend in 2013 (where 93.1% of \$13,632,766 was spent)
2. Annual financing gap for basic management scenarios	17,135,820	17,555,344	
Operations	13,518,096	15,539,764	
Infrastructure investment	3,617,724	2,015,581	
3. Annual financing gap for optimal management scenarios	44,455,020	46,466,656	
Operations	36,602,820	39,969,823	
Infrastructure investment	7,852,200	6,496,834	
4. Annual financing gap for basic management of an expanded PA system (current network costs plus annual costs of adding more PAs)	0		No gap analysis has been conducted, therefore needs have not been identified at this time.
5. Projected annual financing gap for basic expenditure scenario in year X+5 <sup>[12],[13]</sup>	-		
<b>Financial data collection needs</b>			
Specify main data gaps identified from this analysis:			
Specify actions to be taken to fill data gaps[14]:			

[1] The Scorecard was completed 2014 data from Ministry of Forestry

[2] Exchange rate US\$ 1 = Rp 11,970

[3] X refers to the year the Scorecard is completed and should be inserted (eg 2008). For the first time the Scorecard is completed X will be the same as the baseline year. For subsequent years insert an additional column to present the data for each year the Scorecard is completed.

[4] Exchange rate US\$ 1 = Rp 11,970

[5] This section unravels sources of funds available to PAs, categorized by (i) government core budget (line item 1), (ii) additional government funds (line item 2), and (iii) PA generated revenues (line item 3).

[6] These data should be the total for all the PA systems to indicate total revenues. If data are only available for a specific PA system specify which system

[7] Note this will include non monetary values and hence will differ (be greater) than revenues

[8] This includes funds to be shared by PAs with local stakeholders

[9] In some countries actual expenditure differs from planned expenditure due to disbursement difficulties. In this case actual expenditure should be presented and a note on disbursement rates and planned expenditures can be made in the Comments column.

[10] Financing needs as calculated in (8) minus available financing total in (6)

[11] This will likely be zero but some PAs may have undisbursed funds and some with autonomous budgets may have deficits

[12] These data are useful to show the direction and pace of the PA system towards closing the finance gap. This line can only be completed if a long term financial analysis of the PA system has been undertaken for the country

[13] As future costs are projected, initial consideration should be given to upcoming needs of PA systems to adapt to climate change which may include incorporating new areas into the PA system to facilitate habitat changes and migration

[14] Actions may include (i) cost data based on site based management plans and extrapolation of site costs across a PA system and (ii) revenue and budget accounts and pr

**Part II** of the scorecard is compartmentalized into three fundamental components for a fully functioning financial system at the site and system level - (i) legal, regulatory and institutional frameworks, (ii) business planning and tools for cost-effective management (eg accounting practices) and (iii) tools for revenue generation.

**COMPONENT 1: LEGAL, REGULATORY AND INSTITUTIONAL FRAMEWORKS THAT ENABLE SUSTAINABLE PA FINANCING**

Legal, policy, regulatory and institutional frameworks affecting PA financing systems need to be clearly defined and supportive of effective financial planning, revenue generation, revenue retention and management. Institutional responsibilities must be clearly delineated and agreed, and an enabling policy and legal environment in place. Institutional governance structures must enable and require the use of effective, transparent mechanisms for allocation, management and accounting of revenues and expenditures.

**COMPONENT 2: BUSINESS PLANNING AND TOOLS FOR COST-EFFECTIVE MANAGEMENT**

Financial planning, accounting and business planning are important tools for cost-effective management when undertaken on a regular and systematic basis. Effective financial planning requires accurate knowledge not only of revenues, but also of expenditure levels, patterns and investment requirements. Options for balancing the costs/revenues equation should include equal consideration of revenue increases and cost control. Good financial planning enables PA managers to make strategic financial decisions such as allocating spending to match management priorities, and identifying appropriate cost reductions and potential cash flow problems. Improved planning can also help raise more funds as donors and governments feel more assured that their funds will be more effectively invested in the protected area system.

**COMPONENT 3: TOOLS FOR REVENUE GENERATION AND MOBILIZATION**

PA systems must be able to attract and take advantage of all existing and potential revenue mechanisms within the context of their overall management priorities. Diversification of revenue sources is a powerful strategy to reduce vulnerability to external shocks and dependency on limited government budgets. Sources of revenue for protected area systems can include traditional funding sources - tourism entrance fees - along with innovative ones such as debt swaps, tourism concession arrangements, payments for water and carbon services and in some cases, carefully controlled levels of resource extraction.

PART II: FINANCIAL SCORECARD - ASSESSING ELEMENTS OF THE FINANCING SYSTEM			
Component 1 - Legal, regulatory and institutional frameworks			
Element 1 - Legal, policy and regulatory support for revenue generation by PAs			
(i) Laws or policies are in place that facilitate PA revenue mechanisms	3	0: None 1: A few 2: Several 3: Fully	There are regulations in place that facilitate PA revenue mechanisms such as Government Regulation No. 22/2014 regarding Types and rates of non-tax state revenues that apply to the Ministry of Forestry. This is further strengthened by amendments and attachments to the current regulations that has been accordingly amended.
(ii) Fiscal instruments such as taxes on tourism and water or tax breaks exist to promote PA financing	2	0: None 1: A few 2: Several 3: Fully	There are already a few fiscal instruments such as Government Regulation No. 46/2017 regarding Environmental Economical Instruments. However, this has not been implemented and equally distributed across all regions.
Element 2 - Legal, policy and regulatory support for revenue retention and sharing within the PA system			
(i) Laws or policies are in place for PA revenues to be retained by the PA system	2	0: No 1: Under development 2: Yes, but needs improvement 3: Yes, satisfactory	Laws and policies are in place for PA revenue retention by PA system such as BLU (PP or PMK) as defined by Government Regulation No. 74/2012 and through the establishment of Trust Funds.
(ii) Laws or policies are in place for PA revenues to be retained at the PA site level	2	0: No 1: Under development 2: Yes, but needs improvement 3: Yes, satisfactory	Based on Government Regulation No. 74/2012 regarding the Financial Management of Public Service Agencies can be utilized enable PA revenue retention at the site level.
(iii) Laws or policies are in place for revenue sharing at the PA site level with local stakeholders	0	0: No 1: Under development 2: Yes, but needs improvement 3: Yes, satisfactory	No mechanism in place yet
Element 3 - Legal and regulatory conditions for establishing Funds (endowment, sinking or revolving)[1]			
(i) A Fund has been established and capitalized to finance the PA system	1	0: No 1: Established 2: Established with limited capital 3: Established with adequate capital	The mechanism has been established under Government Regulation No. 46/2017 to accommodate such a system. However, it still lacks proper implementation.

(ii) Funds have been created to finance specific PAs	1	0: No 1: Partially 2: Quite well 3: Fully	International and local NGOs partner KSDAE to jointly implement conservation projects, but they have their own financing system separate from the PA financing system. TFCA-DNS was set up to support select NPs in Sumatra. Several other funds from donors and partners are assisting with finance with several PAs.
(iii) Fund expenditures are integrated with national PA financial planning and accounting	1	0: No 1: Partially 2: Quite well 3: Fully	Support from several International Institutions and organizations have already been accommodated and included to the Government Development Plans.
<b>Element 4 - Legal, policy and regulatory support for alternative institutional arrangements for PA management to reduce cost burden to government</b>			
(i) There are laws or policies which allow and regulate concessions for PA services	2	0: None 1: Under development 2: Yes, but needs improvement 3: Yes, Satisfactory	There are laws that allow and regulate concessions for tourism (IUPPA), Geothermal, Water and Carbon Sequestration. However, implementation still requires improvement to ensure it is uniformly implemented.
(ii) There are laws or policies which allow and regulate co-management of PAs	2	0: None 1: Under development 2: Yes, but needs improvement 3: Yes, Satisfactory	Government Regulation No.28/2011 is also about collaboration of PAs with partners in utilizing resources.
(iii) There are laws or policies which allow and regulate local government management of PAs	2	0: None 1: Under development 2: Yes, but needs improvement 3: Yes, Satisfactory	Mechanism such as Taman Hutan Raya and BUMD can allow and regulate local government management of PAs.
(iv) There are laws which allow, promote and regulate private reserves	0	0: None 1: Under development 2: Yes, but needs improvement 3: Yes, Satisfactory	Restoration Ecosystem Services are not considered as Private Reserve, as stated in the previous analysis. Moreover, Indonesia does not recognize Private Reserves for PA management.
<b>Element 5 - National PA Financing Strategies</b>			
(i) There are policies and/or regulations that exist for the following which should be part of a National PA Finance Strategy:			
- Comprehensive financial data and plans for a standardized and coordinated cost accounting systems (both input and activity based accounting)	2	0: None 1: Under development 2: Yes, but needs improvement 3: Yes, Satisfactory	There are already systems in place such as Standard for General Cost (SBU/Standar Biaya Umum), however, it has not been implemented by all.
- Revenue generation and fee levels across PAs	2	0: None 1: Under development 2: Yes, but needs improvement 3: Yes, Satisfactory	Revenue generation is regulated under Regulation No.28/2011, which allows PAs to obtain fees from environmental services. However, there are no technical guidelines on how to implement this regulation at site level. This means that no actual activities can be implemented under this regulation at sites if, for instance, no technical guidelines have been determined on how much the standard fees should be for resource uses.

- Allocation of PA budgets to PA sites (criteria based on size, threats, business plans, performance etc)	2	0: None 1: Under development 2: Yes, but needs improvement 3: Yes, Satisfactory	Overall allocations are based on the availability of funds from central government, i.e., the amount allocated to Ministry of Forestry and higher budgets are allocated to the Protected Areas that are identified as National Priorities by the Government. Regarding budgetary allocations to individual site, the main criteria should be size and threats.
- Safeguards to ensure that revenue generation does not adversely affect conservation objectives of PAs	2	0: None 1: Under development 2: Yes, but needs improvement 3: Yes, Satisfactory	Safeguards are ensured through determining Zonation's such as Utilization, Protection
- PA management plans to include financial data or associated business plans	2	0: None 1: Under development 2: Yes, but needs improvement 3: Yes, Satisfactory	Each PA has a 10 yr management plan, 5yr medium term plan (RPJM) and 1yr annual work plan, which contains a detailed budget. However, adequate funding for core activities is not always allocated and could be improved. Further, Financial data and associated business plans are included in the RPJPN (Rencana Pengelolaan Jangka Pendek) and Rencana Pengelolaan Taman Nasional (RPTN).
(ii) Degree of formulation, adoption and implementation of a national financing strategy[2]	2	0: Not begun 1: In progress 2: Completed and adopted 3: Under implementation	The financial plan is developed in line with national government regulation and policies, but whether this is adopted or not needs to be fully evaluated.
<b>Element 6 - Economic valuation of protected area systems (ecosystem services, tourism based employment etc)</b>			
(i) Economic valuation studies on the contribution of protected areas to local and national development are available	2	0: None 1: Partial 2: Satisfactory 3: Full	Economic Valuation Studies have not been done for all Protected Areas. However, economic valuation studies have been completed for 3 out of 4 Protected Areas from the TIGER project, which are TNGL, TNBBS and TNKS.
(ii) PA economic valuation influences government decision makers	1	0: None 1: Partial 2: Satisfactory 3: Full	Depending on the location of the PA.
<b>Element 7 - Improved government budgeting for PA systems</b>			
(i) Government policy promotes budgeting for PAs based on financial need as determined by PA management plans	1	0: No 1: Partially 2: Yes	Government budget tends to increase annually, also depending on performance and other factors. The budgeting for PAs has increased since 2014.
(ii) PA budgets includes funds to finance threat reduction strategies in buffer zones (eg livelihoods of communities living around the PA)[3]	1	0: No 1: Partially 2: Yes	There is an allocation of budget to improve or create community livelihood who are having direct interaction with PA, e.g. farming at PA border,
(iii) Administrative (eg procurement) procedures facilitate budget to be spent, reducing risk of future budget cuts due to low disbursement rates	2	1: Partially 2: Yes	Procurement undertaken more due to the aspect that the activity should be (financially) accountable

(iv) Government plans to increase budget, over the long term, to reduce the PA financing gap	2	0: No 1: Partially 2: Yes	Government budget for PAs has generally increased each year. 2019 budgets are higher than 2014.
Element 8 - Clearly defined institutional responsibilities for financial management of PAs			
(i) Mandates of public institutions regarding PA finances are clear and agreed	3	0: None 1: Partial 2: Improving 3: Full	Every expenditure item should be clear and recorded and not beyond budget ceiling. The mandates of institutions regarding PA finances are clear, agreed and overseen by financial institutions such as BPKP, BPKB and Inspektorat.
Element 9 - Well-defined staffing requirements, profiles and incentives at site and system level			
(i) Central level has sufficient economists and economic planners to improve financial sustainability of the system	2	0: None 1: Partial 2: Almost there 3: Full	Although enough relevant staff members are available, not all are economists and economic planners have the capacity to improve financial sustainability of the system.
(ii) There is an organizational structure (eg a dedicated unit) with sufficient authority and coordination to properly manage the finances of the PA system	3	0: None 1: Partial 2: Almost there 3: Full	There is a Pejabat Pembuat Komitmen (PPK/ Commitment Development Official) and Financial Unit at the Central and Regional level.
(iii) At the regional and PA site level there is sufficient professional capacity to promote financial sustainability at site level	1	0: None 1: Partial 2: Almost there 3: Full	Sometime due to lack of staff function and authority may be held by one unit e.g. HR of finance only.
(iv) PA site manager responsibilities include, financial management, cost-effectiveness and revenue generation [4]	3	0: None 1: Partial 2: Almost there 3: Full	PA Head's responsibility includes financial Management and cost effectiveness.
(v) Budgetary incentives motivate PA managers to promote site level financial sustainability (eg sites generating revenues do not necessarily experience budget cuts)	0	0: None 1: Partial 2: Almost there 3: Full	Revenue generation is entirely, or almost, reliant on central budget allocation and receiving third party funds is a very bureaucratic process. Therefore, this does not encourage PA managers to create revenue generation opportunities from other sources, such as private sector.
(vi) Performance assessment of PA site managers includes assessment of sound financial planning, revenue generation, fee collection and cost-effective management	1	0: None 1: Partial 2: Almost there 3: Full	There are no specific standards for PA site managers in terms of sound financial planning, revenue generation, fee collection and cost-effective management. Assessment is mainly based on performance in other areas.
(vii) There is capacity within the system for auditing PA finances	2	0: None 1: Partial 2: Almost there 3: Full	Audits are conducted every year but not publicly disclosed. Inspektorat, BPKP and BPK has the capacity to conduct these audits.
(viii) PA managers have the possibility to budget and plan for the long-term (eg over 5 years)	0	0: None 1: Partial 2: Almost there 3: Full	Managers can plan the PA budget each year, but approval has to come from ministry level. There are 10 yr management plans, but these do not contain budgets.
Total Score for Component 1	54	Actual score:	
	95	Total Possible: 95	
	57%	% achieved	
Component 2 - Business planning and tools for cost-effective management			
Element 1 - PA site-level management and business planning			

(i) Quality of PA management plans used, (based on conservation objectives, management needs and costs based on cost-effective analysis)	2	0: Does not exist 1: Poor 2: Decent 3: High quality	Government annual work plans (RKP) are used instead of management plan for yearly activities. The annual work plans mainly contain the objectives, activities and budget; implicit within it is
(ii) PA management plans are used at PA sites across the PA system	2	0: Not begun 1: Early stages Below 25% of sites within the system 2: Near complete Above 70% of sites 3: Completed or 100% coverage	The current plans are used to guide the development of annual work plans. Management plans are being developed by most PAs for implementation.
(iii) Business plans, based on standard formats and linked to PA management plans and conservation objectives, are developed across the PA system[5]	0	0: Not begun 1: Early stages Below 25% of sites within the system 2: Near complete Above 70% of sites 3: Completed or 100% coverage	Does not exist to the extent that a business plan is defined as a plan that analyzes and identifies the financial gap in a PA's operations, and presents opportunities to mitigate that gap through operational cost efficiencies or revenue generation schemes.
(iv) Business plans are implemented across the PA system (degree of implementation measured by achievement of objectives)	0	0: Not begun 1: Early stages Below 25% of sites within the system 2: Near complete Above 70% of sites 3: Completed or 100% coverage	Same as above
(v) Business plans for PAs contribute to system level planning and budgeting	0	0: Not begun 1: Early stages Below 25% of sites within the system 2: Near complete Above 70% of sites 3: Completed or 100% coverage	Same as above
(vi) Costs of implementing management and business plans are monitored and contributes to cost-effective guidance and financial performance reporting	0	0: Not begun 1: Early stages Below 25% of sites within the system 2: Near complete Above 70% of sites 3: Completed or 100% coverage	Same as above
<b>Element 2 - Operational, transparent and useful accounting and auditing systems</b>			
(i) There is a transparent and coordinated cost (operational and investment) accounting system functioning for the PA system	1	0: None 1: Partial 2: Near complete 3: Fully completed	There has been government regulation on public information openness. However, financial report for accounting and transparent system are still far below expectations (e.g. cannot be accessed online)
(ii) Revenue tracking systems for each PA in place and operational	2	0: None 1: Partial 2: Near complete 3: Fully completed	The system is in in place and can be tracked.
(iii) There is a system so that the accounting data contributes to system level planning and budgeting	3	0: None 1: Partial 2: Near complete 3: Fully completed	There are various tools such as KRISNA, RKAKL and SPAN.
<b>Element 3 - Systems for monitoring and reporting on financial management performance</b>			
(i) All PA revenues and expenditures are fully and accurately reported by PA authorities to stakeholders	2	0: None 1: Partial 2: Near complete 3: Complete and operational	Reported to relevant stakeholders



(ii) Financial returns on tourism related investments are measured and reported, where possible (eg track increase in visitor revenues before and after establishment of a visitor centre)	3	0: None 1: Partial 2: Near complete 3: Complete and operational	Reported by sites to national protected area authority (KSDAE). From here reported to Ministry of Finance.
(iii) A monitoring and reporting system in place to show how and why funds are allocated across PA sites and the central PA authority	3	0: None 1: Partial 2: Near complete 3: Complete and operational	Monitoring and reporting system has been established to Central PA Authority and is operational.
(iv) A reporting and evaluation system is in place to show how effectively PAs use their available finances (ie disbursement rate and cost-effectiveness) to achieve management objectives	3	0: None 1: Partial 2: Near complete 3: Complete and operational	Such a system has been established.
Element 4 - Methods for allocating funds across individual PA sites			
(i) National PA budget is allocated to sites based on agreed and appropriate criteria (eg size, threats, needs, performance)	1	0: No 1: Yes	Almost entirely based on criteria of size, threats, needs and performance. The amount is proposed by PA sites, while approval and the agreements are issued by the Central PA Authority. The criteria used are non-operational expenditure, operational expenditure, threats, location and whether it has been designated as a national priority by the government or not.
(ii) Funds raised by co-managed PAs do not reduce government budget allocations where funding gaps still exist	1	0: No 1: Yes	There have been regulations under development indicating that the amount of revenue or fund raised do not reduce government budget.
Element 5 - Training and support networks to enable PA managers to operate more cost-effectively[6]			
(i) Guidance on cost-effective management developed and being used by PA managers	1	0: Absent 1: Partially done 2: Almost done 3: Fully	Not yet established.
(ii) Inter-PA site level network exist for PA managers to share information with each other on their costs, practices and impacts	1	0: Absent 1: Partially done 2: Almost done 3: Fully	No formal inter-site network yet established. However, sharing information can happen on an ad-hoc basis among PA managers.
(iii) Operational and investment cost comparisons between PA sites complete, available and being used to track PA manager performance	0	0: Absent 1: Partially done 2: Almost done 3: Fully	No comparative studies results can be used to track PA managers' performance.
(iv) Monitoring and learning systems of cost-effectiveness are in place and feed into system management policy and planning	2	0: Absent 1: Partially done 2: Almost done 3: Fully	The monitoring system is already established and used to measure the effectiveness of PA management. Later, the output will be fed into broader management planning.
(v) PA site managers are trained in financial management and cost-effective management	1	0: Absent 1: Partially done 2: Almost done 3: Fully	Not specific to financial training and cost-effective management, but part of position requirements when promoted to this position.
(vi) PA financing system facilitates PAs to share costs of common practices with each other and with PA headquarters[7]	1	0: Absent 1: Partially done 2: Almost done 3: Fully	For limited practices, it is done.
Total Score for Component 2	29	Actual score	
	59	Total Possible: 59	
	49%	% achieved	
Component 3 - Tools for revenue generation by PAs			
Element 1 - Number and variety of revenue sources used across the PA system			

(i) An up-to-date analysis of revenue options for the country complete and available including feasibility studies;	1	0: None 1: Partially 2: A fair amount 3: Optimal	Various options for revenue generation are currently being analysed in parliament and through NGO partnerships in certain PAs, e.g. revenue from environmental services, and in buffer zones. In progress with ICRAF.
(ii) There is a diverse set of sources and mechanisms, generating funds for the PA system	2	0: None 1: Partially 2: A fair amount 3: Optimal	Fair amount of sources and mechanisms for generating funds for PA system have been developed. For example, SBSN/Green Bonds/Grant from Development Partners or Donors. However, it is not at an optimal level yet.
(iii) PAs are operating revenue mechanisms that generate positive net revenues (greater than annual operating costs and over long-term payback initial investment cost)	1	0: None 1: Partially 2: A fair amount 3: Optimal	Few PAs have revenue generating mechanisms.
(iv) PAs enable local communities to generate revenues, resulting in reduced threats to the PAs	1	0: None 1: Partially 2: A fair amount 3: Optimal	There is the NP zonation system (Regulation No.28/2011), which includes traditional and special use zones, whereby communities would have access. Certain types of tourism activity are permitted inside the NP (Regulation No. 36/2010) and communities are often involved.
<b>Element 2 - Setting and establishment of user fees across the PA system</b>			
(i) A system wide strategy and action plan for user fees is complete and adopted by government	1	0: None 1: Partially 2: Satisfactory 3: Fully	Entry permit fee is regulated and determined by Central PA Authority. However, there is no Action Plan
(ii) The national tourism industry and Ministry are supportive and are partners in the PA user fee system and programmes	2	0: None 1: Partially 2: Satisfactory 3: Fully	Supportive in terms of promotion, but not through programs and budgets. Tourism now receives national support, as they are currently a national priority.
(iii) Tourism related infrastructure investment is proposed and developed for PA sites across the network based on analysis of revenue potential and return on investment [8]	2	0: None 1: Partially 2: Satisfactory 3: Fully	Tourism infrastructure development is not generally based on analysis of revenue potential or a feasibility study but depends on the return of investments.
(iv) Where tourism is promoted PA managers can demonstrate maximum revenue whilst not threatening PA conservation objectives	2	0: None 1: Partially 2: Satisfactory 3: Fully	NPs with potential for tourism development most likely have a tourism plan, which would consider impact on biodiversity. Although there are several cases where revenue generation has affected conservation.
(v) Non tourism user fees are applied and generate additional revenue	1	0: None 1: Partially 2: Satisfactory 3: Fully	Collaborations with specific communities, specific stakeholders and civil society.
<b>Element 3 - Effective fee collection systems</b>			
(i) System wide guidelines for fee collection are complete and approved by PA authorities	3	0: None 1: Partially 2: Completely 3: Operational	The guidelines are already established, operational and must be mandatorily followed.
(ii) Fee collection systems are being implemented at PA sites in a cost-effective manner	1	0: None 1: Partially 2: Completely 3: Operational	Collection system established. Fee system is through entry permit fee only, but not always in a cost- effective manner.

(iii) Fee collection systems are monitored, evaluated and acted upon	3	0: None 1: Partially 2: Completely 3: Operational	Fee collection systems are monitored, evaluated and acted upon. Non compliances are reported as Audit findings.
(iv) PA visitors are satisfied with the professionalism of fee collection and the services provided	1	0: None 1: Partially 2: Completely	Approximate numbers can be estimated, however no study has been undertaken with regard to this.
<b>Element 4 - Communication strategies to increase public awareness about the rationale for revenue generation mechanisms</b>			
(i) Communication campaigns for the public about tourism fees, conservation taxes etc are widespread and high profile at national level	1	0: None 1: Partially 2: Satisfactory 3: Fully	It was partially raised and campaigned for public awareness.
(i) Communication campaigns for the public about PA fees are in place at PA site level	1	0: None 1: Partially 2: Satisfactory 3: Fully	Banners are in place to inform public about PA fees in PAs.
<b>Element 5 - Operational PES schemes for PAs[9]</b>			
(i) A system wide strategy and action plan for PES is complete and adopted by government	1	0: None 1: Partially 2: Progressing 3: Fully	Partially for carbon. (REDD+)
(ii) Pilot PES schemes at select PA sites developed	0	0: None 1: Partially 2: Progressing 3: Fully	Not yet.
(iii) Operational performance of pilots is monitored, evaluated and reported	0	0: None 1: Partially 2: Progressing 3: Fully	Not yet.
(iv) Scale up of PES across the PA system is underway	0	0: None 1: Partially 2: Progressing 3: Fully	Not yet.
<b>Element 6 - Concessions operating within PAs[10]</b>			
(i) A system wide strategy and implementation action plan is complete and adopted by government for concessions	1	0: None 1: Partially 2: Progressing 3: Fully	A National Strategy was developed, along with the different concessions. It has been partially adopted.
(ii) Concession opportunities are operational at pilot PA sites	3	0: None 1: Partially 2: Progressing 3: Fully	No longer on pilot levels, but already on a wider scale
(iii) Operational performance (environmental and financial) of pilots is monitored, evaluated, reported and acted upon	2	0: None 1: Partially 2: Progressing 3: Fully	Operational performance (environmental and financial) of pilots is monitored, evaluated, reported, but not acted upon yet
(iv) Scale up of concessions across the PA system is underway	1	0: None 1: Partially 2: Progressing 3: Fully	Partially for PA that has function for only Ecotourism.
<b>Element 7 - PA training programmes on revenue generation mechanisms</b>			
(1) Training courses run by the government and other competent organizations for PA managers on revenue mechanisms and financial administration	2	0: None 1: Limited 2: Satisfactory 3: Extensive	Via courses and workshops, could be improved.
<b>Total Score for Component 2</b>	33	<b>Actual score:</b>	
	71	<b>Total Possible: 71</b>	
	46%	<b>% achieved:</b>	

[1] This element can be omitted in countries where a PA system does not require a Trust Fund due to robust financing within government

[2] A national PA Financing Strategy will include targets, policies, tools and approaches

[3] This could include budgets for development agencies and local governments for local livelihoods

[4] These responsibilities should be found in the Terms of Reference for the posts

[5] A PA Business Plan is a plan that analyzes and identifies the financial gap in a PA's operations, and presents opportunities to mitigate that gap through operational cost efficiencies or revenue generation schemes. It does not refer to business plans for specific concession services within a PA. Each country may have its own definition and methodology for business plans or may only carry out financial analysis and hence may need to adapt the questions accordingly.

[6] Cost-effectiveness is broadly defined as maximizing impact from amount invested and achieving a target impact in the least cost manner. It is not about lowering costs and

[7] This might include aerial surveys, marine pollution monitoring, economic valuations etc.

[8] As tourism infrastructure increases within PAs and in turn increases visitor numbers and PA revenues the score for this item should be increased in proportion

[9] Where PES is not appropriate or feasible for a PA system take 12 points off total possible score for the PA system

[10] Concessions will be mainly for tourism related services such as visitor centres, giftshops, restaurants, transportation etc

**Part III** summarizes the total scores and percentages scored by the country in any given year when the exercise is completed. It shows the total possible score and the total actual score for the PA system and presents the results as a percentage. Over time changes to the scores can show progress in strengthening the PA financing system.

**PART III- FINANCIAL SCORECARD - SCORING AND MEASURING PROGRESS**

<b>Total Score for PA System</b>	116
<b>Total Possible Score</b>	<b>225</b>
<b>Actual score as a percentage of the total possible score</b>	52%
<b>Percentage scored in previous year or previous time the scorecard was applied [1]</b>	N/A

[1] Insert NA if this is first year of completing scorecard.

**Annex I - Revenue Projection Estimates**

No information available

**Annex II - Policy Reform and Strengthening**

This Table should be filled out to complement information provided in Part II, Component I on the policy and legislative frameworks.

This table presents the list all policies to be reformed, established or strengthened to improve the PA financing system

<b>Policy/Law</b>	<b>Justification for change or new policy/law</b>	<b>Recommended changes</b>	<b>Proposed Timeframe</b>
Standardized management plan	Sufficient laws exists for managing NPs and guidance on developing their managements plans in a standardised manner (PP28/2011 tentang Pengelolaan Kawasan Suaka Alam dan Kawasan Pelestarian Alam; P41/2008 tentang Pedoman Penyusunan Rencana Pengelolaan Kawasan Suaka Alam dan Kawasan Pelestarian Alam )	Review standards and make recommendations, as needed, to enable enhancements	1 year
Standardized business plan	Under the Strategic Plan regulation (P8/2010 tentang Rencana Strategis (Renstra) Kementerian Kehutanan Tahun 2010-2014), each NP can develop a strategic plan that contains a business plan section. An updated law will be needed for 2015 and attention to enhancing financial aspects can be made.	Review 2010-2014 standards and make recommendations, as needed, to enhance financial aspects of business plan	1 year
Strategic tourism promotion	A law exists for developing tourism and related to conservation areas (PP50/2011 tentang Rencana Induk Pembangunan Kepariwisata Nasional Tahun 2010-2025). A national initiative Destination Management Organisation (DMO) has prioritised Bunaken and Komono NPs. It is not necessary to promote tourism in Sumatran NPs due to their remoteness and lack of specific infrastructure.	no change needed	-

Budget allocation criteria	Budget allocation procedures fall under UU17/2003 tentang Keuangan Negara. NP budgets are allocated based on their 'Class', which is determined by various criteria such as size, significance and others.	Need for evaluate the standard and how it is applied to financing NPs in Sumatra, with support provided as needed.	2 years
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