WWF GREATER MEKONG
CAMBODIA COUNTRY PROGRAMME

ECOTOURISM FEASIBILITY STUDY

Srepok Wilderness Area Project
Technical Paper Series - No. 3

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EXECUTIVE SUMMARY

Much of WWF's current work in Cambodia focuses on the Lower Mekong Dry Forest Ecoregion, the largest continuous tract of dry forest in the whole of mainland Southeast Asia. WWF has embarked on a project to develop conservation and ecotourism initiatives in collaboration with local communities, with the aim of protecting the landscape and generating new, alternative jobs for local people to replace hunting and commercial logging that threaten the forest. The *Srepok Wilderness Area Project*, aims to: "restore the once abundant populations of large mammal species in the Srepok Wilderness Area (SWA) through community based natural resource management and by developing ecotourism as a source of income for local communities". In particular, high-value, low-impact wildlife ecotourism has been identified as a means of securing the future of these species and their ecosystem through generating financing for conservation activities, supporting local livelihoods, and to ensure the financial sustainability of the protected area.

Community stakeholders identified their willingness to support the development of ecotourism in the MPF, providing that a number of conditions were met. The equal distribution of all benefits that arise from ecotourism development was seen by the community as important. Clear and defined guidelines for the distribution of benefits, channelled directly to the community and targeting those in need, with the community retaining control over the growth of tourism in their area allows for ecotourism to be better received and viewed as a means of improving livelihoods and quality of life. Furthermore, local capacity in ecotourism will need to be built to ensure that the community is fully aware of the positive and negative aspects of tourism, and the need for equality in benefit distribution from ecotourism revenues will be paramount to success.

This assessment revealed an identified need in the market for a luxury, high-end, wilderness lodge in Cambodia. In 2006, Cambodia received 1.7 million international visitor arrivals, many of which flew directly into and out of Siem Reap without seeing or experiencing any other aspects of the country. The lack of established tourism products and destinations in Cambodia means that tourists stay for a short time and continue on to other destinations within the region to fulfil other needs and experiences e.g. beach, jungle, hill tribes, tranquillity holidays, etc. The remote value of the MPF and the SWA is significantly high for the region, containing a significant percentage of undisturbed habitat, an aesthetically attractive river, remote and unique landscapes, forests, and wildlife. This creates a greater potential to attract the higher-end of the market, willing to pay for the privilege of staying in the protected area.

To maximise the success of ecotourism in the MPF, it will be important to ensure a staged approach towards implementation. All stages of implementation must be considered within a holistic, long-range strategic planning approach to tourism development in the area, with each new development part of a logical step of the whole approach process. The structure of this process should be separated into three phases - Phase 1 (foundation), Phase 2 (preparation), and Phase 3 (implementation). These three phases are recommended to WWF as the necessary steps required and outline related activities that WWF can either undertake or delegate. Several stakeholders (organisations and institutions) will be required to devote a fixed amount of time in varying stages to the implementation depending on the phase, activity and the support required.

Phase 1 lays the foundation for developing ecotourism. Activities outlined in this phase involve raising awareness with the community and stakeholders, while preparing all of the necessary agreements and guidelines that will need to be established before ecotourism can proceed. This will include guidelines, monitoring and evaluation programmes, and capacity building. Phase 2 is the preparation phase where the community and the MPF is organised for the implementation of ecotourism. This will include sourcing the necessary workers and providing targeted training and further capacity building, product development, and developing and implementing benefit sharing guidelines. Phase 3 is the implementation phase where all aspects of the previous two phases are put into action. This will include establishing the final tour activities and operations, establishing networks and establishing tourism products. It is envisioned that each phase will require approximately 6-12 months to undertake depending upon the progress of the community, availability of resources, financial mobilisation, as well as any unforseen events.

1 INTRODUCTION

1.1. Background Context

The Lower Mekong Dry Forests Ecoregion consists of a mosaic of open dry forests, semi-evergreen forests and small ponds and wet seasonally wet grasslands, which support a host of species that depend on this variation in habitat (WWF). These forests also contain some of Southeast Asia's last significant populations of large vertebrate fauna located within tropical dry forests, with some species now considered by the IUCN to be Globally Threatened with extinction. These include the Asian elephant, tiger, wild water buffalo, douc, langur, gaur, Eld's Deer and leopard. The Dry Forests are also home to several species of threatened birds, particularly large waterbird and vulture populations, of which key species include the Giant Ibis, White-shouldered Ibis, Sarus Crane, Lesser Adjutant Stork, and the White-backed and Long-billed Vultures. Reptiles of special concern in this landscape includes the Siamese Crocodile, Yellow-headed Temple Turtle, Elongated Tortoise, Indochi- nese Box Turtle, and the Asian Giant Soft-shelled Turtle. In the Eastern Plains area, the San, Kong and Srepok Rivers converge to form one of the Mekong River's largest and most important tributaries, which support threatened species such as Irrawaddy Dolphin, Giant Catfish and Giant Barb (Tordoff et. al., 2005).

Much of WWF's current work in Cambodia focuses on the Lower Mekong Dry Forest Ecoregion, the largest continuous tract of dry forest in the whole of mainland Southeast Asia ([1]WWF). WWF identified the Mondulkiri Protected Forest (MPF) as being of high priority during a comprehensive biodiversity assessment process conducted between 1999 and 2003. WWF subsequently developed the Srepok Wilderness Area Project (SWAP) - establishing a 370,000 hectare intensive protected zone in 2003 with financial support from WWF Netherlands. Working with local communities and authorities, WWF is developing an ecotourism venture similar to the successful game reserves of South Africa that will attract tourists from all over the world to bird watch, angle in the river, and take safaris into the forest to view the spectacular wildlife.

In recent times, threats to these Dry Forests have become extensive, persistent, and diverse. They now include overexploitation of its flora and fauna (logging, Non Timber Forest Products (NTFP) collection, hunting, wildlife trade, over fishing), encroachment from agricultural expansion resulting in habitat loss and degradation, and human settlement and unplanned infrastructure development resulting in further habitat loss and pollution (agri-chemicals). Underlying these threats, are numerous indirect causes such as poverty and lack of sustainable opportunities, and a lack of funding of management bodies responsible for the management of natural resources (Goodman, Conway and Timmins, 2003).

1.2. Rationale

In an effort to secure the necessary funding for the Forestry Administration to manage the protected area into the future, the development of ecotourism as a financing mechanism was identified. As a result, WWF has embarked on a project to develop conservation and ecotourism initiatives in collaboration with local communities, with the aim of protecting the landscape and generating new, alternative jobs for local people to replace hunting and commercial logging that threaten the forest ([1]WWF). The *Srepok Wilderness Area Project*[2], aims to: "restore the once populations of large mammal species in the Srepok Wilderness Area

[1]http://panda.org/about_wwf/where_we_work/asia_pacific/our_solutions/greatermekong/dry_forests_ecoregion/index.cfm
[2]SWA is not a physical place nor official name for any part of the MPF but was suggested as a name to describe the core area of the MPF where management is most intensive, as well as a potential good name for marketing the protected area for tourism

(SWA) through community based natural resource management and by developing ecotourism as a source of income for local communities". Project's objectives and outputs are:

i. To improve natural resource management through increased community participation in natural resource use decision-making, and to ensure access and sharing benefits of the associated economic benefits;
ii. To initiate wildlife ecotourism activities in the Srepok Wilderness Area and to provide a model for the development of sustainable ecotourism activities elsewhere in Cambodia;
iii. To establish community-based monitoring of indicator species in order to track the progress of wildlife restoration and inform natural resource management efforts.
iv. To increase the wildlife populations of the area.
In particular, high-value, low-impact wildlife ecotourism has been identified as a means of securing the future of these species and their ecosystem through generating financing for conservation activities, supporting local livelihoods, and to ensure the financial sustainability of the protected area. From an ecotourism perspective, the high habitat diversity creates the potential for a number of opportunities such as fishing safaris, boating, birding, elephant backed rides, walking trails, and game viewing (Goodman et. al., 2003).

This feasibility study follows on from a previous feasibility assessment of the Mondulkiri Province produced for WWF by Schellhorn (2003). The previous report *Developing Wildlife Tourism in the Dry Forest Ecoregion of North-eastern Cambodia* contains much background information necessary for development of ecotourism in the province. The report also provided a number of options for ecotourism in the region, as well as tentative steps to begin the process of development. This current feasibility study will not re-assess the potential for ecotourism in the province, but rather build on the recommendations and information provided in the previous assessment, for ecotourism development in the MPF.

Styled on the ecolodges and safari resorts in Africa, WWF has set in motion the idea for an ecolodge of a similar nature in the MPF, based on the scenic value, presence of large animal species, remoteness, and easily-spotted wildlife opportunities. The absence of an ecotourism product of equivalent size, nature and level in Cambodia, and the current dearth of developed attractions and resorts in Cambodia has meant that a real gap in the market exists. Thus, the intention of this document is to advise WWF as to the feasibility of an ecolodge in the MPF, and broad steps on how WWF can proceed forward. As the previous feasibility study outlined much of the information of the province, it will not be repeated in this document.

2 COMMUNITY PARTICIPATION

To maintain the success and sustainability of ecotourism in a community, it is important to ensure the community is represented and involved, to ensure a sense of ownership and responsibility. Understanding community attitudes towards development and identifying how ecotourism can integrate with the community's priorities allows recommendations for development to be more realistic and more achievable. A brief over-view of the communities living around the MPF is presented below. The purpose of this is to build a picture of the demographic, socio-cultural and economic aspects of the communities surrounding the MPF, so that ecotourism can begin to be thought of within these contexts.

2.1.Community Profile

The WWF team conducted a rapid baseline survey in three community clusters. The study included focus group discussions in 14 villages, interviewing 568 households representing 43% of the total households in sampled villages. Results of this socio-economic survey are shown below (Maling, 2006).

The MPF is located predominately in Pech Chenda and Kon Nheaek Districts. There are eight communes located adjacent to the protected forest and for the purposes of the socio-economic survey, were strategically grouped in to three clusters - Southern, Western and Northern Clusters (see table 2.1).

Table 2.1: Three Clusters of Communes Around the MPF

Cluster/District/Commune	Village
Southern Cluster - Pech Chenda District	
Krang Teh	Krang Teh
Pu Chrey	Mapaei Putang
Western Cluster - Kaoh Nheaek District	
O Buon	O Buon Leu
Roya	Roya
Sokh Sant	Klang Le; Ou Agnor
Srae Huy	Srae Huy; Chol
Srae Sangkom	Serei Rot
Northern Cluster - Kaon Nheaek District	
Nang Khi Loek	Peam Chi Miet; Nang Buo; Kaoh Moueleu; Kaoh Meul Krom

2.1.1.Demographics

The following demographic and economic data is derived from the results of the above socio-economic survey conducted for selected villages around the MPF (Maling, 2006).

Population size

As of 2005, there were approximately 16,983 individuals comprising 3,542 families in the eight communes around the MPF. Communes with the highest, as well as the lowest population, are found in the western clusters. The total population in the three clusters accounted for about 36% of the total Mondulkiri population in 2005.

Ethnicity

Eleven groups comprise the population in the three clusters, with Bunong Commune accounting for the majority of ethnic people at 45% (also the most diverse commune with eight different ethnic groups). The other major groups are Khmer (33%) and Lao (13%).

Migration
The rate of migration into the area was very slow until the last three years. 2003 onwards saw the highest entry of migrants in Bu Chri and O Boun Leu villages - where 76% are recent migrants. The western cluster, which also contains the most available land, received the highest number of migrants.

Education
While there are primary schools in all villages, data shows a shortage of classrooms and teachers in more remote areas of northern and western clusters, thus resulting in multi-grade classes. This and the apparent lack of interest among parents to send children to school and lack of financial capability, contributes to a low literacy level for the province.

2.1.2. Economic Profile
Agriculture & Fishing
Farming and fishing are considered the principal livelihoods of the area. Agricultural production is low, however, requiring improvements in current applications and technologies such as irrigation, soil and pest management systems, and addressing the shortage of labour and necessary farm implements. All farms are rain fed, thus crops are harvested once a year. In addition, a majority of households (92%) also raised stock for home consumption or sale. All village residents in the three clusters engage in fishing, particularly those closest to major streams or the Srepok River. Except for the 19% of respondents who claimed fishing as a full-time activity, most are part-time fishers for family consumption purposes.

Non-Timber Forest Products
Almost all households interviewed (92%) gather forest products either for trading or household use. The most important non-timber forest products collected to augment their cash income are resin, wildlife, honey, orchids and *sleng* seeds. Wild vegetables and fruits, fuel wood, thatch, bamboo and wood for housing construction were other products collected for non-commercial purposes. In addition to farm and resource-based production activities, several households are also involved in other income generating activities in the form of merchandise/trading within the village, hiring out services (skilled labour) or additional work in both formal and non formal labour sectors.

2.2. Provincial Ecotourism Workshop

A stakeholder focus group meeting was conducted in Sen Monorom, Mondulkiri province on the 5th and 6th April, 2007. The workshop brought together stakeholders of the MPF to discuss the possibility for ecotourism development. Participants of the meetings included the provincial Department of Tourism, Forestry Administration, Department of Environment, Provincial Government and community representatives surrounding the MPF. The purpose of the workshop was to bring together stakeholders of the MPF to decide whether they wanted to see ecotourism develop in the area, and how this development should proceed. By bringing together stakeholders to agree on a consensus for development and management priorities, it helps them to place ecotourism development within their own goals and objectives for the area.

During the first part of the workshop a SWOT (Strengths, Weaknesses, Opportunities, and Threats) analysis was conducted whereby participants were divided into two groups to discuss the SWOTs for developing ecotourism in the MPF (due to the small number of participants each group had 2 discussions). Following the discussion, each participant voted on what they believed to be the key priority for each SWOT category. After completion of the voting process, the most popular three priorities chosen by the group are presented below (full SWOT in Appendix 1).

Strengths 1.Animals (monkeys, ban teng, elephants, tigers) 2.Birdlife 3.Srepok River and rapids	**Weaknesses** 1.Law enforcement limited/ineffective 2.Lack of capital, resources or knowledge 3.No guidelines, eco tourism law or policy at national or provincial level, no ecotourism plan
Opportunities 1.Support from WWF and government 2.Road connection from Snoul to Sen Monorom to be completed in the near future 3.More tourists coming	**Threats** 1.Illegal hunting 2.Land grabbing 3.Illegal logging

The purpose of the second part of the workshop was to develop strategies for ecotourism in the MPF. This involved the use of a SWOT matrix. The SWOT matrix was used as a basis for evaluating where the area's strengths lie and thus served as a guide in determining which type of development to pursue, and what weaknesses and threats must be overcome in order to take advantage of development opportunities. Based on their understanding of ecotourism, the MPF and the region, participants were asked to consider these strengths, weaknesses, opportunities and threats in the context of developing strategies for ecotourism in the MPF. The capacity of the group hindered the development of concrete strategies, and final outcomes from this process resulted in recommendations from the group on how they would like to see ecotourism developed, and what they felt needed to occur for ecotourism to be successful. As this feasibility study is the first step at engaging the community in ecotourism, these results will form the basis with which to proceed with further discussion and consultation.

2.2.1. Results of Ecotourism Workshop

While full strategies were not developed by the group, they did make a number of recommendations on how they would like to see ecotourism developed, and what needs to occur for ecotourism to be successful. These recommendations can be grouped into three main categories: Ecotourism, Community, and Natural Resource Management.

2.2.1.1 Ecotourism

As natural resources are a central draw card to the success of any ecotourism development, it was identified by stakeholders that for ecotourism to occur successfully and remain sustainable, the protection and conservation of the natural resources of the MPF is paramount. In the protection of natural resources, communities often lose certain benefits, usually related to the inability of the community to expand or exploit current resources or agricultural opportunities. As a result, alternative forms of employment must be identified. Ecotourism can be used as a conservation and livelihood strategy through a strong economic incentive to protect the environment for tourism. A shift in current livelihoods of the community from unsustainable practices to livelihoods in ecotourism could create more sustainable forms of employment as the community is benefiting from ecotourism activities and in turn will feel more responsible for protection of their resources. Therefore it is important to understand how the community uses their natural resources and how the use and protection of those resources affects livelihoods and conservation. This understanding can indicate whether ecotourism can be a viable strategy for supplementing livelihoods and conserving resources.

In terms of livelihood and income generation, stakeholders saw tourism as providing economic benefits in the form of increased income and jobs, and as a result improving social conditions which can help to improve the poverty situation in the community. They identified a number of possible livelihood activities resulting from ecotourism such as handicraft and agriculture production and general job opportunities. The groups further emphasised the need and ability to link agriculture with tourism. It is important to recognise other aspects of the tourism supply chain that do not include attractions and can provide an income to communities. Economic activities in agriculture, such as fish farming for example, enables villagers to breed, cultivate and sell fish to restaurants, hotels and guesthouses in addition to the general public. Other backward linkages from tourism to agriculture could include raising livestock or growing particular kinds of fruit and vegetables required by the industry, to sell to local tourist businesses. The assistance required for linking agriculture to tourism could be in the form of training of farmers, access to markets, ease of processing and transportation, improved farming techniques, access to finance to begin production or expand, and access to materials required for production i.e. seed, fertiliser etc. As Mondulkiri province received approximately 11,800 domestic tourists in 2006 (see section 3.1.1), this would seem a viable option particularly in the short term for sustainable livelihoods of local farmers.

There will also be a need to further assess income options from livelihood activities of the communities, in terms of existing skills which can be transferred to tourism, the following were found: basket weaving, mat weaving, hunters with vast knowledge of plants and animals, fishing baskets, silk weaving. If ecotourism can provide higher levels of income to communities or can effectively supplement current livelihoods, then this can provide a strong economic justification for its development. Through achieving higher levels of income through ecotourism, this can also provide a strong economic incentive to protect the MPF.

Stakeholders expressed a lack of understanding of the nature of tourism and tourists indicating the need for a tourism awareness raising programme, with local capacity building in tourism. They identified that local capacity will be required before ecotourism occurs in the area, to ensure that the community is fully aware of the positive and negative impacts that arise from tourism. This will include the need for communities to understand about ecotourism concepts, the impacts of tourism and tourists on the natural and cultural values, factors affecting the future success of ecotourism in the MPF, concepts of supply and

demand, and benefits that could be received through projects and partnerships.

The equal distribution of all benefits that arise from ecotourism development in the MPF was seen as important. Benefits generated from tourism must contribute to the objectives of ecotourism, conservation, and community development. Clear and defined guidelines for the distribution of ecotourism benefits will ensure that benefits are channelled directly to the community, targeting those in need, and that the community retains control over the growth of tourism in their area. When the financial benefits of tourist spending are spread throughout the community whether by rotating cooperatives, direct use of local services, or generating fees, ecotourism is better received and viewed as a means of improving livelihoods and quality of life. Furthermore, providing incentives for community participation was also recognised as important by stakeholders, such as training courses and micro-credit.

Stakeholders also saw the importance of promoting the MPF as a destination for tourists. Effective promotion will be required to encourage visitation to the MPF, to ensure accuracy of information, and to inform tourists of the range of ecotourism opportunities available. The many attractions of the MPF will have the potential to be developed further for both domestic and international ecotourism activities. The communities' ability to promote the MPF as a tourism destination is minimal. Utilising the services of a tour operator, however, to promote, organise, and facilitate tourists can greatly enhance the sustainability of ecotourism in the communes. The operator's access to customers and tourism industry networks, and their established marketing and promotion strategies gives them a significant advantage over communities trying to do it themselves.

Finally, it was recognised that the development of a proposal to WWF for technical and financial support for ecotourism was required for the community to begin. Financial and non-financial support can be derived from local and national governments, donors, NGOs and private stakeholders for developing ecotourism. This would include developing proposals for financial support of ecotourism to submit to relevant agencies and institutions, proposals for developing new products as identified accordingly by the community (walking tracks, homestay etc.), proposals for training related to the previous identified services such as guides, language, environmental training, customer service, and proposals for infrastructure and equipment needed for identified products.

2.2.1.2 Community

Community representatives raised the issue of an ambiguous understanding of the rights of communities living around the protected forest and how it applies to development, law enforcement, etc. There was a strong emphasis by stakeholders on reinforcing cooperation with the local authority and line departments to stop illegal activities in the protected forest. In particular, community empowerment in terms of natural resource protection and community committees in the MPF was seen as a major weakness of the communities. The communities largely felt afraid to enforce and carry out the functions of the NRM committees due to powerful vested interests in the area. They also recommended strengthening the safety, security, and social order in the area.

Stakeholders further identified human resource development and local capacity building not exclusive to tourism, but also awareness raising about the natural resources and the protected area (MPF). Through consultation with the surrounding villagers of the MPF and through village meetings, the community would have the opportunity to better understand about the development of ecotourism and the protection of natural resources. It was also felt that strengthening the culture and tradition of the indigenous community was important to undertake before ecotourism development commenced. Finally, cleaning up and beautifying the villages was seen as an important step in attracting tourists to the villages, as well as improving local community hygiene.

2.2.1.3 Natural Resource Management

The issue of illegal land grabbing and forest clearing/logging was raised by stakeholders as paramount to future sustainability of the MPF. A key issue identified was the immediate need to strengthen law enforcement of the natural resources of the protected area, to stop illegal activities. If the natural resources were to remain for future generations, as well as for the development of ecotourism, then the issue of 'soft' law enforcement needed to be addressed by the relevant authorities. Stakeholders also felt that resources identified for ecotourism and near tourism attractions would require added protection to ensure they remain intact for the future. From this, there will need to be an emphasis on the need for a clearer understanding of the legal framework, stakeholder responsibilities and empowerment of community committees to ensure resources and livelihoods are protected.

Further recommendations to protect resources included establishing a community wildlife protected area, and establishing a Srepok River networking community to better protect the resources as well as to share ideas and information about NRM and ecotourism. The issue of damming

the Srepok River in Vietnam and the effects this would have on the communities was felt to be an important issue that needed addressing. Stakeholders recommended cooperating with Vietnamese authorities on the issue of shared water resources.

2.3.Conclusions

A key issue arising from the workshop was the practice of illegal land grabbing, forest clearing/logging, and illegal wildlife hunting on the borders of the MPF, that effectively reduces the community's ability to earn long-term, sustainable income from tourism. The incidence and management of this would be dependent on the local authorities and their ability to mitigate these impacts, indicating the need for strong leadership and guidelines for conservation and tourism development, before tourism occurs in the area. By encouraging the protection of resources for ecotourism, retaining ownership for future sustainability, and building awareness in community participation, the situation of land clearing and the wildlife trade could begin to be addressed.

3 Market assessment & Feasibility

3.1. Industry Trends

According to the World Tourism Organisation, a total of 24 million tourist arrivals are expected for Thailand, Laos, Cambodia and Vietnam in 2007, with 17 million forecast for Thailand alone (WTO, 2007). In recent years there has been an historic turning point in the flow of international visitor arrivals throughout the globe, with Asia Pacific region overtaking North America as the second most visited region after Europe. The Asia Pacific region accounts for 153.3 million arrivals (over 20% of total world tourism arrivals). According to the Pacific Asia Travel Association (PATA), Asia and the Pacific recorded better than 7% growth during calendar year 2005, largely driven by Northeast Asian markets which grew by almost 10%, year-on-year. The Pacific and South Asia grew by more than 5% while Southeast Asia grew by almost 4% (PATA, 2006). The Greater Mekong Subregion (Laos, Cambodia, Thailand, Vietnam, China - Yunnan Province, Myanmar) accounted for 17.8 million international visitor arrivals or around 14% of total international arrivals to the Asia-Pacific region in 2004. Individually a number of countries within the region recorded dramatic growth during 2005, notably:

- Cambodia +44.0%
- Macau SAR +25.9%
- Lao PDR +20%
- Vietnam +16.7%

3.1.1. Visitor Patterns in Cambodia

The tourism sector in Cambodia has been growing at a rate of 20-30% per year, making it one of the country's strongest growth sectors. The high international recognition of Angkor as a destination is the result of intensive promotion by the government at the expense of other attractions. Cambodia benefits from close proximity to regional markets and the ease with which it can be combined with tourism destinations in neighbouring countries. As a result it is often offered as a 2-4 day side trip from tour package itineraries in the region. The four major markets to Cambodia are:

1. medium or long haul tours that include Cambodia among other regional destinations;
2. as an add-on to a nearby destination such as Thailand
3. as a single destination sold within the region;
4. as a single long-haul destination for Fully Independent Travellers (FITs).

Cambodia has undergone rapid tourism growth over the last 10 years. In 1994 when tourism data was first recorded, Cambodia received around 200,000 international tourists. In 2006, Cambodia received just over 1.7 million international visitors - an increase of 20% from the 2005 figure of 1.4 million. Just over 1 million visitors arrived by air, accounting for 60% of all international arrivals, of which approximately 25% came through Phnom Penh International Airport and 35% came through Siem Reap International Airport. The main purpose of visit was holiday (79%). The breakdown of travel group in 2006 was: FIT (59%), and group tour (40%) (Ministry of Tourism, 2006). The top ten generating markets for Cambodia are presented below.

Table 3.1: Top Ten Generating Regions for 2006

2006				
Rank	2006	Visitors	Share(%)	Change(%)
1	Korea	285,353	16.79	31.75%
2	Japan	158,353	9.31	14.87%
3	U.S.A	123,847	7.28	13.19%
4	Taiwan	85,139	5.01	55.45%
5	China	80,540	4.74	36.16%
6	Vietnam	77,524	4.56	56.17%
7	Malaysia	77,028	4.53	108.88%
8	Thailand	76,953	4.53	20.94%
9	United Kingdom	73,767	4.53	10.87%
10	France	71,978	4.23	4.40%

Source: Ministry of Tourism, 2006

Average length of stay in Cambodia is short, due to a lack of organised product, and is reflected in the below table.

Table 3.2: Average Length of Stay for FIT and Group Tour in 2006

Kind of Tourist	Phnom Penh (days)	Siem Reap (days)
Group Tour	2.04	3.52
Individual	4.64	3.98
Total	3.34	3.75

Source: Ministry of Tourism, 2006

Visitor numbers in the four north-eastern provinces (Mondulkiri, Ratanakiri, Stung Treng, and Kratie) have been increasing at a steady rate. In 2006, these four provinces combined, received approximately 32,707 international tourists. According to official figures, international visitor numbers in Mondulkiri province grew from 65 visitors in 1999 to 395 visitors in 2002, with recent figures showing 1,828 international tourists and 11,831 domestic tourists in 2006 (Ministry of Tourism, 2006).

In the feasibility assessment of the Dry Forest region of north-east Cambodia, tourism was predicted to grow significantly (Schellhorn, 2003). Trans-boundary tourism flows are a significant factor in the flow of tourists throughout this region of Cambodia. The opening of border checkpoints to Laos and in the future Vietnam will create significant growth in visitor traffic. Planned infrastructure improvements, largely focused on roads and airports, will also increase visitor movement around this region.

3.1.2. Markets in Cambodia

Market segments in Cambodia are currently predominately either the large group package tours or FIT, concentrated around the attraction of Angkor Wat. The general prepaid medium to large group tour package typically focuses on Siem Reap/Angkor Wat, Phnom Penh and Sihanoukville as the primary destinations. A brief overview of the FIT market and its characteristics is given below.

3.1.3. The FIT Market

FITs made up almost 60% of all tourists coming to Cambodia in 2006 (Ministry of Tourism, 2006). The FIT market in Cambodia overall is not highly segmented. Common markets that dominate this segment include FIT budget backpackers and mid to high-end semi-FIT. Backpacking tourists predominately of a younger age on a low budget are the dominant segment of this FIT market. Accommodation, tours and food are purchased on the lower end of the scale, however length of stay tends to be longer than package group tourists, thus injecting smaller but sustained income into an area over time. A sub-group of the FIT markets is the semi-FIT - an emerging market in Cambodia. These are typically mid to high-end range markets and consist of those who purchase a range of products and services independently, but require the services of an inbound operator to do the rest. This may consist of, for example, purchasing airfares but utilising the services of a local inbound operator to provide accommodation, tours, and transportation while in country.

For the more specialised tours and FIT, the use of secondary destinations such as Battambang, Kampot and Kratie, albeit in small numbers, is a more common characteristic of these visitors' patterns. The primary reason for an underutilisation of the country's resources and destinations is the absence of viable alternative tourism products to the current offerings. There are however, a few specialised inbound operators working in Cambodia who provide tours to out-of-the-way places or specialised tours according to the needs of the tour group (i.e. bird watching, handicrafts).

While a level of accurate data on specific market segments and their characteristics does not exist in Cambodia, the above interpretation is based on the consultant's experience in tourism in Cambodia, combined with a number of visitor studies conducted over the past four years on ecotourism in Cambodia. A more rigorous examination of market characteristics in Cambodia will be required in the future. Questions to be answered will include: who provides for high-end FITs in Cambodia and the region? What is their product? What services are provided? Who competes with them? Is this type of market increasing or decreasing in Cambodia and the region? What is the size of this market in Cambodia and the region? Where is their origin? Budgets?

3.1.4. The Resort Industry

Resorts in the South-east Asia region have become more and more sophisticated in their product offering over the past few years. From spa resorts to yoga retreats, safaris and meditation hideaways, this type of market segment has been growing in popularity. Trends in the region are towards the higher end of the market for these types of resorts.

The resort market in Cambodia is limited to Siem Reap and Sihanoukville. While the beach market is evident in Sihanoukville, Siem Reap resorts have not developed a segmentation strategy to differentiate themselves from their competitors. This is largely due to the resorts in Siem Reap offering a bed to sleep rather than an experience or holiday. Again, data on resort tourism in Cambodia and the region is not readily available, and

thus would require a further in-depth study to assess such factors as: country of origin, motivation, length of stay, market segments, budgets, and experience offered.

Table 3.3: Resort Industry Trends - Regional

Primary Product	Type of Experience	Comments	Predominant Locations
Spa	Relaxation, rejuvenation	Thailand is leading the region in innovative spa resorts, and has become a very popular product. Vietnam is up and coming in popularity. All offer a wide variety of treatments.	Thailand, Malaysia, Bali, India, Vietnam
Health	Relaxation, rejuvenation	Holistic holidays focusing on detox, yoga, meditation etc.	Thailand, Bali, India
Honeymoon	Seclusion, romantic	Typically packaged as romantic getaways, the emphasis is on inti mate activities (i.e. candlelit dinner, walks)	Malaysia, Thailand, Bali, Maldives, Laos
Eco / Nature	Wilderness, remoteness, relaxation, flora/fauna, adventure	There is a focus on the adventure side with rafting, biking, trekking activities combined with wildlife viewing. The higher end of the market focuses more on remoteness and relaxation.	Sabah, Borneo Sapa, Vietnam, Laos, Sarawak, Borneo Malaysia Thailand
Beach / Islands	Relaxation, seclusion, tranquillity,	While still offering all beach activities, move towards the seclusion experience	Maldives, southern Thailand, central Vietnam, Malaysia, Philippines, India
Boutique	Intimate, tranquillity, seclusion	An emerging market in the region, there is a move away from the large hotels and their tour groups	Thailand, Laos

3.2. MPF Ecotourism Products

Tourism products encompass the combination of the physical and cultural attractions to be promoted, the types of experiences gained by the tourist, and the services required to deliver it. A workshop conducted in July, 2006 in Kratie province, by SNV the Dutch Agency for Development, conducted (among a number of activities) an inventory, mapping, and evaluation exercise of the ecotourism attractions in north-eastern Cambodia. This was conducted as a group exercise by the participants from each of the north-eastern provinces (including representatives from WWF). Stakeholders from the provinces were asked to draw a current tourist map of their respective province, after which each group evaluated their current and potential ecotourism attractions based on a set criteria. Following the evaluation, a number of sites were identified as priority areas in each province. One of these sites was the MPF.

Participants identified a number of products as being of high value in the MPF. This included: scenic value (diversity of landscape), biodiversity, presence of large animal species, easily-spotted wildlife, interesting forms of vegetation (e.g. tropical dry and semi-evergreen forest), uniqueness of species, or of topographical elements, pristine quality of the ecosystems, opportunities for swimming (beach, lake, waterfalls), and natural sports possibilities (rafting, diving, climbing) (SNV, 2006). Site visits to the MPF have confirmed these products as being of high quality and importance in attracting tourists to the area. These products and more, and their potential for supporting ecotourism development, will need to be assessed more in-depth focusing on the steps required for their implementation, beneficiaries and benefactors of the activities, and potential negative impacts.

While a detailed summary of ecotourism products (based on the resources of the area and stakeholder and market assessment) was not carried out for this study, the resources of the MPF were taken into account during a field visit, to assess the potential for an up-market ecolodge. The remoteness, scenic landscapes and presence of large mammals lends itself to a number of activities conducive to ecotourism. Activities and experiences can include the opportunity to see wildlife, participate in activities such as canoeing, fishing safaris, boating, birding, elephant rides, walking trails, spas, or just relaxing. Understandably there will be an inclination to primarily sell the ecotourism experience in the MPF as a wildlife experience. Therefore, rather than offering a wildlife experience as the core product, a more targeted approach would be to focus on the lodge and the MPF itself as a unique, luxury, wilderness experience with the highest standards of service and excellence as well as quality of wildlife interpretation, not experienced anywhere in South-east Asia. Specific activities that will accompany the overall experience of staying at the lodge will be determined in greater detail, as the lodge development takes place.

3.3. Competition to the MPF

There are two types of competitor to consider: primary competitors who offer similar products and services that target similar clientele; and secondary competitors who offer other operations that provide similar services but do not attract similar clientele. Competition was examined in the context of luxury lodges or the equivalent, currently offered in Cambodia and the region, giving indications of how an ecolodge in the MPF can be positioned in light of these existing competitors. Competition was also considered in the context of the experience. The primary feature that is unique and significant to the MPF is that it provides a unique, luxury, wilderness experience with the opportunity to experience wildlife viewing not available elsewhere in Cambodia or the region.

Analysing competition in terms of primary and secondary competitors enables the development of a unique product that can add value to the destination, while ensuring that the new product is also competitive and sustainable in the long term.

The two tables below briefly and broadly show a cross-section of resorts available in the region. Rates are given for low and high season where applicable and based on the calendar year for 2007. In very broad terms, high season is typically characterised as 1st November to 30th April, and low season 1st May to 31st October. Unless otherwise specified, resort rates given are for twin share, with standard features of a resort such as air conditioning, mini bar, satellite T.V., coffee & tea making facilities, IDD telephone, tour desk, swimming pool, bar, spa/massage, restaurants with multiple cuisines, tour desk, business centre, gym.
The objective of the first table is to show the range of stock standard resorts available in the region. These could be considered the secondary competitors, as they provide similar services (i.e. a reasonably level of luxury) but do not attract the type of clientele targeted for the MPF. While this table provides considerably lower rates than those proposed for the MPF ecolodge, the price range of the rates gives a comparative indication of capturing the lower end of the luxury market. One aspect needed to be considered is the use of the resort by expatriates living in both Cambodia and the region looking for short retreats. The price range of this group would be similar to those of the first table. Furthermore, a number of these luxury resorts featured do not offer a wilderness or overtly unique experience, however the room rates give an example of a tourist's willingness to pay for an upmarket (albeit standard) hotel in the region.

The purpose of presenting the second table was to show the possible regional competitors to a luxury, high-end wilderness ecolodge in the SWA - primary competitors who offer comparable products and services that also target similar clientele. The properties featured are either supplying a luxury wilderness experience or a luxury resort experience in the higher price category.

Table 3. 4: Selected Luxury Resorts in the SE Asia Region

Resort and Location	Description	Rates $USD / night	
		Low Season	High Season
Maison Souvannaphoum Luang Prabang, Laos	French colonial restored building, once the residence of the royal family members, located in the town of Luang Prabang.	$84 $96	$165 $177
Victoria Angkor Resort & Spa Siem Reap, Cambodia	Located close to Angkor Wat World Heritage Area. Colonial style hotel.	$142 $153	
Le Meridien Angkor Siem Reap, Cambodia	Located in Siem Reap town close to Angkor Wat World Heritage Area	$200 $240	$250 $290
La Residence d'Angkor Siem Reap, Cambodia	Located in Siem Reap town close to Angkor Wat World Heritage Area	$165 $412	
Grand Hotel D'Angkor (Raffles) Siem Reap, Cambodia	Part of the popular Raffles Hotel group. Restored old French colonial building. Located in Siem Reap town close to Angkor Wat World Heritage Area 131 Rooms	$224 $224	$271 $295
Sofitel Royal Angkor Siem Reap, Cambodia	Located in Siem Reap town close to Angkor Wat World Heritage Area	$200 $224	
Sokha Beach Resort Sihanoukville, Cambodia	Cambodia's most popular beach resort, this resort is the only luxury accommodation on offer in Sihanoukville. Very popular with local expatriates and some locals of Cambodia.	$107 $118	$118 $130
Victoria Hoi An Resort Hoi An, Vietnam	100 Rooms Located at the beach resort of Hoi An, 30 km south of Danang city. Closest access is Danang Airport. Close proximity to Hoi An World Heritage town.	$132 $161 $185	
Victoria Phan Thiet Resort Phan Thiet, Vietnam	Located on one of Vietnam's pristine beaches, from Ho Chi Minh City the journey by vehicle takes 3 ½ hours	$110 $126 $150	
The River House Resort & Spa Chiang Rai, Thailand	Nestled in a tropical rainforest overlooking the city of Chiang Rai and the River Kok.	$116 $174	
The Chedi Phuket Phuket, Thailand	108 Cottages Located on the beach	$193 $257 $307	
The Chedi Chiang Mai, Thailand	52 rooms with private courtyard entrances with balconies offering views of the Mae Ping River and mountain range	$276 $382	$386 $422
Ana Mandara Nha Trang, Vietnam	Located directly on the beach on 20,000 square metres of private tropical gardens overlooking the sea, 450 km from Ho Chi Minh City 68 rooms	$253 $318	

Table 3.5: Regional Competitors to Potential SWA Ecotourism Lodge

Resort and Location	Description	Rates $USD / night	
		Low Season	High Season
Evason Hideaway Nha Trang, Vietnam	Located on Ninh Van Bay a picturesque white beach with coral reefs and towering tropical mountains. 32 beach villas	$655 $754	$831 $931
Amanpuri Resort Phuket, Thailand	Located on Pansea Beach. 40 Pavilions and 30 Thai villas all with private pool and living and dining villas	$623 $700	$831 $979
Soneva Gili & Spa Maldives	44 stilted villas Villas are crafted in a traditional style from natural materials and offer roof-top and over-water sundecks, featuring open air bathrooms, daybeds and a personal entertainment centre.	$1,055 $1,585 $1,660	$1,995 $3,040 $3,440
Pangkor Laut Resort Pangkor Laut Island, Malaysia	Privately owned island located three miles off the West Coast of Malaysia with rainforest and pockets of beach coves 148 Malaysian-style luxury villas	$325 $400 $475 $800	
Amansara Siem Reap, Cambodia	12 rooms Each room has individual pool and all similar in design featuring an open plan setting.	$959 $1,182	$1,262 $1,036
The Strand Yangon, Myanmar	32 rooms All suites are furnished with luxurious fittings and fixtures with full amenities.	$450 $525 $900	
Amanusa Nusa Dua, Bali	Located on a garden hillside with views of Indian Ocean and Mount Agung. 35 thatched-roof suites with sunken indoor bath, outdoor shower, a garden courtyard, private swimming pools and terrace.	$700 $900 $1,100 $1,500	
Amanwana Moyo Island, Indonesia	Luxury wilderness camp surrounded by tropical forest, set on the nature reserve of Moyo Island. Island is home to deer, wild boar, macaque monkeys, sea eagles and osprey. 20 luxury tents	$650 $750	
Mahua Kothi Lodge central Indian state of Madhya Pradesh,India	Located in Bandhavgarh National Park amongst hills and tropical forests - a 448 km² renowned tiger reserve with large variety of mammals: leopard, chital, Sambar deer, dhole, nilgai, wild boar, chinkara, sloth bear, rhesus macaque, black faced langur, jungle cat, hyena. 12 individual tents each with private courtyards and traditional mud floors.	$600	
Aman-i-Khás India	Wilderness camp located on the fringe of Ranthambhore National Park, Rajasthan, India. 400 km² of park with opportunity for spotting tigers, leopards, jungle cats, caracal, hyenas, sloth bears, Chital and Sambar deer, antelopes and gazelles and a plethora of birdlife. 10 luxury tents, each in Moghul style.	$825	

3.4. Tour Operator Surveys

A total of eight inbound tour operators were interviewed in Phnom Penh, to understand more about the current market in Cambodia, and the potential for ecotourism. These operators were chosen due to the origin of their client base - predominately north America, Europe and Australia, offering unique tours and experiences other than the typical offerings. Of the eight operators, four currently offered ecotours and four did not.

3.4.1. Current Ecotours Offered

In terms of ecotours currently offered in Cambodia, Rattanakiri, Mondulkiri and Siem Reap are the only destinations promoted. One company has had a strong ecotour program in place for 7 years predominately in Rattanakiri (trekking, elephant rides, visit hill tribes, boat rides), however it recently started sending clients to Mondulkiri (visit waterfalls, visit a local village). Ecotours offered in Siem Reap are to Prek Toal Wildlife Sanctuary and Kampung Phluk, visiting the community fisheries project. Another company has been offering community-based tours for a few years including an overnight stay in Yaklom Lodge, Rattanakiri. They also offer homestays in villages in three provinces a few times a month. While not entirely ecotourism, one company has been offering adventure trips in Cambodia for the past 4-5 years, involving trekking and camping, and cycling tours to Sihanoukville, Kampot, Kep, and Kampong Cham. A list of operators interviewed is presented in Appendix 3.

Frequency of all these ecotours is highly dependent on the season and weather. With difficult road access, particularly during the wet season, and in Rattanakiri with the airport closed, it makes these areas very inaccessible. In high season, some companies send clients to Rattanakiri and Mondulkiri twice a month, while others have between 5 and 15 trips per month. Low season will see between 5 and 8 trips per month.

Of those companies offering the above products, their main markets are high-end tourists from the Netherlands, Germany, western Europe (various countries), Australia, UK, and America. One company has remarked that lately there is increased business for unique ecotours from expats residing in Asia, while another has seen a growing interest from their clients to be more in touch with nature and the local communities, and thus is introducing volunteer extensions to their trips, where clients can stay 3-4 days longer to volunteer. These philanthropic-type tours have recently generated much income in the community in Siem Reap. The top four generating markets to Cambodia are typical of the large, prepaid group tour. In Siem Reap in particular, this group type is often seen as annoying and impinging on others experiences of the temples. Most operators had an aversion to operating with big tour groups, as is the increasing trend in Siem Reap, and thus by offering small group or individual packages their clients are prepared to pay more for the privilege. The level of interest in ecotours for all companies by their clients was high, with tours often tailor made for the client.

All companies promote their ecotours and other products by attending all the major travel trade shows in Europe and America, as well as working with several travel agents and tour operators in Europe and the US. However, one company's clients also predominately learn about their company from their website. Most operators feel that the interest in ecotourism in Cambodia is increasing, as more and more tourists are beginning to request ecotours. The awareness by consumers of the impacts to the environment, has meant that larger, tour bus type groups are losing their popularity to smaller, more specialised tours, as tourists are becoming increasingly interested in being involved both in the environment and communities they visit. For the current ecotours offered by operators, customers are mostly very satisfied with ecotours in Cambodia as they find their tour a unique experience. Dissatisfaction generally arises from a lack or quality of the facilities, such as old boats or hotels, rather than with the ecotour experience itself, which is a positive and encouraging trend.

Of those companies who did not offer ecotours, the primary product offered was cultural heritage and the temples, a typical, standard tour offered by all operators in Cambodia. One company concluded that the small number of requests for ecotours by their clients was a result of the age of their clients, who are more interested in comfortable high-end tours to cultural sights. This indicates a somewhat misguided perception by Cambodian operators that all ecotourism is budget, difficult, and uncomfortable. However, it also indicates the presence of a higher end market looking for comfort and luxury. Of those companies who did not offer ecotours, they identified that ecotourism was becoming more popular in the region, however the current product offering in Cambodia was small due to the lack of organised products. Some operators felt that currently a true ecotourism industry did not yet exist in Cambodia, in terms of organised products, niche operators, and strategic branding and marketing. Rather the current state of ecotourism in the country is confined to occasional specialised tour groups or backpackers travelling to remote destinations. Moreover, if Cambodia had more to offer tourists in terms of ecotourism products, the demand would also grow quicker. Poor infrastructure at the destinations has also meant that those operators who do promote Rattanakiri and Mondulkiri as an ecotourism destination, generally find them difficult to sell.

3.4.2. Interest in Future Ecotourism Operations

All operators expressed an interest to expand ecotourism products offered in the future - a growing market in Cambodia, an increase in demand for ecotourism, and a high level of interest in ecotours were all reasons why current operators wanted to expand their products. One operator expressed the need for Cambodia to attain the same level as Thailand where niche operators exist to channel specialised tourists from other countries. Another company is currently implementing an ecotourism programme for their Cambodia office, after a successful ecotourism programme in Laos. Another operator was unsure of specific ideas to expand, however was keen if the right opportunity presented itself. Furthermore, some operators felt that by offering ecotours, emphasis is placed on the lesser known parts of Cambodia and not only Angkor Wat, which would allow them to offer a more varied package and increase the length of stay.

Operators were asked whether they would consider expanding their current ecotourism product to include other products such as community guides, community-run tours, lodge investment, homestay, etc. Some operators felt that it was important to invest in local resources, such as hiring local people and local guides, already linking with some community-based products, was fur-

ther interested in linking with niche services or other opportunities. Some operators expressed that the nature of their operations (generally small with limited time and money), restricted them in expanding, although the possibility had not been excluded if the right opportunity was available. When asked whether operators would require a partner to expand their ecotour product, almost all mentioned the importance of working with a partner. Operators largely felt that a partner would help to bridge the gap between them and suppliers and/or opportunities, and that a good partner would provide all the facilities at the location, such as guides, home stays, transport, etc.

Those operators who currently did not offer ecotours, had a high level of interest in providing such tours in the future. Reasons for this included increasing client length of stay in Cambodia and thus income to the business, increasing clients understanding and appreciation of the country (which assists in repeat visitation), as well as providing opportunities for local people to earn income from tourism. One operator believed that Cambodia had the potential to grow from ecotourism, if it had more products to offer tourists - a very common issue facing both operators and tourists. The current length of stay in Cambodia is limited to less than 6 days and this limits the typical itinerary to Siem Reap and Phnom Penh. The main reason for such a short length of stay is the lack of organised product and destinations, a common complaint by both hotels and operators in Cambodia. Thus, in order to develop more tourism product offerings, operators were asked what they would require to create an ecotour product for their clients. Infrastructure, in particular high-end accommodation, was the most common response by all operators. Other responses included better trained guides, transportation, accessibility, roads, tourist facilities, and a safe environment.

All operators expressed the need for a partner, whether government, communities or other private sector, to assist in the creation of an ecotour product. Operators require a high standard of professionalism as their customers are predominately high-end and thus pay a lot and expect a high standard of service. Therefore, the partner would also need to be able to provide the right service and facilities at the chosen location.

There was a high level of motivation by operators for creating ecotours as part of their current itineraries, primarily as it creates jobs and income for local people, helps to develop communities, and teaches local people how to preserve their environment. One operator who has been operating in Cambodia for over 10 years, was motivated to provide ecotours in order to show the beauty and wonder of the country.

3.4.3. Interest in Financial Investment in Ecotourism

Operators were asked to register their level of interest in financially investing in an ecotourism venture in Mondulkiri. Three of the eight operators expressed a high level of interest as they see this segment of the market growing and can see the benefits of investment. However, the issue of a current lack of infrastructure and facilities would need to be addressed before they could invest in the area.

Of those not wanting to invest, the primary reason was accessibility. The difficulty in travelling to Mondulkiri, coupled with long travelling times, was felt to be a hindrance to operations and thus popularity of the area. Some operators expressed a limited interest by clients in trips to Mondulkiri, however this lack of interest is largely due to a lack of knowledge about, and promotion of Mondulkiri. If the area was to receive targeted and strategic promotion by the government and private operators then interest and desire will grow for the area.

When asked how secure the investment climate in tourism in Cambodia was, all felt confident that investment was secure and would only improve. It was felt that investments not properly researched was the biggest issue to security of investment in Cambodia. Operators were asked what they would require to encourage them to invest in an ecotourism venture in Cambodia. Responses included:

- reliable partners and good contacts
- the appropriate facilities
- a national ecotourism network for tour operators and travel agencies
- a variety of interesting products to offer, and
- excellent quality of product and service.

The type of investment that operators were interested in was tour operations, luxury accommodation, and an investment in national level marketing. Stipula- tions or agreements required by the operators before investing included a small investment with a small private partner (i.e. no multilateral chains-Hilton, Intercontinental), a good structure, a high level of control, and written agreements of all things relevant with the operations

3.4.4. Current Weaknesses of the Tourism Sector

The four most commons identified weaknesses of the tourism sector in Cambodia were:

1. a lack of developed, quality products, destinations and suppliers.
2. lack of infrastructure (roads, facilities)
3. human resources and a lack of professionalism
4. a lack of marketing by the govern-

ment, a lack of advertising mediums, no coordinated promotion of Cambodia abroad, a dark image (violent history and only Angkor Wat) as a result of limited promotion.

Operators felt that all of these reasons diminished the ability to attract more high-end markets from Europe, Australia, and the US. In terms of the local community, the lack of understanding about tourism and ecotourism by the wider Cambodian community, how to take care of their natural resources and habitats and turn them into tourist attractions, and how they can benefit from ecotourism was thought to currently undermine the industry.

A lack of tour products to offer and a lack of qualified staff were considered the primary weaknesses that affected operators' businesses and day-to-day operations. A current lack of interest in seeing other places in Cambodia has been the result of undeveloped product which limits where tourists go. High-end clients shy away from coming to Cambodia due to the service and infrastructure limitations. As most of the operators specialise in high-end travel, the lack of luxury accommodation available in other destinations means the company is unable to send the clients there. The dearth of established infrastructure would make it easier to promote other destinations, as operators find it difficult to organise overland trips when the infrastructure is so poor. Not having enough qualified staff was also identified as inhibiting operators from expanding their business, including the inability of the local people to participate due to their lack of understanding of ecotourism and its operations. While one operator felt that these weaknesses do not prevent them from expanding, they are however cautious about expansion - spending time and money on research before undertaking any expansion.

Suggestions by operators to improve on current weaknesses included improved general education, training and improving human resource capacities, improving the current promotional efforts of Cambodia, developing ecotourism projects, and education of local communities about turning their assets into tourist attractions (i.e. villagers don't understand that elephants are interesting for tourists). One company already trains 40 guides per year in Siem Reap as they see investing in people as a major investment for the company. Operators felt that more attention was needed at capturing the higher-end of the market, by offering luxury accommodation with tours in the surrounding natural environment.

3.4.5. Moving Forward with Ecotourism

Operators were asked for their opinions on first steps, if ecotourism was to start developing today in Mondulkiri. The most common response was to identify the right product according to market needs, clarify whether it could be developed and sustained, and then promote it to the client. Another common response was to ensure that local communities were educated about the impacts of ecotourism, the need for protection of the natural resources, and the needs of international customers, while ensuring that mechanisms were set in place to ensure benefits from ecotourism reach the community. One operator also commented on the common issue of 'rent seekers' whereby the Ministry in charge of the protected area typically takes a percentage of the revenue through fees or rent, without adding tangible value to the operators business such as ensuring conservation of the area, managing waste etc. The issue in Cambodia with tourism and protected areas is the predominance of these 'rent seekers' in unequal proportions, making it particularly difficult to operate an ecotourism business. Issues such as this will need to be sorted out before ecotourism develops.

Operators were asked for their suggestions on how to better develop, market and sustain ecotourism in the future. Responses were varied. In terms of developing ecotourism, one operator saw a current mismatch between the current product offered in Cambodia and consumer needs and expectations. Currently much of what is on offer in terms of ecotourism has not been based on market research or has been designed by NGOs with the purpose of raising funds to support community and conservation efforts, and has failed to meet consumers expectations and requirements. The supply-driven approach is also often adopted - *I have something to sell, and if I offer it, someone will want to buy it* - rather than being based on reliable data.

The need to move beyond the current offering of community-based ecotourism to a more luxury, up-market form of ecotourism, such as a luxury ecolodge was suggested as a move in the right direction. Improving on the current tourism infrastructure (roads, accommodation, access) in the country was seen by some operators as crucial, as well as infrastructure required for ecotourism such as paths, trails, etc.

In terms of marketing ecotourism, suggestions for the government included helping to change the image of Cambodia abroad through a more targeted and branded approach to marketing and promotions, and seminars and awareness raising to educate stakeholders on the importance of ecotourism to the economy, natural resources and community empowerment. Marketing suggestions for the tourism private sector included hosting an ecotourism fair to promote ecotours in Cambodia and strengthen

operator networks, although with a limited product offering and lack of facilities and infrastructure this would be difficult in the short-term. Other suggestions included inviting tour operators to experience the product to best match overseas client needs, and coordination between the government, the private sector, and local people for a coordinated message and image.

Identified challenges in developing, marketing and sustaining ecotourism included the lack of awareness of Cambodia as a tourism and ecotourism destination overseas and how that could be overcome through developing more quality products, helping the local communities to organise and identify local assets as tourist attractions, having the appropriate human resources to fulfil client needs, and ensuring the sustainability of ecotourism (economic, preservation, and social aspects) is considered as a whole.

3.5. Conclusions

When assessing the potential for high end markets in Cambodia, it is important to tap into areas that are already catering to this market. As the Ministry of Tourism does not collect in-depth statistics on visitor segments to Cambodia, it is difficult to make a prediction on the state of the high end market in Cambodia. However, experience in Siem Reap with a number of hotels and NGOs shows that there is a high end market currently coming to Cambodia, however the segmentation of this market is unclear. Philan-thropic tourists interested in the plight of Cambodia have recently increased in greater number, primarily in Siem Reap.

While a number of hotels and guesthouses engage in supporting this type of tourist, two very successful examples are the Hotel de la Paix and Amansara, in Siem Reap. These hotels are considered five star luxury accommodation, offering twin rooms in high season for approximately $350-$600 and $850-$1200 per night respectively. Amongst the many holiday packages that these hotels offer, are their community connection packages, whereby in addition to a visit to Angkor Wat their guests organise the donation of gifts in advance, of which they deliver to communities or respectable NGOs. These packages are their most popular and as a result allow them to avoid the crippling low season where the majority of hotels run at 30% capacity. Donations have included houses, bicycles, school uniforms for a whole school, etc. One client from the Amansara had a guest write a cheque for US$30,000[3] to build a school for orphans . This type of tourism is increasing, and gives some insight into the higher end of the market currently in Cambodia. Further in-depth investigation of the high-end market and its needs is warranted. However, interviews with Cambodian tour operators has suggested that there is a high end market emerging, who do have an interest in ecotourism and wildlife tourism and thus gives an indication of the future potential for this market.
The approach that has often been applied to ecotourism and community-based tourism is to establish small-scale ventures that typically attract the backpacker market. Depending on a range of external factors, it can take a while for visitors to utilise these ventures, such as knowledge of the venture on a world-wide or regional scale, and a time lag between starting and attracting the visitor to getting the visitor there. Often, these types of remote operations attract the budget backpacker who is somewhat flexible in their itinerary and may consider a visit after learning about it, but again takes time to reach them and get them there. This all often takes time and can also affect the communities perception of the benefits of ecotourism. The construction of a high-end ecolodge has the possibility of greater ease in attracting and targeting visitors due to established marketing and intermediary channels available to the resorts owners. Adverti- sing and promotion budgets are also much larger and therefore have the ability to target and reach a much wider audience more quickly. Finally, the resort market established in Siem Reap (albeit small) brings potential for guests to the resort in the SWA.

In the planning stage of developing ecotourism in Mondulkiri province and the MPF, WWF, in partnership with the government and project investors must consider a range of actual and potential markets for the area that would have an effect on a number of levels. Although WWF may choose to concentrate on one type of tourism market segment (i.e. high end) in the MPF it must do this in cooperation with other stakeholders in the province. In doing this, it allows others to enter the market to provide other products and services so that a spectrum of tourism needs are met and the region develops as a whole. If only one type of tourism market or product is focused upon, then tourism will not reach the wider community as intended and will lead to sustainability issues in the future. By combining a range of activities, attractions and services, a more holistic product can be offered that in the long term provides sustainability to the industry and the area.

[3]Pers. Com with GM of Amansara

4 FEASIBILITY OF ECOTOURISM IN SREPOK WILDERNESS AREA

4.1. Pre-conditions to Ecotourism Development

Clarifying the various interests of the stakeholders and keeping in mind the general development goals and the specific project objectives are a major precondition for assessing a possible tourism component for the current conservation project in the MPF. The question of ecotourism feasibility in the MPF would need to be looked at in the context of the preconditions listed below. From an investment point of view, it is considered that reasonable conditions for undertaking a tourism venture would include:

- a stable economic environment that allows the investment to operate and grow, and an effective political structure that gives security to investment;
- a level of ownership rights that allows for effective and inclusive decision-making and participation within the local community;
- perceived and actual safety and security for visitors;
- market feasibility outlining demand and return for a particular investment;
- low health risks, access to appropriate medical services, and a clean water supply;
- the ease of physical access and ability to connect to the site;
- secure land tenure and protection, with rights and powers to the relevant governing authorities;
- landscapes and/or biodiversity that provides a 'pull' factor for a range of tourist groups;
- ecosystems that have the capacity to absorb an acceptable level of tourist volumes and a variety of appropriate activities;
- A local community that has undergone awareness raising on the positive and negative impacts of tourism, as well as the potential opportunities and risks involved, and is interested in receiving tourists[4].

If the above preconditions are met, this does not necessarily mean that ecotourism will be successful, only that it is worth proceeding to the next stage of consultation and assessment. While not completely void of problems, the general environment in Cambodia lends itself to a favourable investment environment. Tour operators interviewed all agreed that the country maintained a secure environment with which to invest in, albeit taking into account the typical issues associated with a developing country. For example, while much work has been undertaken in Cambodia to ensure that communities obtain a sufficient level of ownership rights and decision-making and while in practice this mostly occurs, there will be situations where these are ignored, due to issues of power and politics. Aspects such as safety and security, attractive biodiversity, communities empowered to make decisions, an increasing market demand for tourism attractions in Cambodia, sufficient ownership rights for local communities, and a favourable economic and political environment all lend themselves to an environment in which tourism investments can grow in Cambodia.

The method developed for the purposes of this feasibility study was to conduct an assessment, to be used initially to appraise the feasibility, justifiability, and sensibility of tourism in the MPF. This stage represents a snapshot based on rough, qualitative evaluations and, on assumptions made based on the author's extensive experience in ecotourism in Cambodia. This rapid assessment of ecotourism's feasibility in the MPF only allows a certain level of judgement of the feasibility and sensibility of ecotourism. Further analysis will be necessary, as it represents the cornerstone for all subsequent considerations, but is frequently neglected in practice.

[4]WWW INTERNATIONAL (2001)

4.2. Rationale & Approach

The objective of ecotourism for the current WWF project in the MPF is for ecotourism to be the dominant driver to support the financial operations of the protected area that will enhance the conservation of natural resources, as well as providing the opportunity to generate economic benefits from ecotourism for local communities. Generally, while ecotourism has the potential to generate a rate of return for natural resource management and community livelihoods, for many projects the revenue has typically not been substantial enough due to the small nature of the venture, or quick enough for the venture to continue. This is particularly true for hopeful communities, where the realities of ecotourism are not clearly defined. Benefits from ecotourism can also be slow to show, due to a time lag between start-up, arrival of actual tourist numbers, and profit generated. Thus the issue of managing expectations of the nature, scale and benefits of ecotourism in the MPF will need to be managed.

For these reasons, the rationale for initial ecotourism development in the MPF will be in the form of an up-market, luxury wilderness ecolodge. The MPF provides a combination of remote wilderness unique to the SE Asia region, and a higher potential for increasing wildlife compared to other areas in neighbouring areas. The nature and scale of the proposed lodge has the opportunity to set a benchmark for high-end, high-value tourism where the rate of return is significant enough to make a profit for the investor, to support local communities, and for the Forestry Administration to finance the conservation objectives of the MPF.

4.3. The Ecolodge

4.3.1. Lodge Description

The following description, encompasses an *example* of the possible structure and design of the ecolodge. Only one design has been proposed for the lodge, as the final structure and design will be dependent on environmental and financial feasibility. For example, the final number of tents or rooms will be dependent upon the area's carrying capacity, as well as the break even rate of return for a specified number of guests etc. However, the description gives the *essence* of the type of lodge that is being proposed and paints a *general picture* of the resort being proposed and is of a conceptual nature.

The ecolodge is comprised of 15 luxury tents set along the Srepok River at Mereuch, set in the forest. Each tent is elegantly designed and furnished, yet when set-up complements and blends in unobtrusively with the native vegetation and with the surrounding environment. Tents are designed to accommodate two guests, and will be identical in design. To minimise the need for a lot of fixed structures, tents will be set on a concrete base and constructed of an appropriate material designed for the temperatures and weather conditions of the MPF. Interior walls and ceilings are draped in silk with 'rooms' separated by cotton or silk drapes. Entry to each tent is through a screened area that doubles as a balcony/patio with a dining table with lazy chairs. There are further sections for sleeping, bathing and dressing. The bedroom area is fitted with a king-size bed. The bathing area includes a shower under the sky and separate toilet while the dressing area contains cupboards. Furniture is minimal and unobtrusive, mimicking the travelling camps of an earlier time. Each tent is air-conditioned and there is also a ceiling fan and a cooler chest for drinks.

There will be additional tents for dining, a library and a spa. Meals will often be served in different locations throughout the grounds e.g. under the large bamboo forests along the Srepok River. A selection of Cambodian and international cuisine will be served. The library will provide a wide collection of coffee-table and general information books on Cambodia. Also on offer is a selection of novels, magazines and board games. A small range of local handicrafts are available for purchase. The Spa tent will consist of treatment rooms and will include massage and beauty treatments.

The tourism industry provides many opportunities to use and benefit from clean and renewable energy systems. For some tourism businesses, renewable energy offers an opportunity to demonstrate an environmental credential that their customers desire. For others, it is a bottom line decision. For the MPF it will be necessary to implement clean and renewable energy systems to ensure no irreversible impact occurs to the ecosystem. Their use will also present a benchmark in ecotourism development for Cambodia. Action should be taken, both at the development stage and in operating the facility, to reduce consumption of water and energy, reduce waste and avoid pollution. The structural design should be carefully considered, with traditional styles and locally available materials used when available. In some communities, useful income has been earned through, for example, the supply of thatching. Alternative energy technologies appropriate to the location should be applied where possible such as solar, wind or hydropower generating systems. Recycling will be paramount and all forms of waste disposal should be metic-

ulously managed, with a principle of taking as much waste away from the site as possible, or re-using where possible. To maintain economic benefit within the area, every effort should be made to use local produce and services where possible, and to give preference to the employment of local people. This may require action to identify local people and sustainable sources.

4.3.2. Investment Resources

4.3.2.1 Habitat Grup Empresarial

Habitat Grup Empresarial is a privately-owned hotel company based in Barcelona, Spain. In 2005 Habitat committed itself to an environmental programme in conjunction with WWF International, with the aim of protecting and managing the natural resources of the north-east of Cambodia through the cautious introduction of sustainable tourism at a low-impact scale (Habitat Grup Empresarial, 2006). Habitat hotels joined WWF's 1001 Club and as a member, Habitat has been a supporter of WWF International's conservation goals for a number of years. The company is also a pioneer of "green construction" and is committed to sustainable tourism. To this end, Habitat is interested in combining its tourism business expertise with biodiversity conservation; placing a strong emphasis on ensuring mechanisms are in place for sustainable financing of conservation, and equitable sharing of benefits with communities.

Habitat's most important project in the field of environmental protection is a long tradition with Adena/WWF Spain, executed within the framework of the international project's programmes undertaken by WWF International and with the cooperation of the Forestry Administration in Cambodia. The project is based on three objectives, of which one is to "establish an ecotourism programme that will contribute to the sustainable development of the region by converting the natural resources into both a valuable source of income for both the local population and for the management of the protected area". The supporting structure will consist of an ecolodge, with minimal impact to the environment, to serve as accommodation for visitors and personnel (Habitat Grup Empre- sarial, 2006).

Habitat's participation in the project is seen in terms of supplying the necessary start-up capital for the resort's implementation as well as providing experience in the field of tourism management, sustainable architecture, and construction. The project design is according to the principles of sustainable architecture and in-line with local building tradition. With minimal impact on the environment at the forefront, the ecolodge will operate with renewable energies such as thermal solar water heating, photovoltaic and mini-hydraulic power generation, and biomass combustion, with the buildings incorporating passive measures to reduce energy consumption, with the building materials sustainably sourced, and the wastewater treated (Habitat Grup Empresarial, 2006b).

4.3.2.2 International Finance Corporation

The IFC is one of a number of viable options for financing the SWA ecolodge, however there will be a number of criteria that will need to be assessed by the IFC to determine feasibility of the investment such as the level of finance of the project, credibility of the investor in terms of strong operations and good reputation, clear development impact story, etc.

As the private sector arm of the World Bank, the International Finance Corporation (IFC) has a mandate to promote sustainable private sector development in emerging markets by: 1) providing long term loans/equity, 2) mobilizing capital from other sources (e.g. commercial banks, private equity firms), and 3) providing advisory services. In terms of tourism, the IFC has invested in over 180 hotel projects to date (over $1.5 billion including syndicated loans) in over 75 different developing countries. Their portfolio includes a range of projects from large hotels in capital cities to beach resorts and small tented camps in Sub-Saharan Africa. Tourism represents a small percentage of the IFC's portfolio but it is an important sector for the significant economic benefits that hotel investments bring about in developing countries: jobs, taxes and foreign exchange. The IFC's mandate is to promote private sector development in low income countries and as such the IFC has a risk appetite that is different from other commercial lenders, preferring to invest in some of the riskier countries.

The IFC focuses its attention to countries that have an attractive risk/reward profile, but are not necessarily on everyone's radar screen. Though some countries have a greater growth potential than others, there exists niche opportunities where there is a clear gap in supply with growing demand due to unrealized potential stemming from unique natural and/or cultural assets. Another unique feature of the IFC is its support for countries that are currently off the development map, often supporting the first hotel investment in this scenario. As an example, the IFC provided the debt for the recently opened Serena Hotel in Kabul which is expected to cater to the hotel demand derived from efforts to rebuild the country. As well as investment, the IFC also provides technical assistance to complement investments, such as developing stronger linkages with local food suppliers or working with our hotel clients on a natural resource rehabilitation project.

The IFC's basic criteria for hotel investment are projects that are commercially viable, environmentally and socially sustainable and have a positive development impact on the country. The type of hotels invested by the IFC depends on the specific destination or country and stage of development. On the resort side, experience has shown that mid-market to high end all-inclusive resorts continue to provide attractive investment opportunities in areas such as Mexico and parts of Latin America and the Caribbean, while other resort products ranging from high-end boutique hotels and single resort hotels, to large mixed-use integrated resorts are attracting investor attention throughout the developing world given the high quality of the natural resources in these countries.

The IFC's hotel investment strategy has changed over the past few years, shifting away from investing in single asset hotel projects (except in frontier or undersupplied markets), in favour of supporting hotel companies (preferably owner operators) or projects which include groups of hotels, the objective being to have larger investments with experienced investors and to diversify the risk amongst several properties and/or destinations. In this respect the IFC's investment can take a number of forms such as supporting acquisitions, expansion/renovations and balance sheet restructuring. Their overall goal is to encourage these groups to invest more aggressively in emerging markets, particularly more frontier destinations, in order to support tourism growth. One example of this was providing a $50 million debt facility for Orient Express Hotels in which they could tap into for projects in emerging markets, subject to certain criteria being met. With other syndication programme, they can supplement the IFC's debt with loans from other commercial banks.

4.4. Recommendations for Community-Based Ecotourism

For tourism to produce a positive social cost-benefit ratio, a large proportion of local people must benefit from the influx of tourists, rather than merely bear the burden of its costs. Local participation in ecotourism development has long been a strategy of conservation organisations to provide the opportunity to integrate conservation with economic development. Typically in the past, conservation organisations have pursued a line of approach to ecotourism and community-based tourism that dictates a bottom up approach, whereby an ecotourism venture is formed with the community and the community eventually takes over the operation and management of the venture.

There have been degrees of success with these types of operations worldwide, however failures have resulted, and are largely attributed to the perceived versus the actual benefits derived from ecotourism, as well as the capacity of communities to operate an ecotourism venture independently. Often it is found that complicated tourism systems require a more sophisticated approach to management than local people are typically prepared for, or capable of. Furthermore, support given by the conservation organisation after the venture is established, which does not last indefinitely, can suffer after the organisation has pulled critical support away. Those community-based ecotourism projects that have been less than successful are predominately the result of not attracting a sufficient number or quality of visitors. Often, assumptions made about the marketability of a particular location or experience, have been unrealistic and not based on research, resulting in misdirected marketing efforts. A lack of tourism knowledge among local communities and supporting agencies often leads to common mistakes. This often includes overlooking the supply side such that marketing and promotions or partnerships with the private sector are neglected, or the supply driven approach is often misunderstood and adopted the - if we build a hotel, tourists will come idea- often plagues the success of tourism projects undertaken by organisations.

Broadly, two options for community involvement in the MPF are recommended:

1. Private ecolodge employing the local community surrounding the MPF;
2. Local individuals or communities selling products (handicrafts, produce) and services (tour guides) or running and controlling their own tourism businesses.

4.4.1. Ecolodge

Partnerships between the ecolodge investor and the community will be key to establishing tourism in the area. A partnership aiming to utilise the knowledge, experience, networks and skills of the investor to support local employment and enterprise can incorporate many forms such as community development agreements, training, or developing supply contracts. A number of different ways of generating cash flow for the community through the ecolodge should be identified including training, wages, SME earnings, and a channel for donations.

A fundamental factor of community participation and benefit generation of the ecolodge will be the ability of the communities to provide human resources to supply the ecolodge. Tourism is a labour intensive industry and requires a skilled workforce for its continued sustainable

growth. The ecolodge will be a key employer of the local community providing jobs, support services or as suppliers to the lodge. The ecolodge investor and management must ensure that recruitment for the ecolodge must come from the surrounding local communities of the MPF. Staff wages are typically one of the biggest components of cash that flows into local households, accounting for around 60% of local income[5] .

Therefore it is envisioned that employment at the ecolodge should in every way possible be sourced from the local community. Particular middle-management positions within the lodge will require the employment of outsiders initially, to deal with such aspects as human resources and training, marketing and sales, and finance and general administration. There should be an agreement to concurrently train willing local community members for these positions, with a gradual phasing out of 'outsiders'. In the short term, prioritised, targeted training and capacity building will be required and in the initial phases will include basic training in tourism and hospitality services, progressing to more focused, specialised training in the longer term.

4.4.2. Small-Scale, Micro-Enterprises and Partnerships

Operational agreements should also be developed between local community suppliers or entrepreneurs and the investor, for the supply of a particular commodity or service, as well as providing or assisting with training, expertise, or enterprise development (also called an embedded service). Embedded services add value to the end product which in turn adds value to the overall supply of tourism products and services in the area and ensures sustainability of these. Agreements with local entrepreneurs may assist them to become commercial suppliers, or independent guides etc. Agreements such as these, for small-medium enterprises (SME) to supply the ecolodge with products and services, has considerable potential in the area.

Over time as capacity is built with communities around the MPF and experience increases, there will be greater opportunities for communities to learn and branch out into their own tourism ventures. This also means that development can begin immediately without having to thoroughly train a significant number of people. However, a permanent training strategy targeting specific and immediate training needs will be required. Furthermore, while ecotourism is developing, attention can be given more to communities and how they can begin start-up businesses. Local individuals or communities selling products or running their own businesses can take the following form:

1. Local individuals selling produce and handicrafts to visitors directly or through tourism businesses or the ecolodge, is often an effective small-scale way of spreading benefits within a community
2. Private tourism businesses (internally or externally owned) granted a concession by the community to operate in return for a fee and a share of revenue
3. Individuals, with links to the broader community, run their own small tourism businesses, with success dependent on level of skills and tourism knowledge (important consideration in the training phase)
4. Communally owned and run enterprises - which can suffer from lack of access, skills, organization, and incentive can be overcome by support from various sources over time.

Another important component will be to form a close working relationship with specialist tour operators. These should be selected carefully to ensure they are well established and are delivering reliable business. A dominant factor in the limited success of community-based tourism ventures is the inability of communities to market and promote themselves to adequately meet the ever increasing, sophisticated tourism market.

The use of a tour operator to promote, organise, and facilitate tourists to these community-based tourism ventures is often overlooked, however, it can greatly reduce the risk. The operator's knowledge of products and consumers, their experience with operations management, their connections and strong networks with outbound tour operators, their understanding of the tourism system and its linkages, and their established marketing and promotion networks gives them a significant advantage over communities trying to do it themselves. However, setting up a fully saleable tour can take time. An initial step may be to test a tour programme initially with one or two groups. This also has the advantage of acquainting the community with the experience of handling guests. Other considerations include ensuring that products developed are based on the community's traditional knowledge, values and skills rather than trying to create a supply link that does not exist, as well as the community deciding which aspects of their cultural traditions they wish to share with visitors.

[5]Lengefeld, K. (2007). Fighting Poverty in Bikini & Slippers: The Contribution of Mainstream Tourism to Poverty Alleviation. GTZ Tourism Sector Project.

4.4.3. Conclusions

There is an identified need in the market for a luxury high-end wilderness lodge in Cambodia. In 2006, Cambodia received 1.7 million international visitor arrivals, many of which flew directly into and out of Siem Reap without seeing or experiencing any other aspects of the country. The lack of established tourism products and destinations in Cambodia means that tourists stay for a short time and continue on to other destinations within the region to fulfil other needs and experiences e.g. beach, jungle, hill tribes, tranquillity holidays, etc. A common complaint heard from the inbound tour operators in Cambodia is their inability to offer a diversified package for Cambodia to their outbound operators in Europe and North America, who continually request additional products. However, the lack of developed products and attractions curtails their ability to offer something apart from Angkor Wat, Phnom Penh, and Sihanoukville. Many tour operators interviewed were asked what they would require to create an ecotour product for their clients. High-end luxury accommodation was the most common response by all operators.

There is a luxury market established in the region and an emerging market in Cambodia. Table 3.5 shows a range of luxury high-end resorts available in the SE Asia region. The experience in Siem Reap with a number of hotels and NGOs shows that there are high-end market tourists currently coming to Cambodia. Interviews with Cambodian tour operators also confirm this. In the context of visitor's experiences, the primary feature that is unique and significant to the MPF is that it will be a luxury resort experience, in a remote area, with the opportunity to experience wildlife viewing not available elsewhere in Cambodia or the region. As shown in Table 3.4, there exists a number of luxury resorts in the region that do not offer a wilderness or overtly unique experience, however the higher-end room rates give an example of a tourist's willingness to pay for a normal, but attractive hotel in the region.

High-end, luxury market segments. Either long haul from their country of origin or from Siem Reap, for tourists with an interest in conservation, wildlife and relaxation is considered the primary market. Expatriates living in Cambodia and the region looking for short retreats form the secondary market. The resources and attractions of the MPF lend themselves to the potential to attract a variety of market segments seeking a range of nature-based experiences. The advantage in this would be the spread of benefits as well as the impacts of tourists in the area. The remote value of the MPF and the SWA is significantly high for the region, containing a significant percentage of undisturbed habitat, an aesthetically attractive river, remote and unique landscapes, forests, and wildlife. This creates a greater potential to attract the higher-end of the market, willing to pay for the privilege of staying in the protected area.

The remoteness of the MPF and the SWA also means that the **provision of services** will involve importing everything from either Phnom Penh or Sen Monorom. As the MPF is unable to support any type of tourism activity or development with the current level of services available, this will be a significant feature to consider when assessing set-up and operating costs for the project. However, the use of small-scale micro-enterprises and operational agreements with local entrepreneurs has considerable potential in the area and where possible can reduce operations costs for the importation of goods. Services will include, but are not limited to: access, electricity, communications, sewage and water treatment systems, and water supply. Supplies will include: food, drink, furniture and fixtures, construction equipment, construction materials, etc.

Community stakeholders identified their willingness to support the development of ecotourism in the MPF, providing that a number of conditions were met. Local capacity in ecotourism will need to be built to ensure that the community is fully aware of the positive and negative aspects of tourism, and the need for equality in benefit distribution from ecotourism revenues will be paramount to success.

While this feasibility study is by no means a rigorous manipulation of the market, environmental, social and financial feasibility of the ecolodge, it can give some insights into the potential for investment and its viability, and areas for further investigation.

5 STEPS FORWARD

A recurring theme with ecotourism ventures established as part of externally funded and assisted programmes, has been a tendency for the venture to not continue satisfactorily after the donor has pulled out. Therefore it will be important to ensure the following:

- a reasonable time span is allotted to the project so that withdrawal of assistance does not occur too early
- an 'exit strategy' exists
- all stakeholders providing support ensure knowledge and skills are imparted to local individuals and organisations
- a strategy of long-term, local ownership is maintained
- use is made of national or local authority and private sector support.

To fill in the gaps of information identified in this study, as well as assess viability of such an operation, a comprehensive, rigorous analysis of the market, environmental, social and financial feasibility of the ecolodge in the MPF will be required. Each of these assessments requires a consultant with knowledge and expertise in their respective fields.

5.1.1. Market Assessment

To determine market feasibility, an estimate of the size of the tourism market will be required to establish its viability as well as the potential demand for the product. To understand market segments better, an analysis will need to determine:

Demographic profiles: Age, gender, education level, country of origin, nationality. Who is travelling to the destination already, and how many?

Travel motivations: Have the visitors come for business, leisure, VFR? Why are they travelling? What psychological, physical, emotional, professional needs are visitors seeking to fulfil while on their holiday? What sites are they visiting during their stay? What experiences and knowledge are they seeking? Are they interested in gaining a deeper understanding of the wildlife, the local culture, or local history, or just the economical aspects? What are they planning to do during their visit?

Purchasing preferences: How much and what services are they purchasing? What kind of tours are they buying? Do they purchase their tickets internationally or locally? What other services are they using? Are they satisfied with the services they are purchasing? What are the expenditure patterns of particular markets and at particular locations? How much do they generally spend?

Travel behaviour: Group or FIT? What are the travel party sizes? Have the visitors been to the destination before? What information or reservation method did they use? What types of transportation did they use to get to the destination and once at the destination? How many are 'touring' and on a multi-trip itinerary? How many are just to going to the destination?

Tourism marketing needs to focus on product development in terms of the probable interest to the consumer. Visitors are more likely to engage in activities and experiences in the destination if they perceive them as meeting their personal motives and reaping real benefits to them. The unique or particular qualities that an area might offer in comparison to other existing products or destinations should be identified. From knowledge of the market, an initial profile of target visitors should be drawn up. Attention needs to be paid to the different opportunities and requirements of experienced ecotourists, more general mid-market visitors who enjoy seeing nature and local culture, backpackers, and educational markets. The level and nature of marketing should also take into account the environmental and cultural integrity of the area and implications for visitor numbers.

5.1.2. Community Assessment

Involving as many primary stakeholders as possible, including the local community, tourism industry members, and government, in the development and implementation of tourism planning, greatly increases the chances of long-term success. In order to ensure adequate stakeholder representation, it will be crucial to involve a broad selection of target stakeholders in the destination including the provincial government, commune and village

chiefs/representatives, Community Forestry and Fishery Committees, the tourism private sector, local conservation organisations, local community development organisations, organisations working with indigenous people, and the farming community.

Understanding community feasibility will be determined by understanding resident attitudes towards tourism development, probable positive and negative impacts on the "quality of life" of the host population, and their underlying conservation, social, and economic issues. It also entails analysis of tourism stakeholders' priorities, their views of the tourism sector and biodiversity conservation. Participatory dialogue with community stakeholders will allow the community to voice their views on opportunities and concerns to tourism development in the MPF. A popular and effective method used is the Visioning Exercise. This is commonly used in strategic management and planning applications and involves asking the audience to reflect on three simple questions:

1. Where are we now? (What is the current situation at the destination?)
2. Where do we want to go? (Where would the destination be five years from now?)
3. How do we get there? (What are the actions that need to happen to get from where we presently are to where we want to go?)

Depending on the context of tourism development in the MPF, specific topics may need to be further assessed i.e. biodiversity issues and tourism, tourism development in general, indigenous community issues and tourism. As a further element of community stakeholder feasibility, individual consultations with local community leaders, key experts, and representatives of local organisations will help to gain an understanding of community issues, priorities, and concerns and initial reactions to the potential of tourism development in the MPF.

5.1.3. Environmental Assessment

The more obvious and most documented of all impacts arising from ecotourism in protected areas is the environmental impacts. Before ecotourism can develop in the MPF there will need to be a benchmarking of the current biodiversity situation so that impacts can later be monitored and assessed against this benchmark. A monitoring and evaluation programme recommended in this document, will require an initial baseline of indicators with which to measure impacts over time and establish changes (positive and negative) in the natural resources of the protected area. Those aspects to be documented will include:

- flora and fauna species, including their endemicity, endangered or threatened status;
- functioning ecosystems (e.g. wet-lands, forest mosaic, grasslands, etc.);
- physical landscapes (e.g. biological corridors, mountain systems);
- water resources (rivers, lakes, lagoons, water catchment areas, etc.);

5.1.4. Financial Assessment

A 5-10 year financial projection of the resort will be required to assess the financial feasibility of the ecolodge. A consultant with expertise in the field of financial management would require an analysis of such items as projections on future financial performance (returns on investment, cash flows, sales), operating costs, future operational performance, estimates on working capital requirements, inventory evaluations, business and asset valuations, analyses on market demand and entrance strategies, investment equity, loan servicing and capital (re)structuring. Companies such KPMG, Horwath and Horwath, or Colliers International are among a range of financial consultants who undertake financial assessments of this magnitude.

5.2. Partnerships

Before proceeding with ecotourism in the MPF, it will be critical for success to form a number of beneficial partnerships between key stakeholders. This will cover a range of responsibilities required for planning, developing, facilitating, and managing ecotourism, with each stakeholder contributing to this process according to its strengths. Each stakeholder requires a set of roles and responsibilities to ensure that efforts are not replicated or overlooked.

Partnership formation will be required over a period of time, with successive steps depending on the pace and success of progress. Agreements between stakeholders will require active and collective participation by all, to ensure an effective process whereby adjustments or changes can be made to suit capacity and ability of the stakeholders over time. Below represents the types of responsibilities each key stakeholder of the MPF should consider and the types of partnerships that are necessary. These partnership responsibilities were derived from a Cooperation Agree ment between the Cambodian Forestry Administration, WWF, and project donor Habitat Grup Empresarial.

5.2.1. WWF

WWF as the initiator of ecotourism development will need to take a leading role in the ecotourism development process, providing advice, technical assistance and support to stakeholders, facilitating information between the stakeholders, and initiating the sustainable development of ecotourism in the MPF. This will include such roles and responsibilities as:

- Seek additional financial support to the project where needed and facilitate the application of funding grants for such things as start-up capital or micro-credit finance schemes for the community
- Communicate to, and network with, internal and external partners and donors on project activities and results
- Develop procedures, policies and regulations for tourism operations, as well as guidelines for sustainable development with stakeholders, for adoption by government
- Provide necessary technical support and capacity building in tourism
- Provide project monitoring and evaluation of all ecotourism ventures and activities in the MPF
- Manage and maintain relevant tourism infrastructure in the MPF as appropriate in addition to the responsibilities government and private sector partners
- As appropriate, support recruitment and management of staff needed for projected tourism activities in MPF e.g. an Ecotourism Officer to liaise with communities, investors, of government, and WWF
- Input, design and assistance to establish a Srepok Wilderness Area Tourism Committee
- Make day-to-day management decisions on activities related to ecotourism activities as appropriate in addition to the responsibilities of government and private sector partners
- Monitor tourism development and ventures, providing updates and reports to the FA, communities and local departments. Also monitor operations as a feedback loop in evaluating performance and non-compliance of operators' agreements/leases
- Develop and implement a sustainable financial mechanism and cost and benefit sharing guide lines
- Assist in building the capacity of the FA in tourism
- Work with the communities to assist them in integrating tourism sector plans into their overall Commune Development Plans, using the local government Executive Committee as the vehicle through which these plans are organised and integrated.

5.2.2. Department of Tourism

The Department of Tourism is the lead agency for all tourism development in the province, and therefore plays a role in advising, managing and monitoring tourism in the respective provinces. The Department's roles and responsibilities will include:

- Facilitate discussions at all levels of government on strategies for ecotourism development and management of the Mondulkiri Protected Forest
- Lead the initiative to improve tourism and eco tourism development in the province
- Lobby the central government to allocate funds from the national budget to promote ecotourism development in the province through an information centre, provincial brochure, etc.
- Provide support as well as lead approval processes for community tourism project proposals
- Endorse letters of intent to donors for proposals related to ecotourism development or management in the Mondulkiri Protected Forest
- Recruit and manage all staff needed for DoT tourism activities
- Cooperate with local authorities, and other authorized institutions in order to prepare development plans for the preservation of tourist sites, tourist centres and other tourist resorts under its supervision.
- To supervise the service activities of tourism services such as resorts and transport services
- To collaborate with investors to develop tourism.

5.2.3. Forestry Administration

The Forestry Administration (FA) under the management structure of the Ministry of Agriculture Forestry and Fisheries (MAFF), is responsible for the management of protected forests and forest resources. The FA's roles and responsibilities will include:

- Manage and maintain tourism infrastructure in the MPF as appropriate and in relation to infrastructure serving both tourism and protected area management, e.g. roads
- Provide permission for tourism infrastructure development in MPF
- Issue operator licences and investor leases, and evaluate their performance and adherence to policies, regulations, codes of conduct, etc., and if necessary revoke operation licences, leases, etc.
- Lead the approval of benefit sharing guidelines developed by Forestry Administration, Habitat,
- Lead the approval of tourism zones articulated in the

management plan
- Provide input into the development and implementation of a sustainable financial mechanism and cost and benefit sharing guidelines, Tourism Committee and community funds
- Input into a Srepok Wilderness Area Tourism Committee
- Input into a sustainable financial mechanism and cost and benefit sharing guidelines.

5.2.4. Communities

Communities also play a significant role in the ecotourism development partnership. They contribute their knowledge, resources (human and natural) and time to its development, in addition to committing ownership. This is an important aspect to be aware of when developing tourism in local communities, as communities must be committed to take ownership of the project for it to fully succeed. The communities' roles and responsibilities will include:

- Actively participate in the development and implementation of a sustainable financial mechanism and cost and benefit sharing guidelines,Tourism Committee and community funds
- Identify those members of the community for direct and indirect participation in tourism
- Participate in the planning, implementing and monitoring of tourism development in the MPF
- Establish agreements and guidelines between the community and the tourism investor prior to tourism operations or development. These agreements and guidelines are presented in the next section - Section 5.5.3 Tourism Committees, and 5.5.3.1 Tourism Community Fund.

5.2.5. Habitat Grup Empresarial

Habitat's participation, including the company contracted to manage the ecolodge (whether Habitat or not), will consist of supplying the necessary capital for its implementation as well as providing the experience in the field of tourism management, and sustainable architecture and construction. Habitat's roles and responsibilities will include:

- Develop and implement the tourism marketing strategy for the resort. Input and co-manage a marketing strategy for the MPF
- Design and establish a Srepok Wilderness Area Tourism Committee
- Co-design the tourism infrastructure
- Procure a company to manage the operations of the ecolodge. Supervise and monitor contractors including recruitment, contract terms of references and conditions
- Employ local people where possible and adhere to Community Committee and Fund guidelines for equitable benefit sharing. Input into a sustainable financial mechanism and cost and benefit sharing guidelines.

5.2.6. Tourism Private Sector

Inbound tour operators will provide the crucial link between communities and the tourist, through networking, sourcing and bringing the tourists to Cambodia and the MPF. The inbound operator's roles and responsibilities will include:

- Marketing, packaging, and selling of the product or tour
- Logistics arrangements for the tourists
- Source products where available and practical, directly from the community
- Adhere to Community Committee and Fund guidelines for equitable benefit sharing
- Input and agree to a sustainable financing mechanism, and cost benefit sharing guidelines

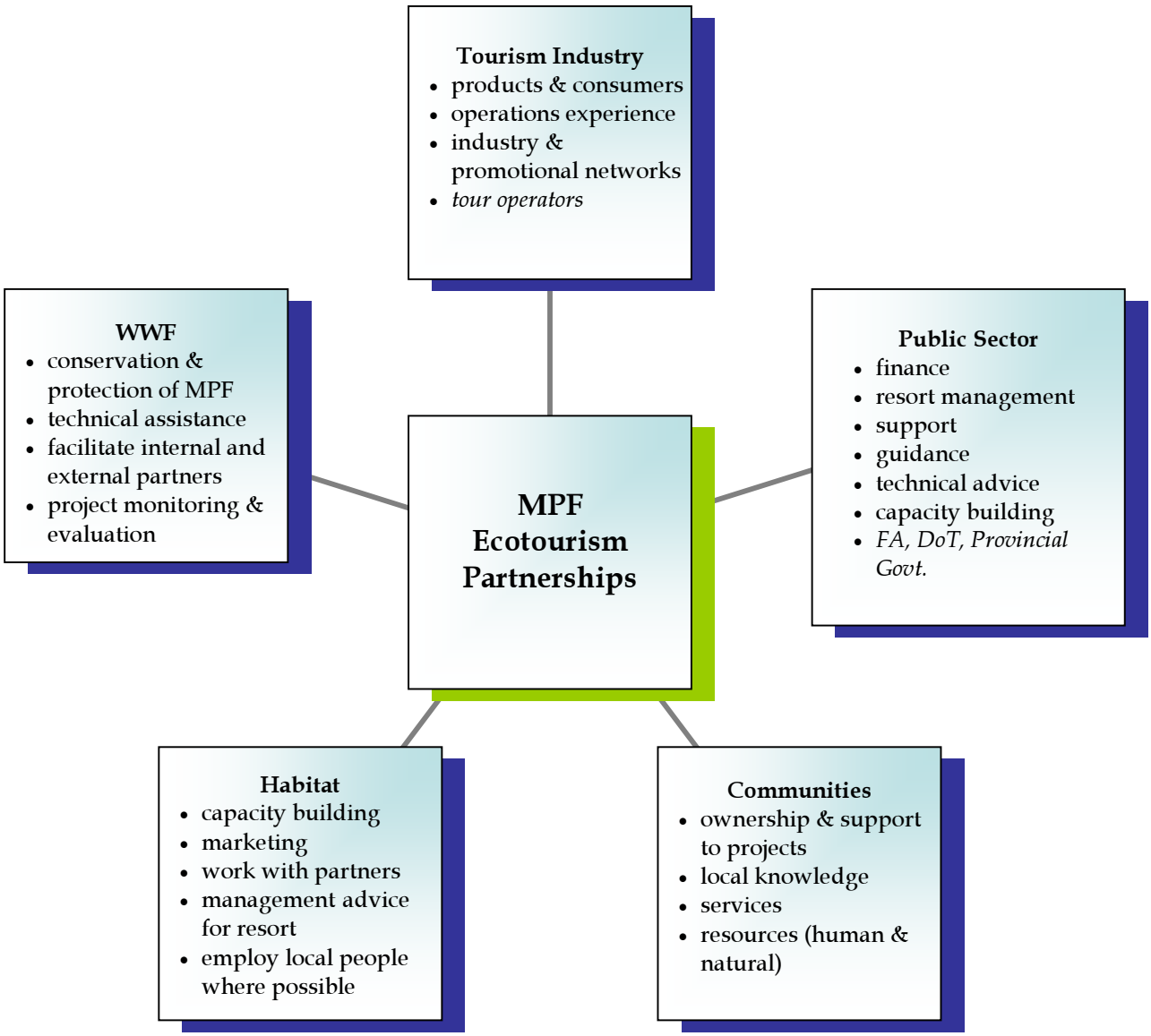
A significant advantage in forming partnerships between the community and local tour operators is that impacts can be controlled, employment opportunities increased, the level of development determined, and other responsibilities and requirements established. Possible disadvantages of utilising an operator is that a proportion of revenue will leave the area. This risk can be minimised in the planning stages whereby it is decided that operators must pay either an annual fee or a percentage based on each tourist (which is ultimately passed on to the consumer), or some variation on that concept.

5.2.7. Mondulkiri Provincial Authority

The local governing authority of the province is responsible for all public works within the municipality. The Authority's roles and responsibilities will include:

- Adher to, and comply with, Tourism Committee regulations and guidelines in terms of tourism development standards and benefit sharing
- Lead and assist in the facilitation of investors in the province
- Ensure that guidelines for tourism development standards and community consultation are sufficient and transparent
- Ensure investors follow and adhere to those guidelines and standards and investment fits with community and provincial plans for economic development

Figure 4.1: Stakeholder Participation in Tourism in the MPF



6 STAGED IMPLEMENTATION

To maximise the success of ecotourism in the MPF, it will be important to ensure a staged approach towards implementation is adopted. In this way the necessary requirements are successfully met before proceeding to more complex stages of development. This will ensure that all stakeholders are prepared and equipped to handle the ensuing effects that will occur as a result of tourism entering the area. All stages of implementation must be considered within a holistic, long-range strategic planning approach to tourism development in the area, with each new development part of a logical step of the whole-approach process. In moving forward towards next steps, WWF and Habitat will need to undertake an Ecotourism Management Plan for the MPF.

The plan's structure should be separated into three phases- Phase 1 (foundation), Phase 2 (preparation), and Phase 3 (implementation). These three phases are recommended to WWF as the necessary steps required and outline related activities that WWF can either undertake or delegate. Several stakeholders (organisations and institutions) will be required to devote a fixed amount of time in varying stages to the implementation depending on the phase, activity and the support required. All Phases must be considered within a holistic, strategic planning approach to tourism development in the area.

Phase 1 lays the foundation for developing ecotourism. Activities outlined in this Phase involve raising awareness with the community and stakeholders, while preparing all of the necessary agreements and guidelines that will need to be established before ecotourism can proceed. This will include guidelines, monitoring and evaluation programmes, and capacity building. Phase 2 is the preparation phase where the community and the MPF is organised for the implementation of ecotourism. This will include sourcing the necessary workers and providing targeted training and further capacity building, product development, and developing and implementing benefit sharing guidelines. Phase 3 is the implementation phase where all aspects of the previous two phases are put into action. This will include establishing the final tour activities and operations, establishing networks and establishing tourism products. It is envisioned that each phase will require approximately 6-12 months to undertake depending upon the progress of the community, availability of resources, financial mobilisation, as well as any unforseen events.

6.1. Phase 1 - Foundation

6.1.1. Assessments

Sections 5.1.1 to 5.1.4 outline the reasoning and process for a full assessment of the viability of the ecolodge. A market, environmental, social and financial feasibility assessment will be required at the outset, with each assessment requiring the services of consultants with knowledge and expertise in their respective fields. These assessments can be conducted in parallel and would take between 2-4 months to conduct. From there, specific plans can be developed for the ecolodge (i.e. marketing plan, financial business plan etc) that will focus, channel and drive the development of the ecolodge, and will act as primary guidelines from which decisions will be made.

6.1.2. Ecotourism Management Plan

The Ecotourism Management Plan is a document that expresses recommendations for how ecotourism is to be carried out in a protected area, and is based upon the general management plan of a specified protected area. Typically, the plan will be a detailed continuation of general guidelines established in the general management plan, such as overall protected area management objectives, zoning structure and recommendations for ecotourism. The main philosophy of the plan will be to establish a situation that will govern the development of tourism within the MPF, as well as diversify the product to encourage private sector and local communities to develop ecotourism activities within and outside the MPA.

The plan should propose the creation of a diversity of experiences, accommodation types, and locations for ecotourism facilities that are crucial to the success of any

ecotourism destination. Input from all stakeholders around the MPF such as those outlined in section 5.2. (i.e. tourism operators, representatives from communities, representatives from local government agencies, WWF etc.), will be required if the plan is to be embraced and 'owned' by all stakeholders. While initiated at the groundwork stage in Phase 1, the Ecotourism Management Plan (EMP) will need to be refined throughout the phases, to take into account changing conditions. However, implementation of the plan would ideally begin in Phase 2.

A typical EMP should incorporate the following aspects:

- Background, objectives and context of the plan, within the overall integration of the management plan of the MPF
- A detailed description of products, attractions and facilities to be considered, focusing on resources required, community participation, potential impacts and product development.
- Development of a tourism concept or brand (e.g. Serengeti of Asia), including relevant themes and linkages to other attractions, products and areas
- A spatial plan, including site specific plans for tourism development and zoning
- A circulation plan, outlining possible routes, gateways, distribution points etc. for tourism activities and movements, to ensure that additional roads and paths are not constructed for tourism use, and carrying capacities can be set, as these transport nodes will receive the most impact
- Identification of pilot projects, concessions, partners, community participation, training interventions for activities and projects etc.
- Identification of tourism support services and aspects such as interpretation, facilities, infrastructure etc.
- A framework of development including timeframes for completion of activities and adequate feedback mechanisms of the plan by all stake holders.

6.1.3. Monitoring and Evaluation Procedures

Monitoring and evaluation (M&E) is crucial to assess the success of ecotourism as well as identify problems and adaptive management strategies. Programme evaluation is essential to ensure that ecotourism development is meeting the needs of the industry, community, and government institutions. Through M&E it will be possible to determine the effectiveness of ecotourism development as a strategy for poverty alleviation, conservation, economic improvement, etc. M&E programmes should be established to examine changes (positive and negative) in the natural resources, community livelihoods, and tourism growth in the province.

Projects will be considerably strengthened by regular monitoring and feedback to assess success and identify weaknesses that may need to be adjusted. Simple indicators should be agreed and made known to the community. These should cover economic performance, local community reaction and well-being, visitor satisfaction, and environmental changes. Monitoring should be kept simple and feedback should be obtained from visitors, tour operators, and local people. Training of local participants in monitoring processes may be required.

There is a need to monitor the extent of tourism activities and their impacts. An efficient visitor site monitoring programme should be developed to identify both positive and negative trends with respect to environmental conditions, visitor experience, and the condition of tourism infrastructure and services. Typical monitoring criteria relating to unacceptable impacts include biophysical (erosion, vegetation damage, water quality, spatial spread, pollutants) and social (conflicts of use, visitor behaviour, visitor flows, visitor satisfaction, facility standards, community impacts, social change).

A typical monitoring programme will incorporate identifying impacts and indicators to be monitored, selecting methods of measurement, identifying limits or ranges of acceptable change with stakeholder input, developing an operational monitoring plan, training of staff, managers and community representatives in monitoring techniques, analysis of data and effecting management changes, carrying out monitoring and examining data, presenting monitoring results to all stakeholders, and evaluating the monitoring programme and conducting outreach.

6.1.4. Tourism Awareness Raising

The purpose of awareness raising is to allow communities to understand the nature of tourism and its impacts in addition to how this affects conservation of the area. Materials such as posters, videos, and community meetings will be the key to distributing this information. The outcome is to ensure that communities are fully aware of tourism and using this information are able to make informed choices regarding the type and level of tourism development in their community.

Before proceeding with ecotourism the community must be prepared for the possible effects arising from its development. Capacity building in tourism will involve tourism and ecotourism concepts, types of ecotourism development and participation levels, the positive and negative impacts of tourism on the environment and the community, factors affecting the suc-

cess of ecotourism, ways the community can be involved in ecotourism, the benefits that could be received, and the benefits of conserving the natural resources for ecotourism.

Awareness raising would be undertaken over a period of time to allow for communities to absorb the information and raise questions about particular issues. It also gives them the opportunity to more widely disseminate this information so that the whole community is aware, and any ideas or issues can be raised at the next session. Training of the local community at a variety of levels will also be required and will be dependent on the level of participation and types of ecotourism development proposed for the area.

6.1.5. Institutional Strengthening

This will involve strengthening the collaboration between government institutions and stakeholders by making arrange- ments for each to work together to ensure all aspects of the plan for ecotourism development is being implemented. Regular meetings between stakeholders in order to encourage proactive participation in the planning and decision making process will ensure comprehensive development of tourism. A tourism working group made up of representatives from all relevant institutions may also strengthen this collaboration process.

A certain element of awareness raising in tourism will need to be conducted with the relevant institutions of the MPF. This is to ensure that decisions made by institutions correlate to established tourism principles of markets, demand, supply, competition, and sustainability. Often decisions regarding tourism development in Cambodia are made in an environment of limited understanding of the tourism system and how it functions. As a result, many tourism developments may not contribute to the long term sustainability of the tourism industry, communities and resources. Therefore it will be essential to include institutional strengthening and capacity building in tourism for relevant institutions.

6.1.6. Site Development Planning and Zoning

Individual site development plans for the primary ecotourism sites identified in the MPF will need to be developed. Site plans will need to carefully take into account land clearing for resort development, waste systems and their disposal, construction of necessary roads if required, to minimise impacts. Further, acceptable resort density, referring to the number of buildings per square metre as well as the average size of individual buildings, primarily requires that the correct balance be found between development and ecological sensitivity. This will also need to be considered in the site development plans in the MPF.

These site plans should contain details of all the actions needed to develop these sites and their order of implementation, the scope of the proposed development and detailed maps to indicate where proposed infrastructure should be located. Additionally, an infrastructure plan outlining the availability of basic services such as electricity, sewage and water, will all need to be considered within a sustainable context and protected area best practice.

In addition to setting aside areas for ecotourism development, further zoning as it relates to ecotourism will need to be carried out to properly allocate different uses of the MPF. It is envisaged that tourism activities will be carried out in a variety of forms and intensities in the MPF in the future, and thus zoning for tourism and the capacity of the area to sustain numbers and volumes should reflect this. Ecotourism zoning categories, are based on an underlying philosophy of creating a balance between ecotourism development objectives and conservation of the area and its carrying capacity. These ecotourism zones should be developed to fit within the overarching zoning management recommendations for the MPF, with the location of the various ecotourism elements incorporated. The demarcation of ecotourism zones will be dependant on the proposed and actual use of the MPA and its biological importance. Typical zones will include:

- Ecotourism Anchor Zones
- Secondary Ecotourism Zones
- Ecotourism Conservation Zones

6.1.6.1 Ecotourism Anchor Zones

Land uses which typically require special consideration can be located in the ecotourism anchor zones because of their need to interface with a range of tourist markets and desire to capitalise on the amenity of the area. These should be located outside the MPF. Within these zones will be support services such as commercial, educational, medical, utility services, etc. This zone can act as the base for all ecotourism activities and could be placed within the buffer zone of the MPF.

6.1.6.2 Secondary Ecotourism Zones

Secondary ecotourism zones can be located within and outside the MPF, and can include areas of biological importance, though do not include critical habitats. These zones are typically set aside for moderate ecotourism uses (e.g. ecolodge, interpretative trails) with an agreed level of impacts accepted. Planning and regulations in secondary zones should be more stringent than in anchor zones. In addition, there must be an assurance that all proposed facilities respect the zoning guidelines set down in the overall management plan of the MPF. The following is an example of facilities and activities that could occur in secondary zones and how they relate to the overall management plan for zoning:

Luxury tented ecolodge - Zone 3. Mereuch, where the location of the ecolodge will be, has been identified as a management zone 3 area (visitation minimal, no lasting, permanent infrastructure, high conservation priority) and is consistent with zone 3 recommendations that suggest moderate tourism (defined as swimming, boating, fishing, walking/trekking). This zone has been identified as containing high scenic and biological value and may not be able to withstand a large amount of disturbance over time, and thus a set of monitoring indicators and limits for acceptable change should be developed.

6.1.6.3 Ecotourism Conservation Zones

This zone is typically based on a high level of biodiversity sensitivity and threatened and vulnerable species and habitats. This zone can be divided to include zones of exclusion to tourists, where WWF/FA staff and researchers are only allowed access, as well as zones where minimum infrastructure is allowed but predominately for interpretive purposes and aimed at facilitating visitor access with as little impact on the natural resources as possible. This can include such facilities as trails, bird hides, boardwalks, viewing platforms, and minimal interpretive panels for orientation and interpretation.

6.2. Phase 2 - Preparation

6.2.1. Ecolodge Development

Based on the outcomes of the individual in-depth assessment of the feasibility of the ecolodge in Phase 1, it is envisaged that the development of the lodge would begin in this phase.

6.2.2. Sourcing Human Resources and Training

Staff sourced from the local communities around the MPF will take precedence over employing outsiders in the ecolodge. Community consultations will determine those within the community who wish to be employed in tourism, and a selection process will need to occur. This will largely come from community meetings and focus groups.

In terms of training, it will be important to get the level of delivery and content right. In general, it has been found that short, technical courses have had little impact. Longer courses, including learning by doing and on the job training, have proved necessary. Ecolodge training will incorporate specific training in the variety of sectors (i.e. kitchen, housekeeping), with more general service-type training (i.e. handling visitors, personal hygiene, customer care, hospitality skills).

Those in the community who wish to set up their own tourism business or ventures will require training in a variety of aspects. This should be carefully discussed with the communities themselves beforehand. The type and length of training will be dependant upon the type of job, and should involve a mixture of formal and informal methods. Ancillary training would be required for boat drivers, vendors, porters, community rangers, and general labour force. Targeted training for small-scale micro-enterprises will encompass such aspects as:

- product development
- handling visitors, customer care and hospitality skills
- working and negotiating with commercial operators
- management skills, legal issues and financial control
- guide training, including content and delivery
- basic language training

Once villagers are identified for training the procedure is to develop specific training programmes, designing course content, select trainees and trainers, and develop an evaluation procedure. It will be important for those employed in the ecolodge to go through intensive training in aspects of operations, language and service for six months with the remainder being learnt 'on the job', with instruction, guidance and feedback mechanisms to adjust and improve upon the current knowledge and skills.

6.2.3. Community Tourism Committees

A Community Tourism Committee (CTC) is a new concept in Cambodia, created for the purposes of the planning and management of tourism and its resources. While community-based forestry and community-based fishery committees are already established in many communities throughout Cambodia, tourism is a new addition. In other areas where community-based tourism has developed, tourism committees are usually formed within existing community forestry or village committees. The necessity for having a specific tourism committee is to ensure that all issues related to the development of tourism are given appropriate consideration within a context conducive to its sustainable and appropriate development.

In the initial stages of planning for ecotourism in the MPF, a CTC should be established to facilitate the planning, development and benefit sharing processes of ecotourism development. The CTC will be the key body through which all decisions regarding tourism development are made, allowing for the coordination and participation of all stakeholders of the MPF. This would also ensure that outside interests do not have the chance to control the power, development decisions and benefits of tourism. The role of the Committee could include such aspects as:

- deciding on the direction of development and management of ecotourism in their commune,
- benefit-sharing arrangements,
- endorsing the establishment of guidelines and regulations for tourism,
- participation arrangements,
- developing partnerships with relevant stakeholders, and
- coordinating with tourism industry operators and government institutions.

Establishing the CTC should be guided by existing models of community-based forestry and fishery committees already implemented in the MPF. Reasons for this are twofold. Firstly, the community is accustomed to the structure and setting up process of these committees so the transference process to tourism can be done with relative ease. Secondly, the committees are supported by the structures and guidelines set out in the Royal Decrees for establishing forestry communities thus giving them validity within a legitimate context. It is highly recommended therefore that the tourism committees follow the process mentioned in the Royal Decrees with adaptation to the tourism context.

6.2.4. Tourism Community Fund

Benefits generated from tourism in the area must contribute to the objectives of ecotourism, conservation, and community development. Ecotourism development in the MPF should be structured in a way that members of the community benefit from its development. Clear and defined guidelines for the distribution of ecotourism benefits will ensure that benefits are channelled directly to the community, as well as the MPF, targeting people and areas in need. When the financial benefits of tourist spending are spread throughout the community whether by rotating cooperatives, outsourced local services, or generating direct fees, ecotourism is better received and viewed as a means of improving livelihoods and quality of life as well as resulting in better protection of the resources. Benefit sharing arrangements will need to be planned for and established prior to the implementation of any activities and the generation of funds.

There are a number of ways for the community to generate income from tourism. Apart from individual salaries, the community and the MPF must also be able to benefit as a whole from ecotourism development. One popular method of raising collective funds for the community is through a Community Fund. The Fund is a type of revenue generating mechanism that consists of a fee or percentage of the total revenue earned from all tourism activities. From entrance fees to private sector levies, these funds can be channelled back to pay for securing livelihoods and enforcing conservation.

Assistance will be required by the community to establish the Fund. This may come from various sources such as Seila[6] and WWF. As the CTC should be the key body through which all decisions regarding tourism development are made in the commune, it should play a key role in the establishment and operation of the Fund.

The objective, structure, and distribution sharing mechanisms of these Community Funds will need to be decided and agreed to by the community, possibly through the CTC (see previous section). Before revenues are collected, it will be important to establish how the income should be spent, to ensure that conservation objectives and community welfare is being met. If this is not achieved at the beginning, ecotourism development is less likely to be successful in the long-term.

There are a number of ways to spend revenues in order to meet conservation and community objectives. This must be decided and developed by all stakeholders according to priorities such as training or study tours; small-scale marketing; paying salaries of community rangers; improving infrastructure in the commune; assisting the poorer people in the community; providing communities with start-up funding to begin an ecotourism venture, or improving schools or health services.

An example of the types of steps required for establishing a community fund include:

1. Set the purpose and objectives of the Fund (i.e. what type of fund and what will the Fund contribute towards?)
2. Determine and record targeted beneficiaries (individuals, groups, committees, selected villages, communes, departments etc.)
3. Determine the percentage and frequency of revenue to be deposited into the fund
4. Establish procedures for the collection and distribution of all income, with transparency measures built in:
   - **a.** How will payments be collected and how will revenue be deposited into the Fund?
   - **b.** What will be the procedure to withdraw money from the Fund to pay beneficiaries and expenses (i.e. records, approval signatures, multiple signatures etc.)?
   - **c**. How often will the Fund be reviewed and audited?
5. Establish monitoring procedures to see if targeted beneficiaries are benefiting from the income from ecotourism.

[6]As of early 2007, the government and donor-supported Seila decentralization programme is undergoing restructuring. It is expected to continue, but in a different form.

6.2.5. Capacity Building and Advocacy

This will need to be continued throughout this phase, its activities being an extension of the activities occurring in Phase 1. Capacity building in plan preparation, committee operations, and partnership agreements will need to be undertaken and built upon previous efforts. The use of study tours to other community-based ecotourism sites both in Cambodia and regionally would be beneficial in exposing the community to how community based ecotourism is structured and how it operates, in addition to drawing lessons learnt by other communities. These sites could include Chambok, Kompong Speu province, and Prek Toal Wildlife Sanctuary, on the Tonle Sap Lake.

6.3. Phase 3 - Implementation

6.3.1. Tour Operations and Product Establishment

This will involve each community member or enterprise ensuring that their tourism products are finalised and ready for tourists. This would require that the appropriate infrastructure is in place, the community is well-informed and trained, benefit sharing arrangements and partnership agreements are established. If a tour operator is involved, discussions and negotiations regarding the logistics of the tour will be required. This will involve the tour operator coordinating with the community to refine the product and develop a set package or packages to sell to their customers. Benefit sharing arrangements between the operator and the community in the form of payments will also need to be decided in addition to the use of the community's resources (i.e. what will be used from the community and what will need to be brought from outside). Responsibilities and roles of the operator and the community will also need to be established. This can all be facilitated through the CTC.

6.3.2. Establishing Networks

This will involve building networks with industry and other communities to maximise promotion and support. The community will need to build networks with the tourism industry to make them aware of the tourism products offered in the MPF area, as well as helping in the facilitation of tourists to the area. These networks can also assist the community with important feedback on their products and customer satisfaction. It will also be important for the communities to build networks with other communities either engaged in or considering community based ecotourism. This will allow both communities to share and exchange experiences and lessons learnt, as well as receive support from each other. To build on the learning and understanding of the community with regard to community based ecotourism, it will be important for selected representatives to attend relevant meetings or workshops. This will allow the community to receive new ideas as well as support. Furthermore, by inviting other communities to the MPF area this further builds on these support and information sharing networks. These activities are all designed to expand on current learning and understand so that ecotourism development in the MPF area can improve and succeed.

Phase 1 -Foundation

Activity	Objective	Implementation	Timing	Target Groups	Responsible Stakeholder
Assessments	· A market, environmental, social and financial feasibility assessment	· site and country surveys · specific plans i.e. marketing plan, financial business plan etc	2-4 months	· Industry · Community · Prov. Gov · FA, DoE, DoT	WWF
Tourism awareness raising	1. Definition of tourism 2. Types of tourism 3. Tourism impacts: economic, environmental, social and cultural 4. Tourism for conservation	· brochure · communal meetings · video	2 months	· Community · Private sector · Government institutions	Department of Tourism, Mondulkiri
Monitoring & evaluation	· determine the effectiveness of ecotourism development as a strategy for poverty alleviation etc, conservation, economic improvement etc. · examine changes in the natural resources, community livelihoods, and tourism growth" Ensure that ecotourism devel opment is meeting the needs of the industry, community and government institutions	· site surveys · community surveys	on going	· Industry · Community · Relevant government institutions	· WWF · FA
Ecotourism Management Plan	· objectives and context of the plan · detailed description of products, attractions and facilities to be considered · relevant themes and linkages to other attractions, products and areas · spatial plan, including site specific plans for tourism development and zoning · circulation plan, outlining possible routes, gateways, distribution points etc. · identification of pilot projects, concessions, partners, community participation, training, support services. · timeframes for completion	· stakeholder workshops · inventory of attractions & products · site surveys		·	
Site Development Planning & Zoning	· To develop detailed site plans incorporating: - actions needed - scope of proposed develpment detailed - infrastructure plan	· site surveys · community surveys	1-2 months	· FA · WWF	
Institutional Strengthening	· To strengthen collaborations between government institutions and stakeholders · arrangements for working collaboratively · regular meetings between government institutions and stakeholders	· institutional meetings · awareness raising	2 months	· relevant government institutions · Community Tourism Committee	·

Phase 2 - Preparation

Activity	Objective	Implementation	Timing	Target Groups	Responsible Stakeholder
Sourcing HR & Training	· To ensure that the community is properly trained to receive tourists develop specific traiing programmes · design curriculum content · select trainees and trainers · conduct training modules · develop an evaluation procedure	· Training programmes (formal & informal)	Dependant on type of job or skill required Up to 18 months	· Communities of MPF	· Technical advisors / Specialised trainers · WWF · DoT
Ecolodge Development	· identifying key product, location, target markets, pricing schedules, types of promotional mediums, channels of distribution, possible partnerships · lodge construction		2 years		· Technical Advisors · WWF · Habitat
Capacity Building & Advocacy	· To ensure communities understand the activities of Phase 1 · reinforce and build on this understanding Capacity building in plan preparation, by-laws, committee operations, partnership agreements	· Community meetings	6 months	· Community · Community Tourism Committee	· Supporting NGOs · WWF · Relevant government institutions
Establish Community Tourism Committee (CTC)	· Organizational structure · Roles and responsibilities · Selection Criteria · Committee election	· Communal meetings	· 3 months	· Community representatives	· WWF · Seila
Establish Tourism Community Fund	· Objective · Structure · Distribution sharing mechaisms	· Communal meetings	· 3 months	· Community representatives	· WWF · Commune Councils · Seila

Phase 3 - Implementation

Activity	Objective	Implementation	Timing	Target Groups	Responsible Stakeholder
Tour operations & product establishment	· Check: – community well-informedand trained – benefit sharing arrangements and partnerships established – logistics established – responsibilities and roles of the operator and the community	· surveys/evaluations · community meetings · partner/stake holder meetings	1-2 months	· CTC · industry	· Technical advisor · CTC · Industry
Establishing Networks	· provide information to the tourism industry · encourage industry to patronise tourism activities in the MPF · exchange experiences of CBET with other communities · receive support from other communities for CBET · attend related meetings and workshops · invite outside communities to the surrounding communities of the MPF to exchange ideas	· tour operator consultations · media communications · study tours, workshops etc.	6 months	· CTC · Community · industry	· CTC

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APPENDICES

APPENDIX 1 - SWOT RESULTS

Strengths

1. birdlife (2nd)
2. Srepok River and rapids and rocky in some places (3rd)
3. islands
4. beaches and sand
5. animals - monkey, elephants, banteng, tiger (1st)
6. river rafting or canoeing
7. dolphins in Srepok
8. visit indigenous village
9. traditional customs
10. traditional performances
11. indigenous culture
12. savannah grassland
13. friendly people, honest, hospitable
14. fish - trey pa-se-ee
15. traditional cuisine
16. lots of trees and shade
17. picnic and recreational activities
18. fresh air
19. good security and safety
20. support from the provincial government to the communes
21. clear demarcation of the border with the WPF
22. Recognition by the authority of demarcation
23. partnership agreement with WWF, private and the community

Weaknesses

1. no main road, no accessibility
2. some community don't understand about tourism, or have limited knowledge
3. law enforcement is limited, not effective (1st)
4. lack of cooperation between authority NGO and community - better facilitation needed
5. no guidelines, ecotourism law or policy at national or provincial level, no ecotourism plan (3rd)
6. community lack of power to manage their natural resources
7. lack of capital, resources or knowledge about tourism (2nd)
8. not experienced about ecotourism
9. not many alternative sources of income; poverty
10. lack of communication and language skills for tourists
11. lack of business skills in tourism
12. no tourism or CBT by-law by the local government to regulate or start tourism
13. high school at provincial and district levels
14. lack of seeds for cultivation

Opportunities

1. road connection from Snoul to province coming soon (2nd)
2. support from WWF and govt (1st)
3. more tourists coming (3rd)
4. good security and safety
5. law to establish CBNRM
6. support from all authorities
7. generate income from tourists
8. for increased investment opportunities coming into the province
9. good soil for producing agricultural products
10. conservation situation is better than before, so easier to attract tourists

Threats

1. illegal hunting (1st At the commune/village level is a problem, but province not identify)
2. flood
3. forest fires
4. illegal logging (3rd)
5. overfishing/illegal fishing
6. Land grabbing (2nd At the provincial level is a problem, but village not identify)
7. dynamite
8. water pollution
9. plastic bags, rubbish
10. pollution harmful to health
11. mining
12. poison fish
13. sex tourism
14. conflicts with benefit sharing from ecotourism (outsiders, private sector, communities and govenment- across all sectors)
15. disease and health (outside and inside) (HIV)
16. inappropriate behaviour from tourists and clash of cultures

APPENDIX 2

- *WORKSHOP SWOT STRATEGIES*

Strategies

1. establish community wildlife protected area
2. establish Srepok river networking community and cooperate with Vietnam
3. cooperate with the line departments to protect the wildlife and natural resources
4. strengthen culture and tradition indigenous community
5. enhance local livelihood thru handicraft, agriculture and job opportunity
6. awareness raising about natural resources and the protected area
7. improve agricultural techniques

WO Strategies

1. promote tourism destination to tourists
2. provide incentive for investor
3. develop a proposal to WWF for technical and financial support for ecotourism
4. to link agriculture with tourism

ST Strategies

1. strengthen law enforcement on NRM
2. protect environment
3. protect against sex tourism
4. build local capacity
5. Develop fair benefit-sharing guidelines

WT Strategies

1. Make village meeting/consultation with villagers
2. strengthening law enforcement
3. human resource development/local capacity building in tourism
4. cooperation with local authority
5. ask for help from outsiders such as govt NGO and private sector
6. finding alternative income or livelihood
7. build trail, road or path
8. empower community
9. fair benefit sharing from ecotourism and incentive for community participation
10. cooperation with line departments to stop illegal activities
11. clean up the village/beautify the village
12. strengthen safety and security/strengthen social order
13. stop illegal land grabbing and cutting/logging espe cially near the tourism attractions

- *LIST OF TOUR OPERATORS INTERVIEWED*

The following are the eight tour operators, based in Cambodia with offices in Phnom Penh and Siem Reap, who were interviewed for this report. Information about their business operations is considered confidential and was not revealed to the author.

- Travel Indochina
- Exotissimo
- Local Adventures Cambodia
- Phnom Penh Tours
- Asia Trails
- Trails of Indochina
- Indochina Services
- East West Travel

WWF's mission is to stop the degradation of the planet's natural environment and to build a future in which humans live in harmony with nature, by:

- conserving the world's biological diversity
- ensuring that the use of renewable natural resources is sustainable
- promoting the reduction of pollution and wasteful consumption

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