

Presentation given at the Southeast Asia Katoomba meeting

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Taking the Lead: Payments for Ecosystem Services in Southeast Asia

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Government orientation for market development of Payment for Forest Environmental Services in Vietnam

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Outline

- I. The importance and the need of PFES policy
- II. Definitions.
- III. Government orientation and contents and requirements of PFES policy



I. The importance and the need of PFES policy

1. The need to create job opportunities and improve livelihood of communities in the mountainous and forested areas
2. The need to protect environment, achieve biodiversity conservation, prevent natural disasters, floods, landslides, droughts, epidemic diseases
3. The need to manage, protect forestry resources and forestry land



II. Government orientation for market development of PFES in Vietnam

- 1. Identify products in FES market** (e.g. floral, fauna, forest micro-organisms, water, soil, air and natural landscapes, etc.,
- 2. Identify FES sellers. They are forestry workers and those invest finance and labors to protect and develop forests**



II. Government orientation for market development of PFES in Vietnam

3. Identify ES buyers

Hydro power plants, water supply companies, tourism companies ...etc...use forest environmental services to produce products: electricity, clean water, tourism products ...

End users who benefit from and use electricity, water, tourism productshave to buy these products and pay for FES providers .



II. Government orientation for market development of PFES in Vietnam

- **Enhance socializing the protection of forest protection and development through land policies**

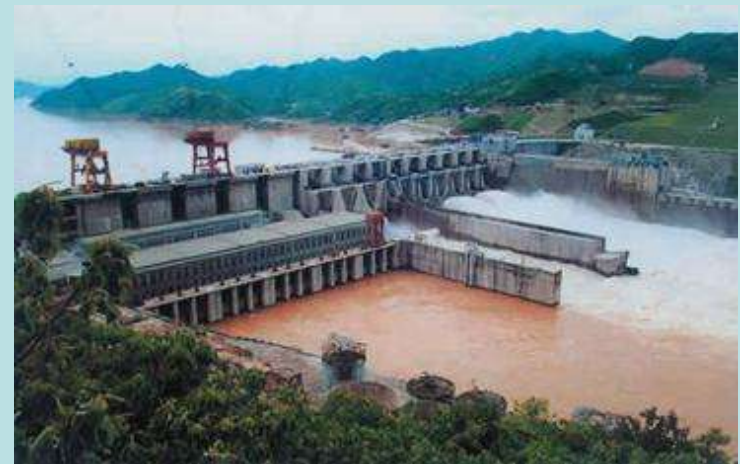
Implement long term land and forestry land allocation to organisations, households, individuals, and communities, create opportunities for farmers to approach forest environmental services market



III. Establish financial mechanism that meets the need of forest environmental services market

1. Trust fund mechanism to manage payments for FES.

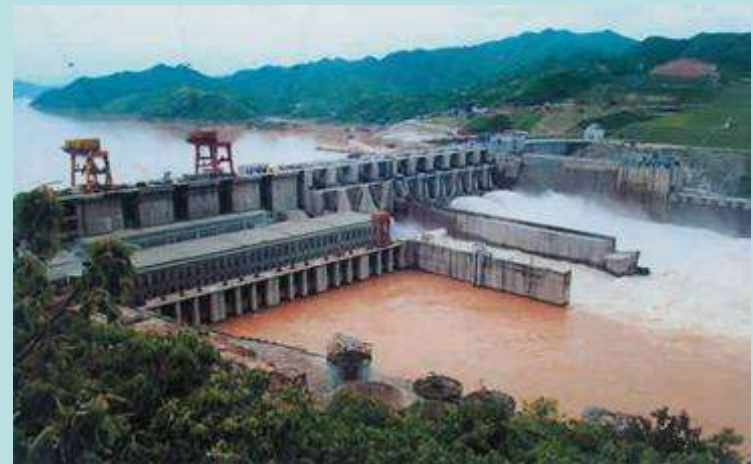
The “buy- sell” transaction takes place society wide, the buyers and sellers need support of “government” to facilitate this transaction



III. Establish financial mechanism that meets the need of forest environmental services market

2. Distribution mechanism for operating Forest Protection and Development Fund

Trust fund for PFES during the piloting phrase was used based on the following ration (10 + 10 + 80)



III. Establish financial mechanism that meets the need of forest environmental services market

3. Mechanism for verifying forest quantity and quality.

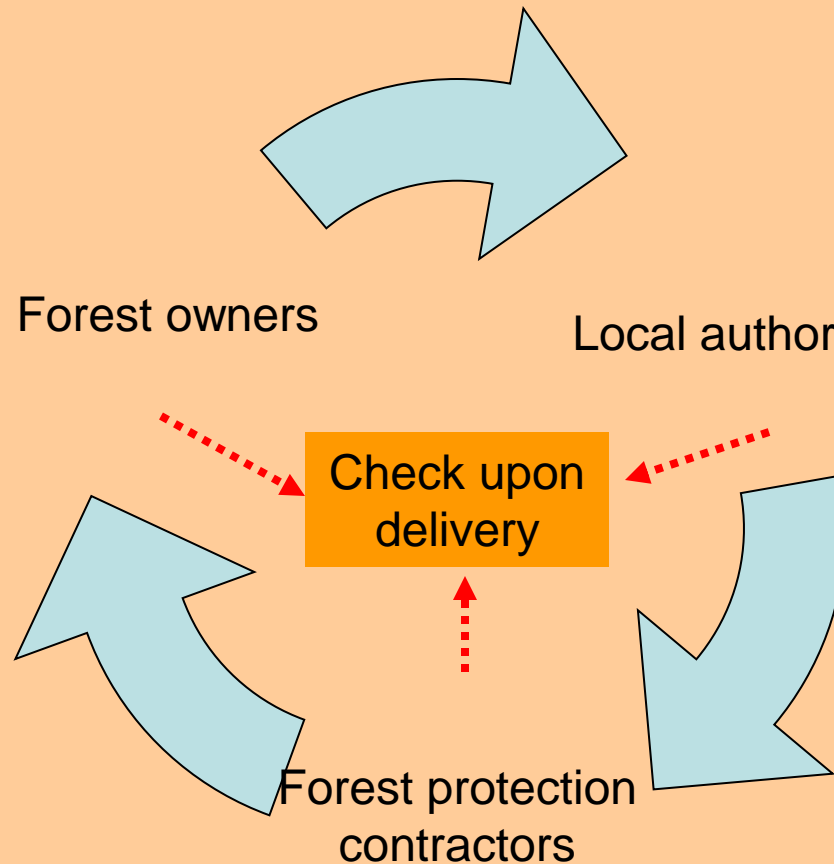
To process the periodical payments for FES, land allocation and forest protection contracts (long term for individuals/organisations/communities) are used as the legal basis to evaluate forest quality/. The verification team includes 3 parties:



Mechanism for verifying forest quantity and quality



Forest quantity and quality verification team



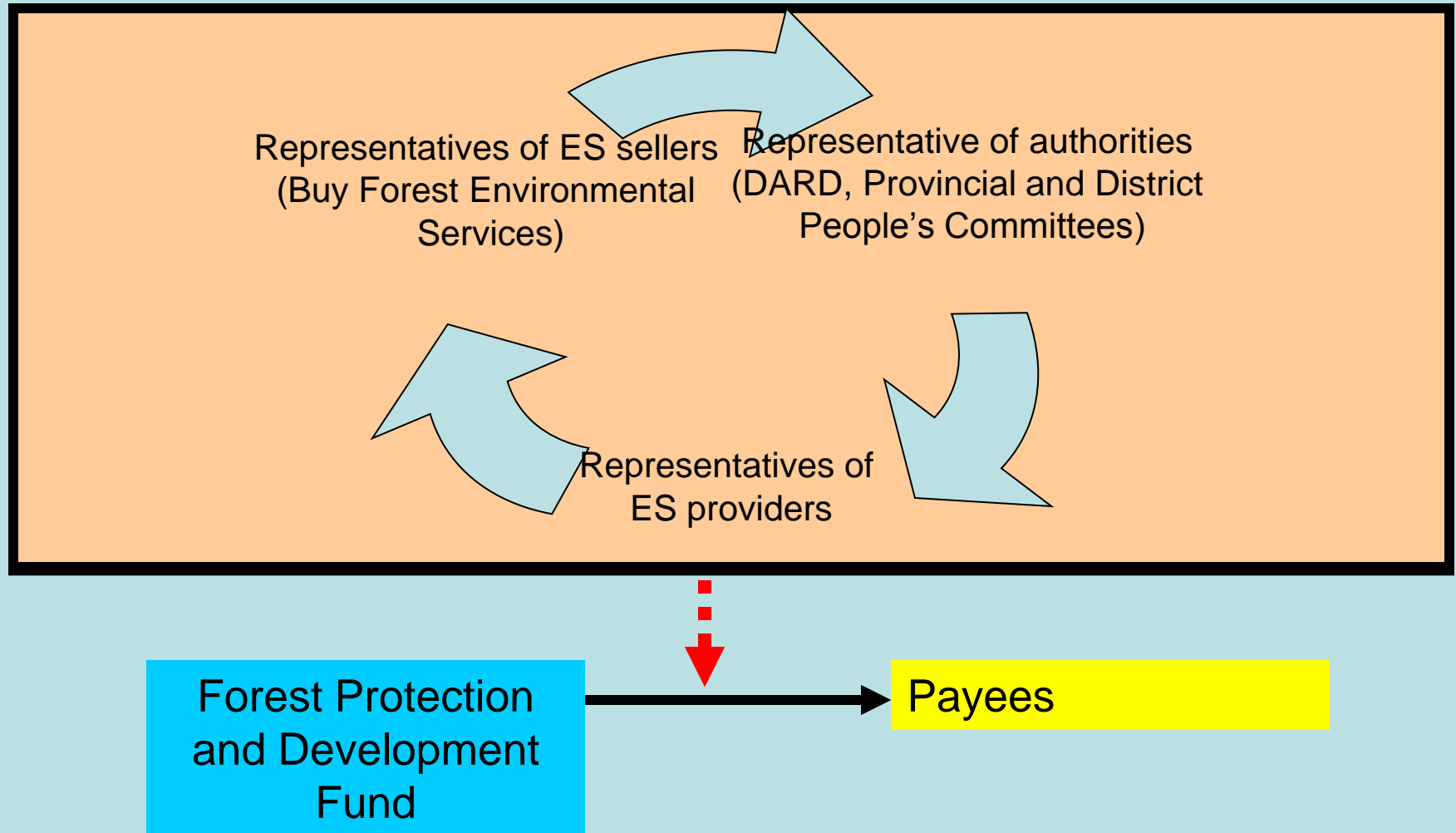
III. Establish financial mechanism that meets the need of forest environmental services market

4. Monitoring and evaluation of Trust Fund

When it is necessary, authorities at different level establish a monitoring committee to monitor the fund which will include :



Figure: Mechanism for monitoring the payments



Thank you for your attention



Natural forests in Kon Tum



Sarus Cranes in Tràm Chim National Park

