Presentation given at the Marine Katoomba meeting

Katoomba XVI:

Building a Blueprint to Harness New Investment for the Protection of Marine and Coastal Ecosystem Services

February 9-10, 2010 Moore Foundation, Palo Alto, CA

Hosted by the Katoomba Group



This workshop was generously supported by the American people through the United States Agency for International Development (USAID), under the terms of the TransLinks Cooperative Agreement No.EPP-A-00-06-00014-00 to the Wildlife Conservation Society (WCS). TransLinks is a partnership of WCS, The Earth Institute, Enterprise Works/VITA, Forest Trends and the Land Tenure Center. The contents are the responsibility of the authors and do not necessarily reflect the views of USAID or the United States Government.

MINISTRY OF NATURAL RESOURCES AND ENVIRONMENT

Introduction
on
Payments for Environmental
Services in the Biodiversity Law

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Palo Alto, 10 February 2010









- The Biodiversity
 Law Structure
- 2. Regulations on PES and CDB
- 3. PES Potential in Vietnam
- 4. PES Activities are ongoing in VN
- 5. Challenges on PES

STRUCTURE OF BIODIVERSITY LAW

- The Law has 8 chapters and 78 Articles:
- 1. General Provisions
- 2. Biodiversity conservation planning: National and Provincial levels
- 3. Conservation and sustainable development of natural ecosystems: (i) PAs: National parks, Nature reserves, Species/habitat conservation areas, and Landscape conservation areas; (ii) Sustainable development of natural ecosystems
- 4. Conservation and sustainable development of species: (i) Protection of endangered precious and rare species; (ii) Sustainable development of species; (iii) Control of invasive alien species

STRUCTURE OF BIODIVERSITY LAW

- 5. Conservation and sustainable development of genetic resources: (i) ABS; (ii) Traditional knowledge copyrights on genetic resources; and (iii) Biosafety
- 6. International cooperation on biodiversity
- 7. Mechanisms and resources for biodiversity conservation and sustainable development
- 8. Implementation provisions
- The Law was adopted on 13 Nov 2008
- The Law became effective as from 1 July 2009

REGULATION ON PES

Article 74. Environmental services related to biodiversity

- Organizations and individuals using environmental services related to biodiversity shall pay charges to service providers.
- The Government shall specify environmental services related to biodiversity

REGULATION ON CDB

Article 75. Compensation for damage to biodiversity

- Organizations or individuals that infringe upon conservation areas or biodiversity conservation facilities, endemic and valuable crop varieties, domestic animal breeds, microorganisms and fungi, species on the list of endangered precious and rare species prioritized for protection or biodiversity corridors shall pay damages in accordance with law
- Damage caused to biodiversity due to environmental pollution or degradation shall be compensated in accordance with law
- Biodiversity-related damages paid to the State shall be reinvested in biodiversity conservation and sustainable development under this Law and other relevant laws

PES POTENTIAL IN VIETNAM (1)



- 1. Vietnam is a country with a high level of biodiversity in the world. High forest coverage, lots of specific ecosystems, wetlands with national and international importance, valuable nature heritages
- Total area: 331,688 km²
- > 2,000 rivers, 81 watersheds
 - $> 500 \text{ km}^2$
- 3,260 km of coastal area
- 3,000 islands with a total area of more than 1,600 km²,
- >1 million km² of sea surface

PES POTENTIAL IN VIETNAM (2)



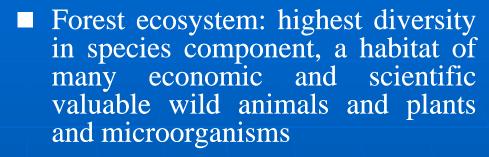




In Vietnam, there are different kinds of ecosystems: inland, wetland, marine and island ecosystems are considered as the major ones. There are variety of typical ecosystems in inland ecosystems such as: forest, karst, hill, sandy bar in coastal zone, etc.

PES POTENTIAL IN VIETNAM (3)







Wetland ecosystem: 39 types of natural wetland (11 types distributed in coastal zone, 19 types in inland area) and 9 types of artificial wetland. 2 important wetland zones: Red River Delta and Cuu Long River Delta



Marine and island ecosystem: around 11,000 species resided in more than 20 types of typical ecosystems of 6 different biodiversity zones have been investigated in VN territorial waters

PES POTENTIAL IN VIETNAM (4)

- 2. Completed relative legal framework on environment and biodiversity: The BL on 13/11/2008; Decision 380/2008/QD-TTg on 10/4/2008; National Strategy on Forest Development 2006-2020 (2007); Law on FP&D 2004; Management Strategy for a PA System to 2010 (2003); Draft Decree on Damage Identification and responsibility for compensation for Environmental Damages (*Ecosystems and species*); Draft Decree on FPES; etc.
- 3. State management system on environmental protection and biodiversity conservation step by step improved
- 4. Rapidly reformed economy, high economic growth, living standard increase.

PES ACTIVITIES ARE ONGOING IN VN (1)

- 1. PES on watershed protection:
- ARBCP USAID/Winrock International
- BCI ADB (2006-2011)
- Creating support resource to watershed protection of Ho Tri An: 2008-2009 – DANIDA/WWF
- Benefit sharing mechanism (2008-2010)
- 2. PES on Carbon sequestration:
- Development of payment mechanism for carbon sequestration in the forestry: Research Center for Forest Ecology and Environment (RCFEE) – Institute of Forestry Science - MARD

PES ACTIVITIES ARE ONGOING IN VN (2)

- 3. PES on Beauty Landscape:
- Sustainable financing for protection of Bach Ma NP's landscape: WWF 2001- 2007
- Establishment of development fund for marine PA in Con Dao: WWF
- 4. **PES on Biodiversity Conservation:**
- Promotion of Cacao trees in the shade of Lam Dong
- Pilot project of Hon Mun marine PA in Nha Trang: DANIDA, WB/GEF IUCN 2001-2005

PES ACTIVITIES ARE ONGOING IN VN (3)

The State Themes, Programmes:

- 1. Programme 321 and Programme 661- National Core Programme on reforestation (5MHRP): 1993-2010
- 2. Ministry's theme: "Survey, research on development of theoretical and practical bases for policy promulgation on payments for environmental services" 2009-2010
- 3. Development of the Gov Decree on PES: 2011

CHALLENGES ON PES

- 1. A new concept in VN
- 2. Awareness of relevant stakeholders
- 3. Assessment on values of ecosystem services and determination of pricing
- 4. Identification of providers and users of ES
- 5. Coalescence and consensus of relevant stakeholders
- 6. PES mechanism
- 7. Use of PES budget
- 8. Effective monitoring of PES mechanism

