

Presentation given at the Southeast Asia Katoomba meeting

## **Katoomba XVII**

# **Taking the Lead: Payments for Ecosystem Services in Southeast Asia**

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Hanoi, Vietnam

Hosted by:

Forest Trends, the Katoomba Group, Ministry of Agriculture and Rural Development (MARD), Ministry of Natural Resources and Environment (MONRE), United States Agency for International Development (USAID) and Winrock International

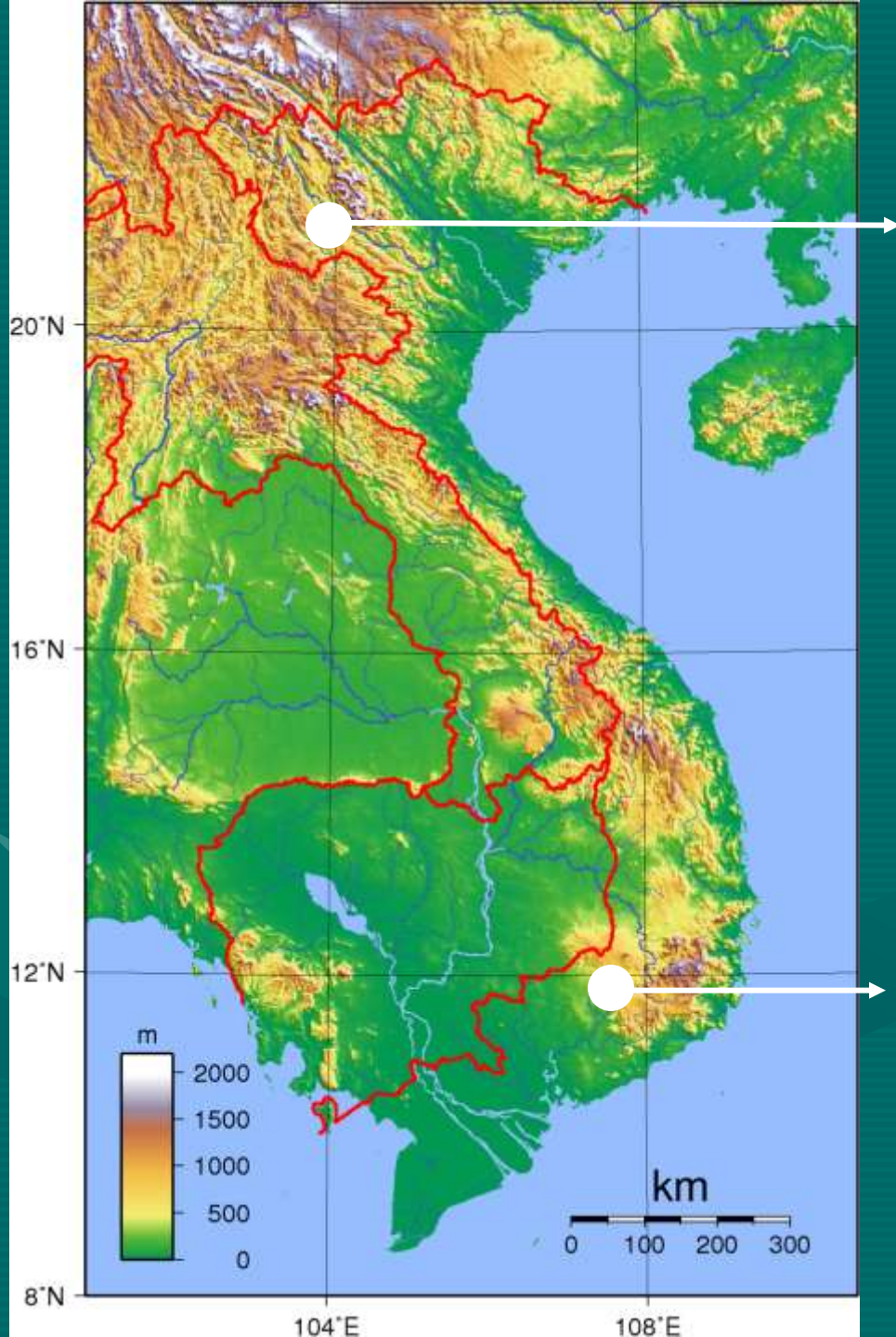


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# **Contributions of Winrock and GTZ**

**to the formulation and  
implementation of the policy on  
payment for forest environmental  
services in Viet Nam**

**Dr.Nguyen Chi Thanh, Winrock International  
Dr.Juergen Hess, GTZ**



- Son La province
- Watershed of Da river
- Total natural area is 1,412,500 ha
- Forestry land is 583,494 ha

## Two pilot PFES provinces

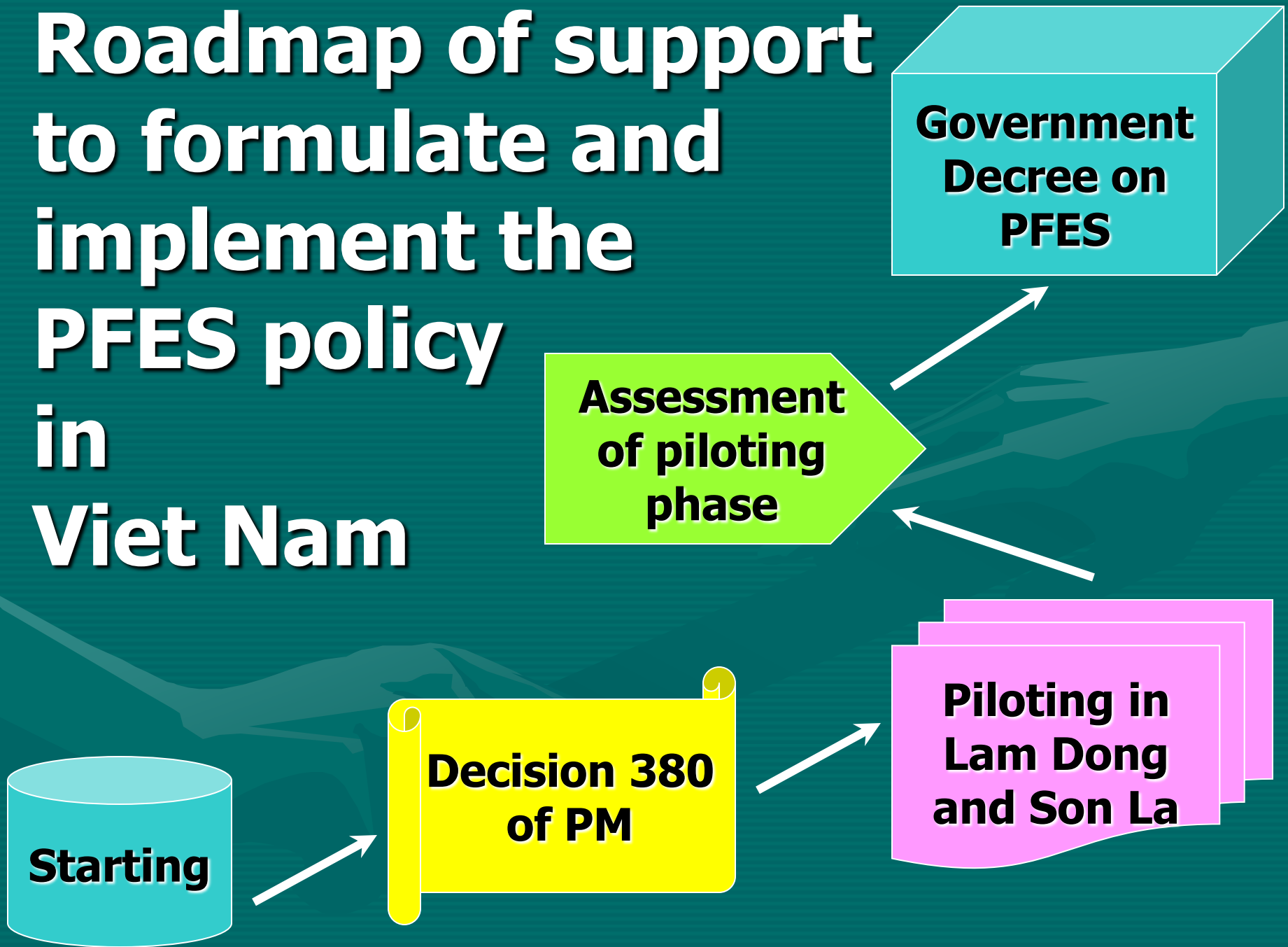
- Lam Dong province
- Watershed of Dong Nai river system
- Total natural area is 976,500 ha
- Forestry land is 602,757 ha

**We are main partners to support the MARD in formulating the Policy on Pilot Payment for Forest Environmental Services.**

**Decided by the PM in Decision 380 dated April 10, 2008**

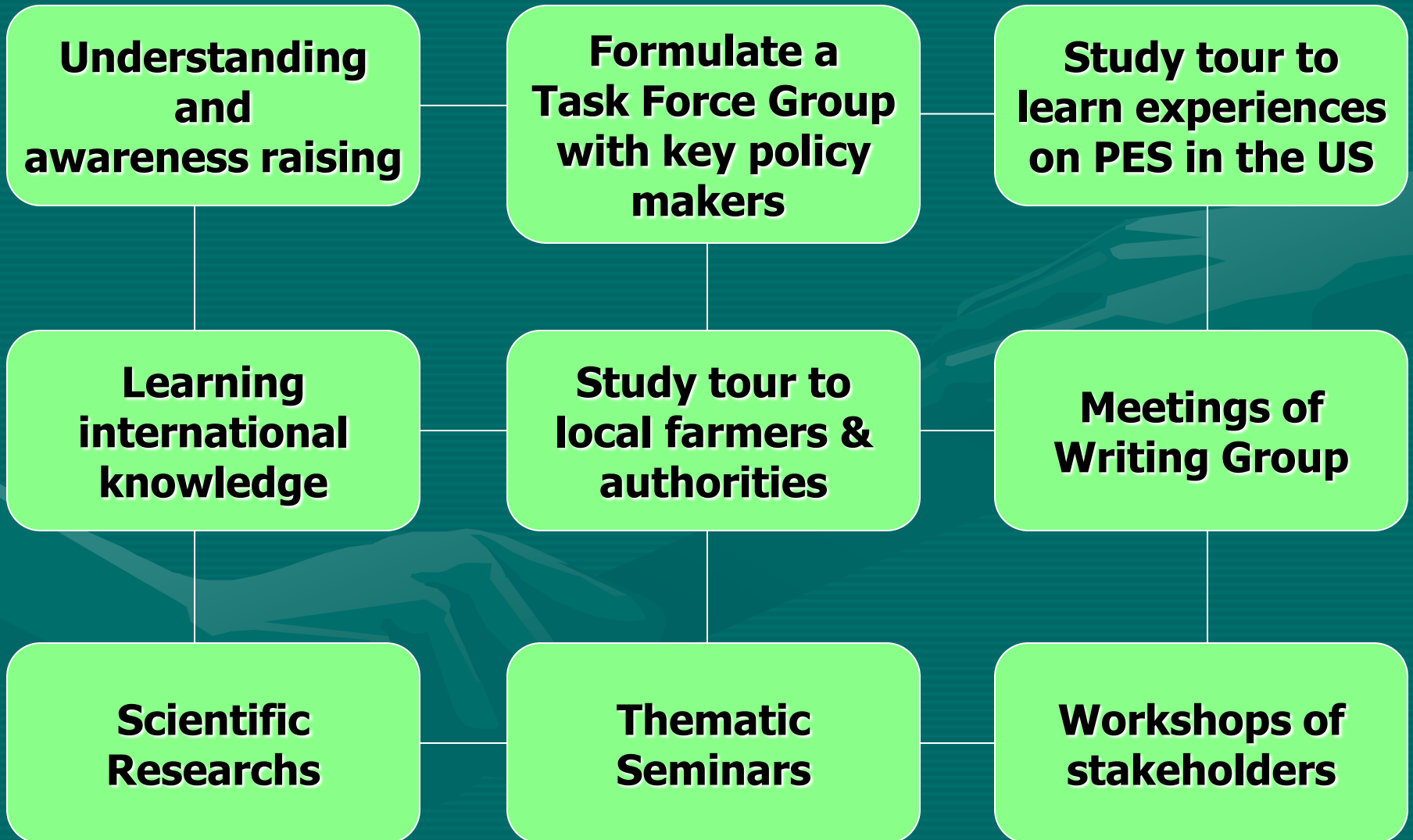


# Roadmap of support to formulate and implement the PFES policy in Viet Nam

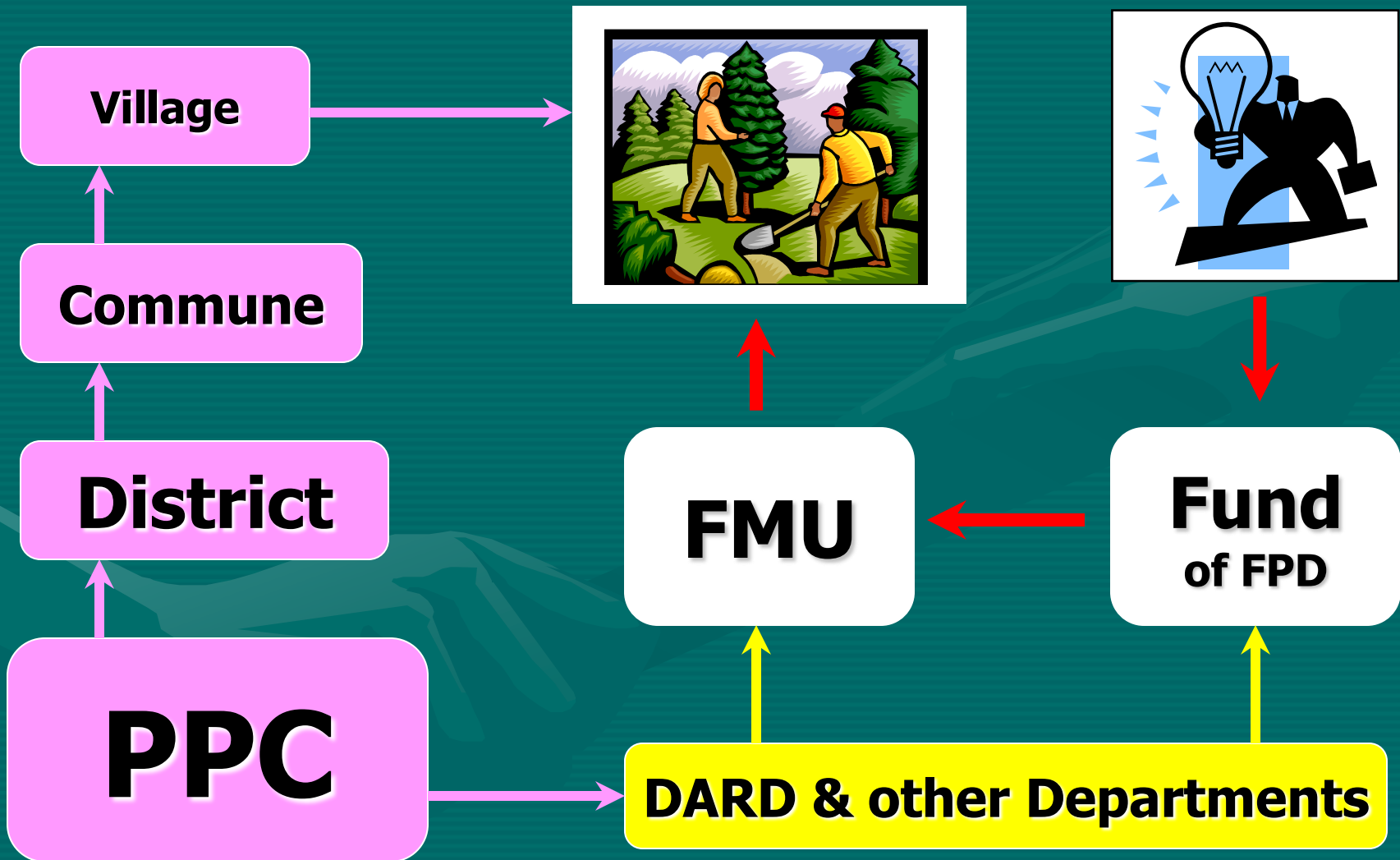




# Process of supports



# Winrock and GTZ supported to establish a PFES payment mechanism



# Types of piloted services

## Lam Dong



**Soil & water conservation for hydropower**



**Landscape conservation for tourism**



**Soil & water conservation for clean water**

## Son La



**Soil & water conservation for hydropower**



**Soil & water conservation for clean water**



# Winrock supports Lam Dong:

**Valuation of forest environmental services value on soil conservation & water regulation in Da Nhim Watershed area**



**1 ha of forest would bring the benefit to Da Nhim Hydropower Plant**

**\$US 14.64**  
per ha per year  
for water regulation



**\$US 54.43**  
per ha per year  
for reduction of sediment into the reservoir



# GTZ supports Son La:

**Update data  
of forest status  
through remote  
sensing  
images**

**Supply PFES  
software &  
training for  
application**

**Mechanism  
instruments  
set up**



**Awareness  
raising on PFES  
including service  
users and  
providers**

# Results of support



# The pilot sites selected:

**Lam Dong:**

**Da Nhim  
commune**

**Lac Duong  
district**

**Son La:**

**9 communes**

**in 9**

**districts**

# The pilot area defined:

**Lam Dong:**

**112,208  
ha**

**Son La:**

**50,894  
ha**



**The  
households  
- contracted  
for forest  
protection  
- piloted:**

**Lam Dong:  
3,342  
local  
farmer  
households**

# The forest owners piloted:

**Lam Dong:**

**Da Nhim  
forest  
protection  
board**

**Son La:**

**4,507**

**Organizations;  
FMUs; Households;  
Household groups;  
Communities**

# Total PFES money received in 2009

**Lam Dong**

**55 billions VND**

**#2,9 millions USD**

**Son La**

**60 billions VND**

**#3,2 millions USD**

# Payment level defined:

**Lam Dong**

**280,000 VND/ha**

**#15 USD/ha**

**Son La**

**150,000 VND/ha**

**# 8 USD/ha**

# Average income level of local household from PFES

## Lam Dong



**8.35 millions  
VND/HH/year  
#439 USD**

## Son La



**1.15 millions  
VND/HH/year  
#61 USD**



# PFES brings benefits:

In Da Nhim Commune (Lam Dong):



**Reducing 15% of  
poor households**



**Reducing 50% of  
illegal cutting**

# Other benefits:

**A new policy  
of forestry  
applied**

**A new financing  
mechanism for  
sustainable forestry  
established**

**Awareness of  
society on forest  
and forest labour  
raised**

**Program of  
the Government on  
hunger eradication  
& poverty reduction  
supported**

# **Needs for country:**

- Revise & update data of forest status**
- Revise & update forest land allocation status**
- Valuation of forest environment services**
- Capacity building**
- Technical equipment support**
- Training for technical staff**
- Update and complete PFES mechanism**
- Livelihood for local farmers**
- Monitoring**





**Thank you for  
your attention**