



PFES IMPLEMENTATION IN VIETNAM

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OUTLINE OF THE PRESENTATION

The background of the slide is a photograph of a lush green forest covering a hillside, with a calm river in the foreground reflecting the greenery. The text is overlaid on this image.

Overview of relevant policies

Results/Initial impacts

Problems/dificulties

Recommendations

OVERVIEW

Target s of the policy

Policy
implementation
actors

Links between
VNFF & PFES

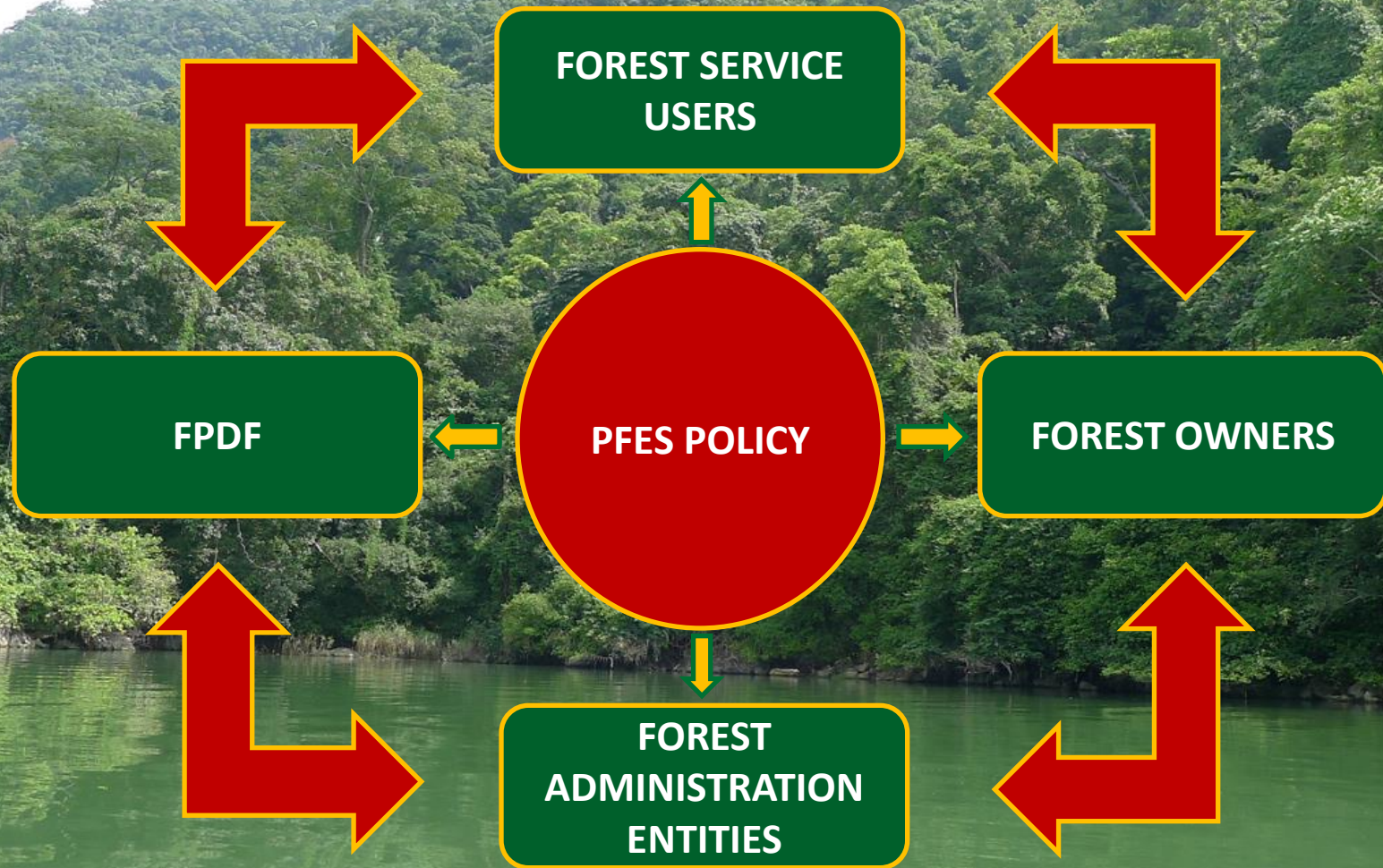
Payment & use of PFES revenue

Level of payment
applied to forest
service users

Menagement of
money from PFES

Calculation of
PFES payment for
forest owners

POLICY IMPLEMENTORS



VNFF & PFES

FOREST SERVICE DELIVERS

1. Forest owners;
2. Organizations, households, individuals, communities, villagers/long-term forest protection contractors

TYPES OF FOREST SERVICES

1. Soil protection, erosion and sedimentation control;
2. Water regulation and maintenance;
3. Carbon sequestration and storage;
4. Landscape protection and biodiversity conservation;
5. Aquaculture services.

FOREST ENVIRONMENT SERVICE USERS

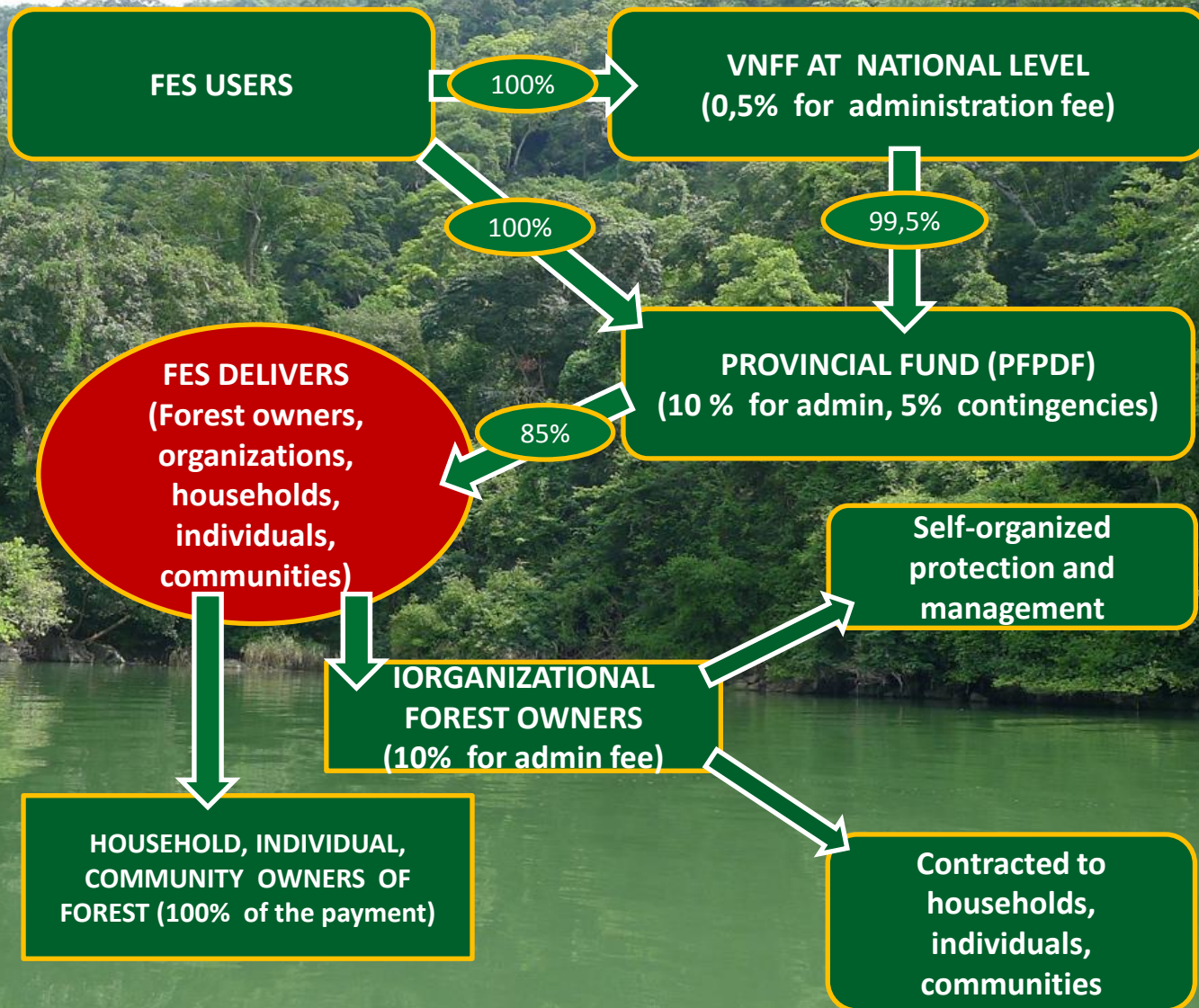
1. Hydropower generators;
2. Clean water suppliers;
3. Industrial producers;
4. Tourist service providers;
5. Carbon sequestration service payers & aquaculture producers

FOREST PROTECTION & DEVELOPMENT FUND

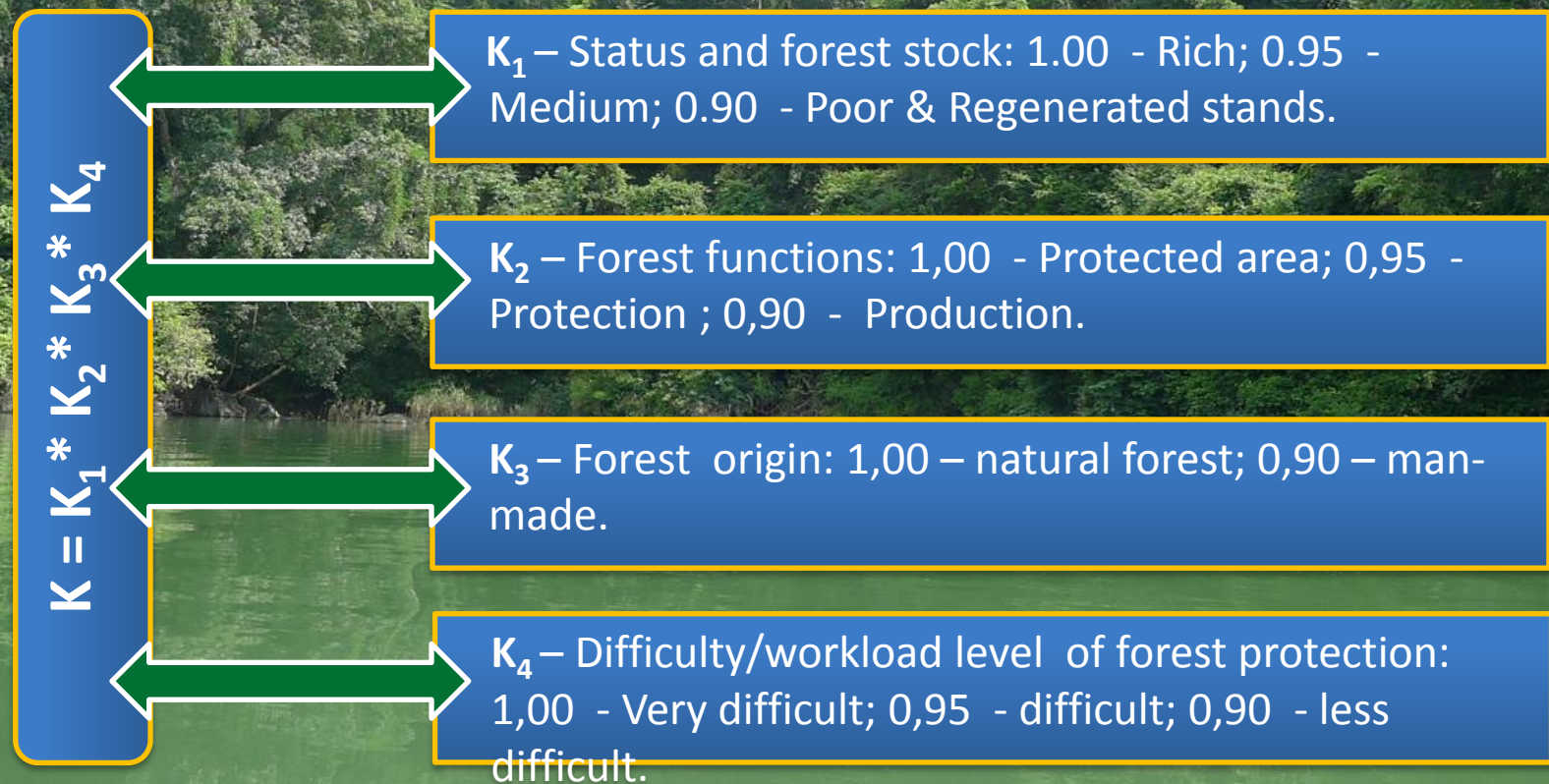
FES LEVELS



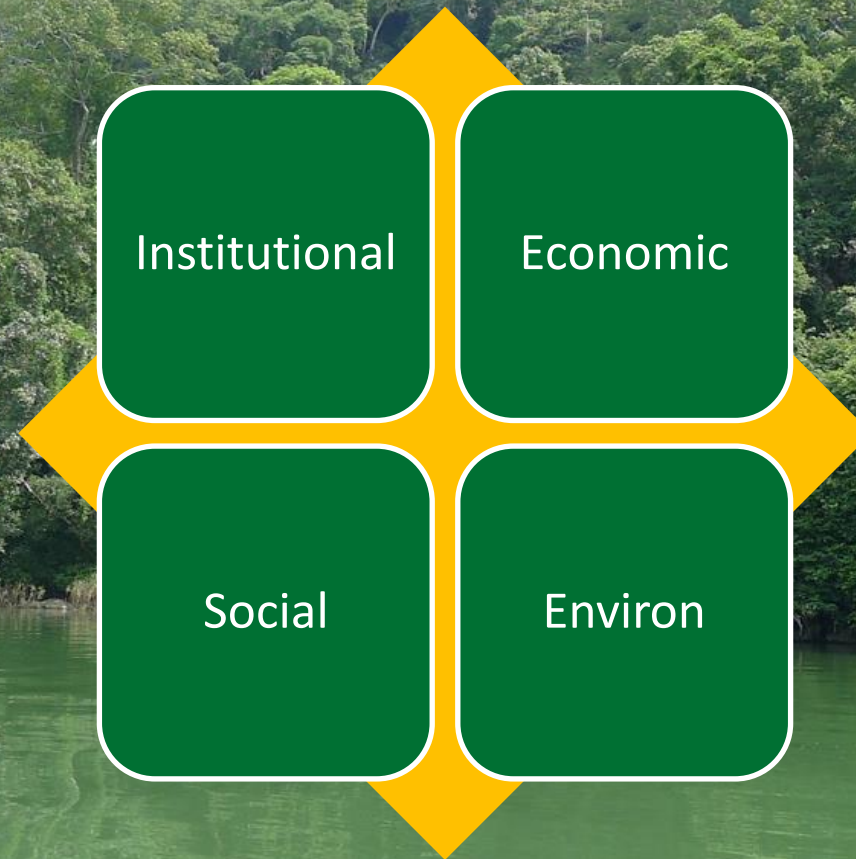
PFES DISTRIBUTION MECHANISM



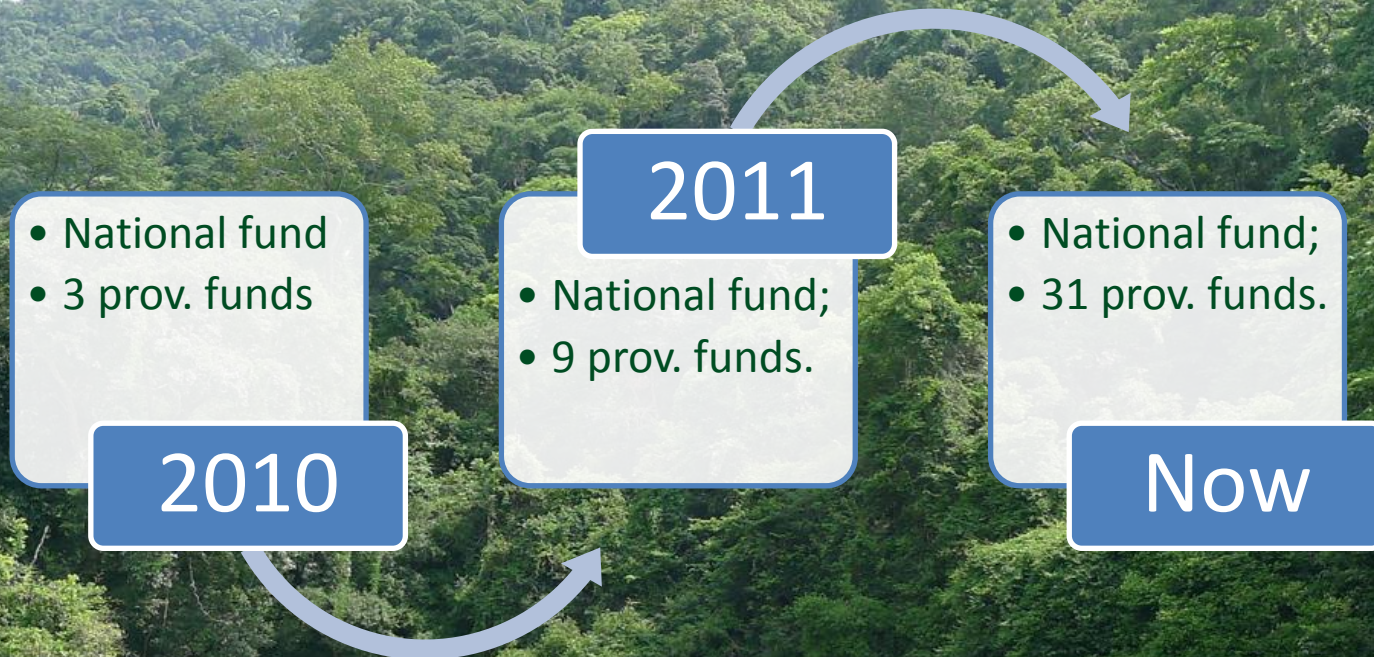
HOUSEHOLD-BASED PFES CALCULATION



RESULTS/INICIAL IMPACTS



Institutional Impacts



- Some provinces have set up district branch of FPDF (Sơn La), and commune branch (Quảng Trị);
- In the future, REDD+ FUND will constitute a part of FPDF

Economic Impacts

247
contracts

- Total number of trusted/concluded PFES contracts.
- Hydropower: 161 contracts; Water supply: 50 contracts; Tourism: 36 contracts.

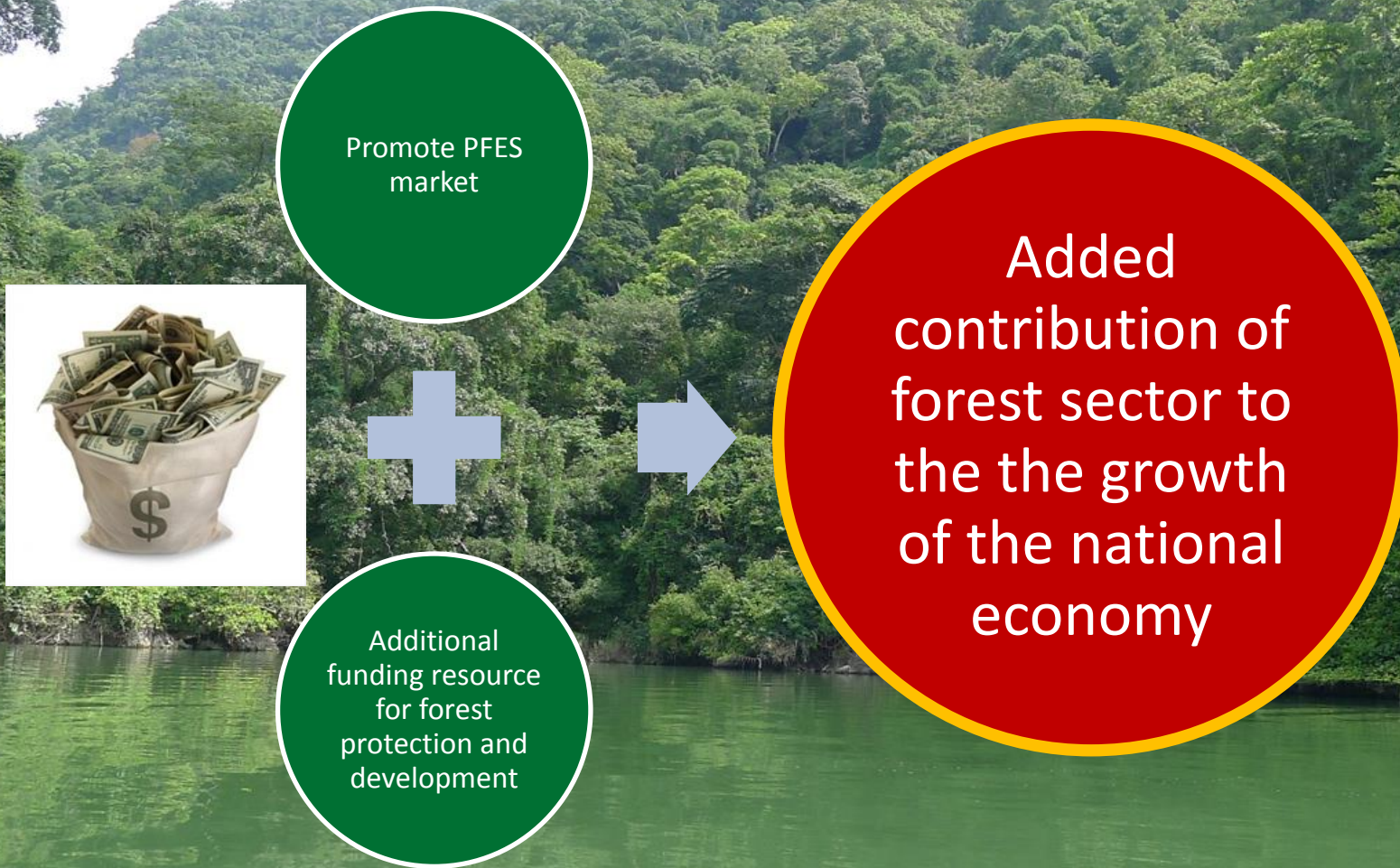
1,172
billion VND

- Totalo PFES revenue in 2012;
- Hydropower: 1,154 billion VND; Water supply: 16.9 million VND; Tourism: 0.9 billion VND.

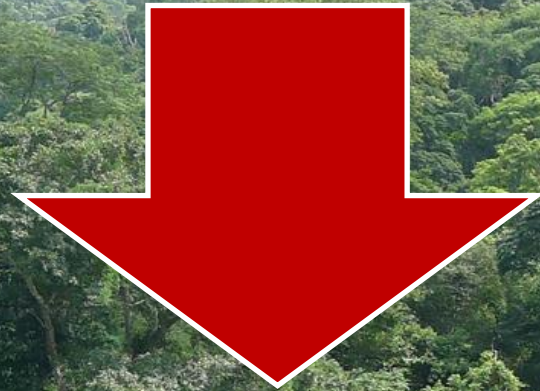
Over 600
billion VND

- PFES revenue from the beginning of 2013 up to now;
- National: 520 billion VND; Local: 80 billion VND.

Economic Impacts (continued)



Environment Impacts



Reduced forest
violations

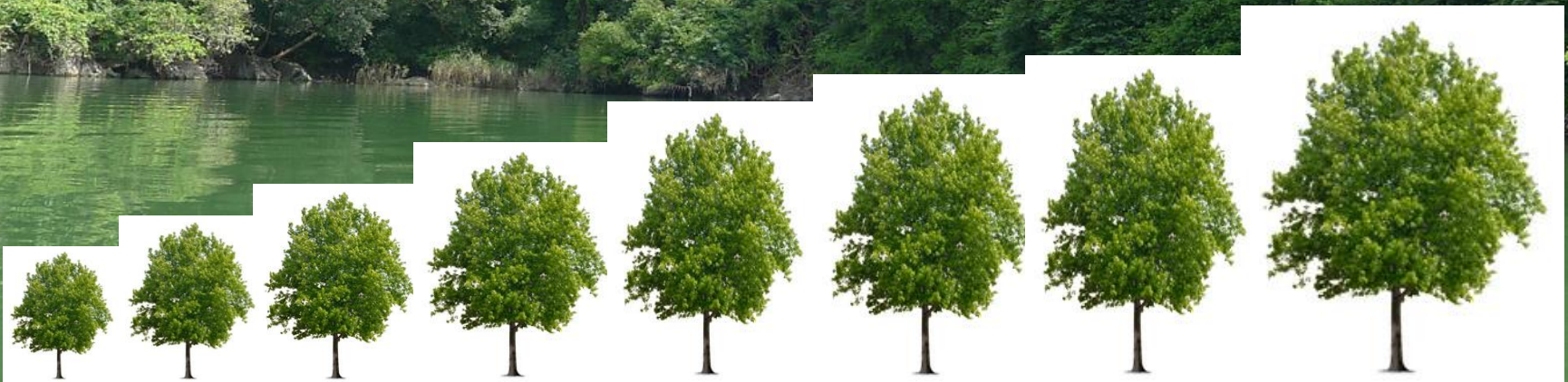


Contribution to
increase forested
area and forest
cover rate



Environment Impacts (continued)

Indicators	2008	2009	2010	2011	2012
<i>Forested area (million ha)</i>	12,84	12,90	13,03	13,14	13,46
<i>Forest coverage (%)</i>	38,70	39,10	39,50	39,70	39,90



Social Impacts

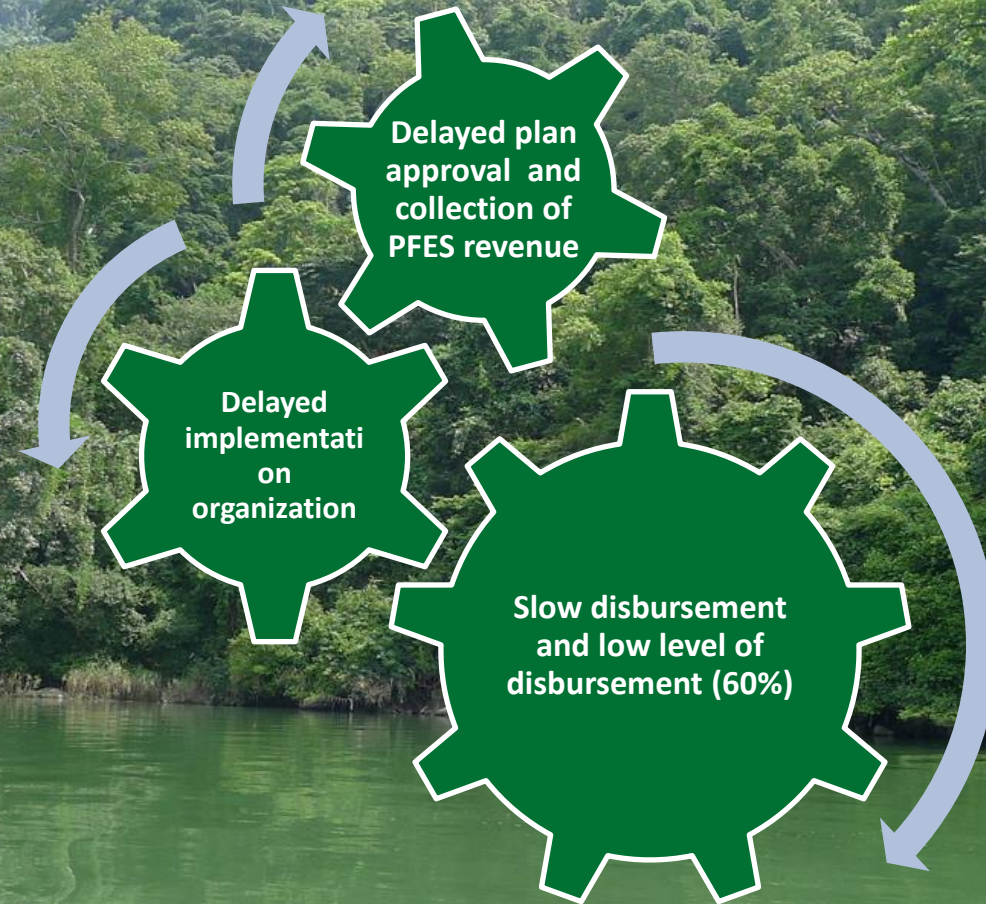
- Contribution to national defense and social order/security;
- Create jobs and improve income/livelihood for people who are engaged in forestry



Social Impacts (continued)

No	Sources/practices	Payment level (VND/ha/year)	Notes
1	State support	200.000	
2	PFES in Lam Dong	300.000 – 450.000	<i>Tùy thuộc từng lưu vực</i>
3	PFES in Lai Châu	319.000	

PROBLEMS TO BE SOLVED



PROBLEMS TO BE SOLVED

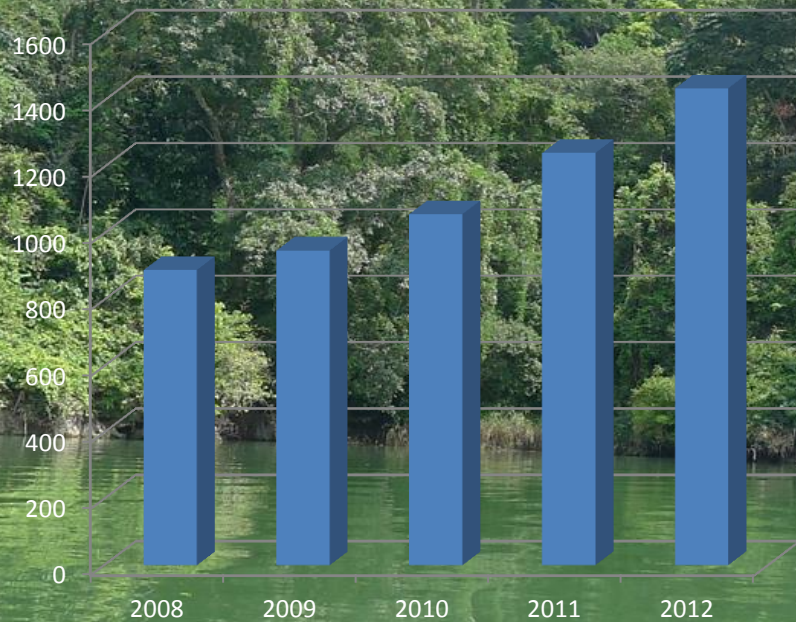
- Delayed implementation organisation;
- Delayed issuance of regulations and guidances;
- Limited awareness raising and communication;
- Improper forest management at forest owner level;
- Non-suitable unit price and payment mechanisms;
- Problems with payment delivery from hydropower plants;
- Low level of charging vs cost/price dynamism.

PROBLEMS TO BE SOLVED

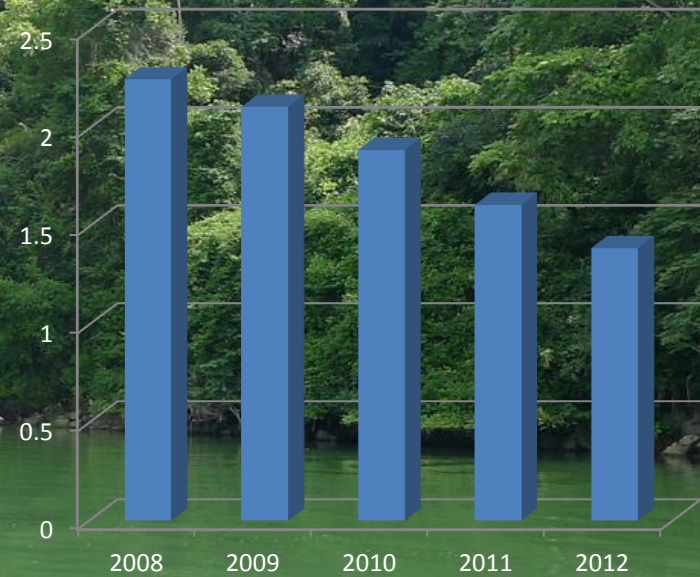
No	Comparative indicator	2008	2009	2010	2011	2012
1	Mean power selling price (VND/kwh)	890	948,5	1.058	1.242	1.437
2	PFES level vs mean power selling price (%)	2,25	2,11	1,89	1,61	1,39

PROBLEMS TO BE SOLVED

Mean power prices (VND/kwh)



PFES level vs mean power price (%)



RECOMMENDATIONS

- Additional resources and facilities should be provided for policy implementation;
- Further investigations to revise and supplement regulations and guidances;
- Communications and awareness raising to improve knowledge of relevant actors;
- Strengthen collaboration amongst relevant groups of stakeholders;
- Speed up forest re-demarcation and re-identification of forest owners.





THANKS !

***“FPDF - a fellow passenger of PFES”
- For a greener Vietnam -***