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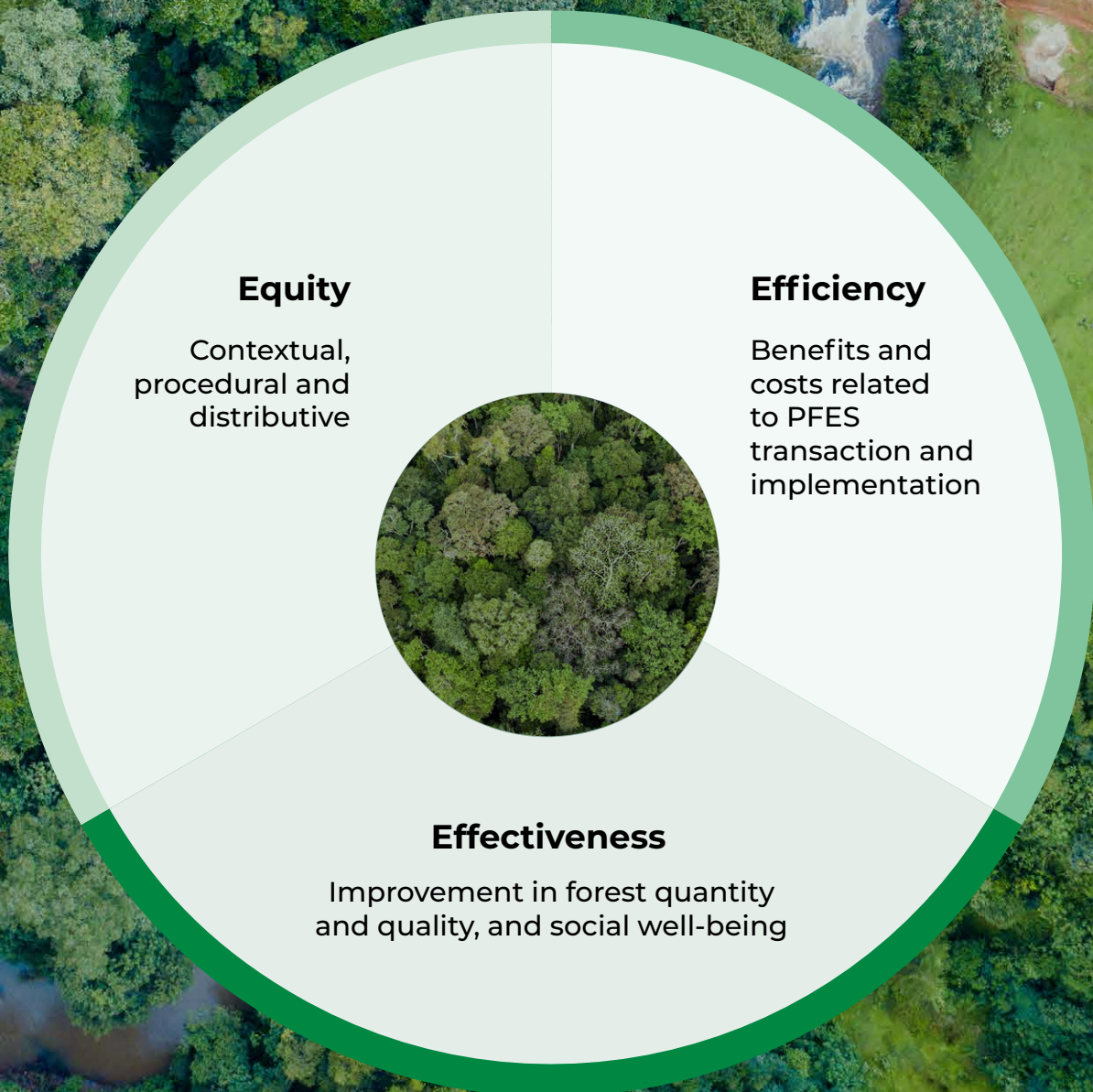
PRINCIPLES FOR EFFECTIVE IMPLEMENTATION OF PAYMENT FOR ENVIRONMENTAL SERVICES

LESSONS FROM VIETNAM

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Forests play a crucial role in protecting watersheds, preventing soil erosion, maintaining the water cycle, and fighting climate change. Timber and non-timber forest products (NTFPs) are an important source of income and nutrition. But economic development and growing demand for food, energy and wood resources are putting increasing pressure on forests and landscapes, including in Vietnam which in 2010 became the first country in Asia to institutionalize a nationwide policy on Payment for Environmental Services (PFES). Suppliers of watershed protection; natural landscape beauty protection and biodiversity conservation for tourism; forest carbon sequestration and the reduction of greenhouse gas emissions through the prevention and reduction of deforestation and forest degradation (REDD+); the provision of the forest hydrological services for spawning in coastal fisheries and aquaculture; are entitled to payments. The following presents principles in designing effective, efficient and equitable PFES policy and its payments to the suppliers of forest environmental services - individuals, households, communities or organizations - from a decade of CIFOR research in Vietnam.

PFES NEEDS TO BE DEVELOPED AND MONITORED, EVALUATED AND REPORTED BASED ON THREE CRITERIA

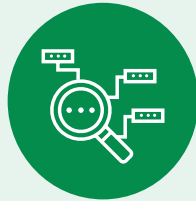


KEY PRINCIPLES FOR SUCCESSFUL PFES

Effectiveness



- 1.** Establish monitoring and evaluation for assessing implementation, performance, and procedural aspects and dedicated funding and human resources for monitoring and evaluation. Ensure enforcement of contractual requirements



- 2.** Identify boundary ownership and resolve land disputes before contracts are signed



- 3.** Information disclosure is critical for transparency in benefit sharing and should be considered during the process of designing payment modalities.

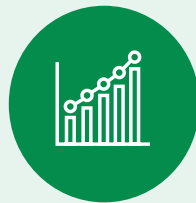


- 4.** No one size fits all. Although government agencies expect to have a national scheme that can be applied in all cases, there is no single modality of payment that can fit all situations and contexts, especially for a national-scale program such as PFES.

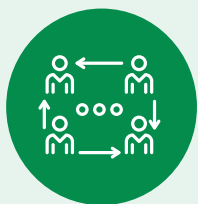
Efficiency



- 5.** Bundle PFES with other government programs, such as poverty reduction and conservation programs.



- 6.** Increase the efficiency of national and subnational programs (largely by minimizing transaction and implementation costs).



- 7.** PFES schemes with local communities' preferences for how revenue from payments for environmental services is distributed and used, and their ability to influence spending decisions, can shape the scheme's effectiveness in achieving forest management and poverty reduction goals



Equity



- 8.** It is not all about the outcome, but the legitimacy of the decision-making process matters. Ensure inclusivity in procedural processes for improved governance.



- 9.** Introduce grievance handling system to enhance accountability and transparency.



- 10.** Guidance on how gender mainstreaming should be carried out at all governance levels, coupled with government commitments to the increased participation of women in decision making positions in PFES. Considerations include women's preferences and interests in participating in PFES and REDD+; tailoring benefit-sharing mechanisms, access to information and resources, and governance structures to address those preferences and interests; and strengthening women's willingness to provide environmental services.

Further reading:

- [Local preferences and strategies for effective, efficient and equitable PES benefit distribution options in Vietnam: Lessons for REDD+](#)
- [Payments for forest environmental services in Vietnam: From policy to practice](#)
- [Payment is good, control is better: why payments for forest environmental services in Vietnam have so far remained incipient](#)
- [Gender mainstreaming in REDD+ and PES: Lessons learned from Vietnam](#)
- [The distribution of payment for forest environmental services \(PFES\) in Vietnam: Research evidence to inform payment guidelines](#)

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