Ecosystem Services in Vietnam:
Challenges and responses in moving from theory to implementation

Oum Pisey – Ministry of Environment

GMS/CEP-BCI Pilot Projects in the Cardamom and Eastern Plains Update Meeting
Raffles Hotel Le Royal Phnom Penh Cambodia

Challenges and responses

1. Ecosystem services are more & more recognized for their high economic value, but mkt failures limit influence/tangible incentives/behavior change
2. In Vietnam, MARD/ARBCP worked together to strengthen 3 areas to improve ability of market signals to *set prices and sustain service delivery*
    1. Strengthen ability to respond and perform under differing biophysical and socioeconomic contexts
    2. Complete ecosystem service mapping and improve scientific understanding of ecosystem production functions; and
    3. Develop appropriate policy, finance, mgmt, and governance enabling systems.

Develop tangible incentives under differing biophysical and socioeconomic contexts

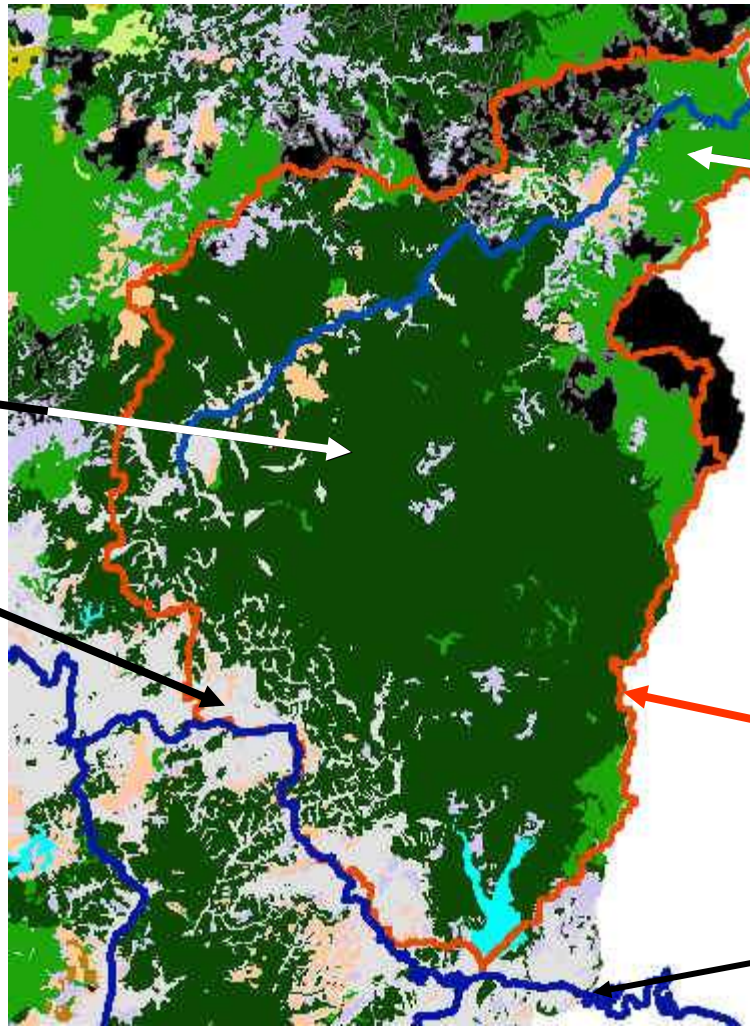
Strategic environmental assessments completed to determine local conditions & set program course

- Defined conservation landscape focal areas and targets
- Assessed level of threats
- Assessed opportunity costs of removing them/diff stakeholders
- Assessed and compared values of alternative, biodiversity friendly economic development strategies, and/or the cost of the action needed to remove or mitigate threats
- Identified the national, provincial, and district level conservation and development policy context and demonstrate support to the extent possible
- Compiled results and raised awareness about biodiversity-friendly development options; developed a provincial level biodiversity action plan
- Prioritized which options can be directly supported under project pilot activities

ID & map vegetation types and relative ES values in the Da Nhim Basin

Coniferous forest

Agricultural systems area



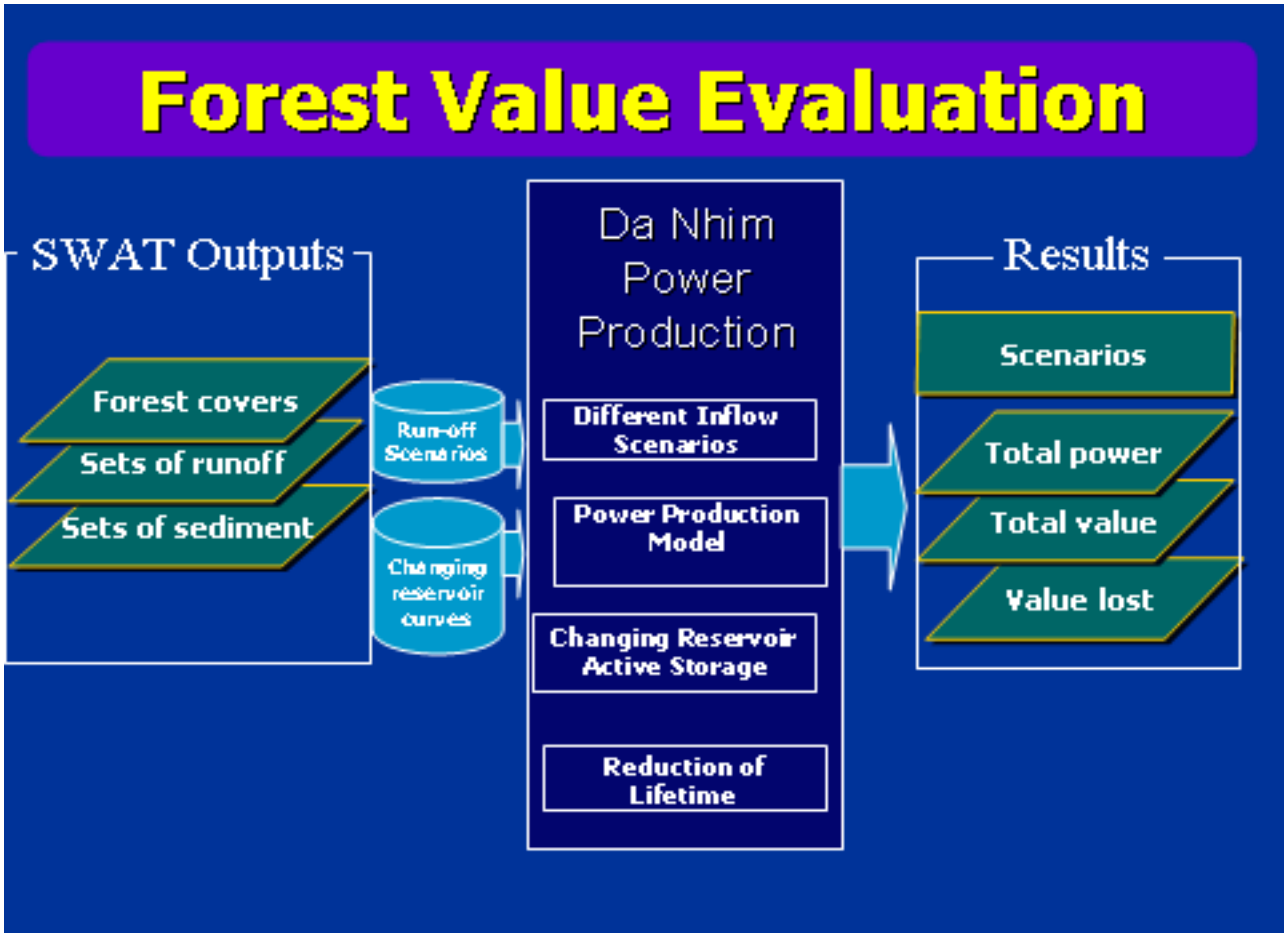
Highway

Broad-leaf evergreen forest

Da Nhim watershed boundary

Highway

Science & ES production functions



Result: Da Nhim HP station would lose $3.75M/yr in added operating and plant costs if 45K ha pine forests converted to agricultural purposes

Develop appropriate policy, finance, and governance enabling systems

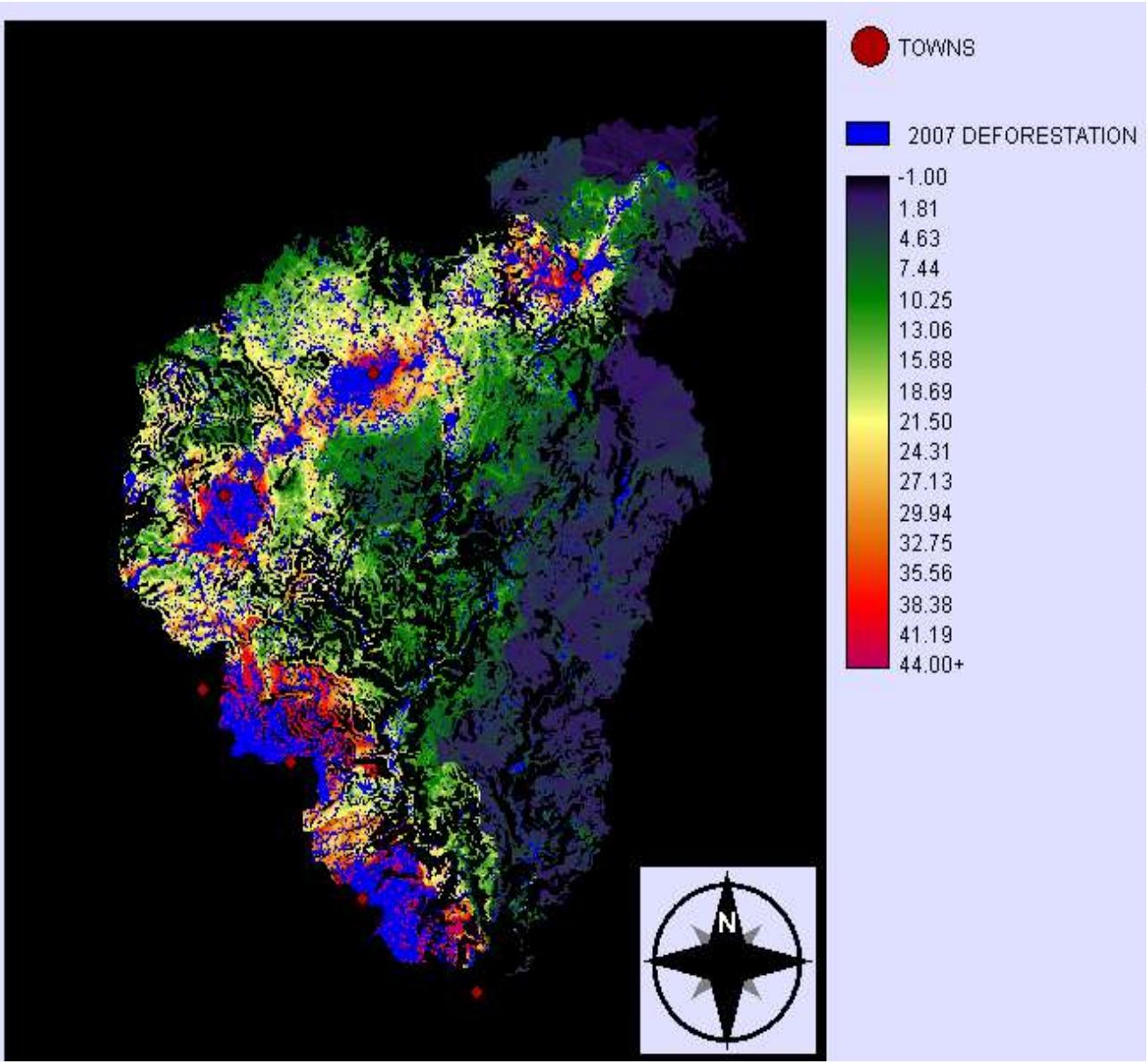
- **Pilot Payment for Forest Environmental Services Policy (Decision 380 QD-ttg)** is the first pilot policy (of any kind) to be implemented in Vietnam
- **Legislation secures $16.5M in payments** for water regulation and soil conservation functions from EVN/water utilities from 2009-2010.
- **Decision 380 mobilizes public and private sectors** to meet 2020 forest management and poverty reduction targets while securing services values
- **Decentralization mechanism established** to enable payments from one province to another, increased transparency, and provinces can develop mkts to respond to different biophysical/economic/social/market conditions
- **Lam Dong Biodiversity Action Plan**: establish and implement integrated land-use
- plans and SEDPs with input/support of the Lam Dong PPC
- **Partner agencies** – such as the EVN and DARD working together to achieve joint management objectives for the first time
- **Provincial Forest Protection and Development Fund** created to establish legal basis for payment mechanism and for forest protection activities
- **Forest Land Allocation policy** being developed to enable local level stakeholders to invest in system through increased, long-term usufructs rights
- **CCDPs incorporated into commune and district SEDPs**; contracts designed & payments made w/regard to Local level development interests & inputs

Develop tangible incentives under differing biophysical and socioeconomic contexts

PES mechanism - environmental services targets; associated Landuse Land Cover plans designed to achieve targets under local conditions; activities to achieve targets; and payment levels/ha, based on the following criteria:

1. **Specific relative biophysical and/or ecological values that exist under different LULC types – most important to buyers/market establishment**
2. **Different values and services management targets for each service type – map values for each service, identify overlap/synergy/trade-offs**
3. **Existing forest management system – establish as a basis for payments, but will build on it to manage for new ES values**
    1. **Special Use/Protection/Production**
    2. **Rich/Medium/Poor**
    3. **Natural/planted**
4. **Ecological function or aesthetic values can be understood and managed by building on existing forest classification systems.**
5. **Differences in opportunity costs/pressures of managing for different forest land-use types**

Strengthen ability to implement in differing biophysical and socioeconomic contexts



Identify Vulnerable areas needing protection


Thank you!