



Lessons learnt from CIFOR research for PFES in Vietnam



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Presentation Outline

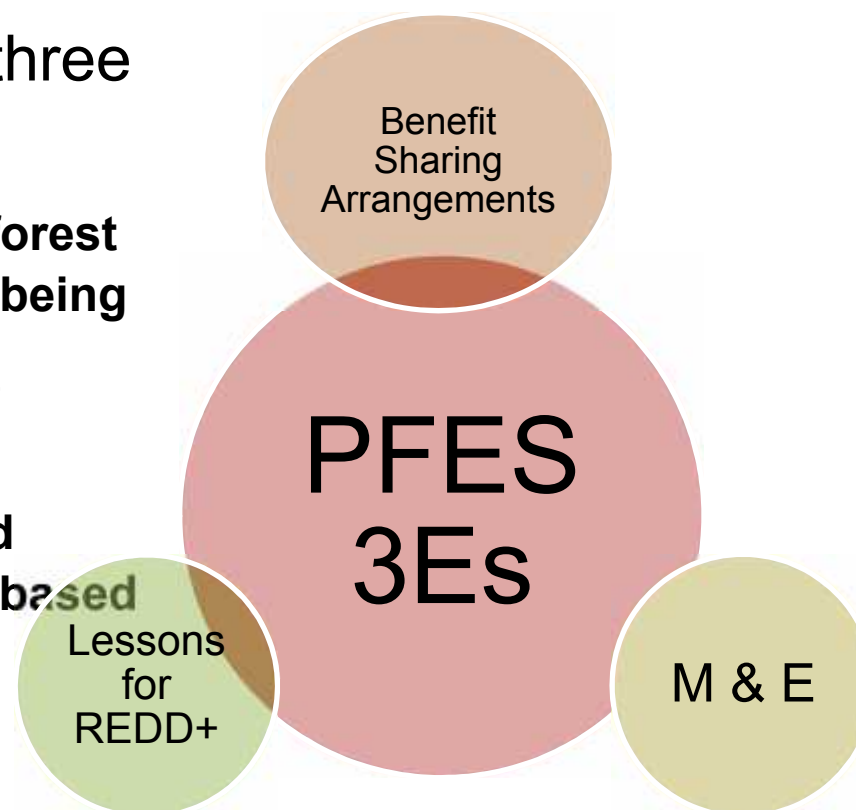
- Assessing the 3Es of PFES
- Key global lessons in the 3Es
- CIFOR research in Vietnam
 - Lessons learnt for PFES:
 - M&E
 - Benefit sharing
- Final key messages



Assessing the 3Es of PFES

CIFOR evaluates PFES based on three criteria:

- **Effectiveness:** improvement in forest quantity and quality, and social well-being
- **Efficiency:** costs related to PFES transaction and implementation
- **Equity:** contextual, procedural and distributive (e.g. merit based, needs based etc.). YAL(25)



Slide 3

YAL(25

Equity is interpreted as equality (but equal is not necessarily equitable)

Yang, Anastasia Lucy (CIFOR), 9/9/2014

Global lessons learnt on PES/REDD+

Center for International Forestry Research

CIFOR's Study of Factsheets on

Deforestation and greenhouse gas emissions: restoration of forests

REDD+ (Reducing emissions from deforestation and forest degradation) is understood in different international agreements as an economic challenge.

Many countries are still in the process of developing national REDD+ strategies. In 2009, CIFOR and the World Bank launched a study to identify the challenges and opportunities of REDD+ implementation.

Phase I of the Global Study of Factsheets on REDD+ Policies, REDD+ Mitigation-Adaptation and Land-Use Decision-Making: A preliminary comparison of approaches to benefit sharing.

Phase II of the Global Study of Factsheets on REDD+ Policies, REDD+ Mitigation-Adaptation and Land-Use Decision-Making: A preliminary comparison of approaches to benefit sharing.

Sven Wunder

ForestsClimate

Payments for Some nuts

Sven Wunder

WORKING PAPER

REDD+ Benefit Sharing

REDD+ Benefit Sharing: A preliminary comparison of approaches to benefit sharing

Pham Thu Thuy
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Global Commons
ForestsClimate

info brief

Lessons from Payments for Ecosystem Services for REDD+ Benefit-Sharing Mechanisms

Lasse Løft, Pham Thu Thuy and Cecilia Luttrell

Key lessons from PES for REDD+ benefit sharing

- While REDD+ is a complex system, it should be designed to be able to deliver benefits to forest owners, users and local communities. These benefits should be clear, visible and distributed equitably and in a timely, predictable and transparent manner.
- The benefits should be clearly defined for the benefit recipients and the benefits should be clearly visible and distributed equitably and in a timely, predictable and transparent manner.
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1. Introduction

Reducing Emissions from Deforestation and Forest Degradation (REDD+) is designed as a performance-based mechanism that will provide financial compensation to developing countries for fully measured, reported and verified emission reductions relative to a business-as-usual baseline (Luttrell and Løft 2012, Pham et al. 2012, Pham et al. 2014). The implementation of REDD+ projects and policies is expected to generate benefits, both monetary and non-monetary, for most countries carrying out REDD+ activities, one of the main priorities being to develop governance structures to distribute these benefits among stakeholders in an efficient, effective and equitable manner (Luttrell et al. 2012, 2013, Pham et al. 2012a). Benefits can be shared on a national, sub-national or regional to local levels and on a temporal scale with and across communities, forest owners and other local stakeholders (Luttrell et al. 2012, 2013, 2014).

2. Enhancing effectiveness of benefit sharing

2.1 REDD+ benefit sharing requires intermediaries in a multilevel governance structure

An important question for REDD+ benefit sharing concerns the governance level at which benefits should be distributed. Intermediaries at this level should be clearly defined, their roles and responsibilities should be clearly defined, and their distribution of payments should be clearly defined. Intermediaries should be clearly defined, their roles and responsibilities should be clearly defined, and their distribution of payments should be clearly defined.





Key **effectiveness** lessons at a global scale

- PES Mechanisms aligned with national priorities
- PES should have ‘clearly’ defined objectives – who should benefit?
- M&E as a necessary prerequisite for performance and further contractual provisions YAL(22)
- Negotiated phased payments based on stakeholder needs YAL(
- Mutually enforcing institutions at multiple levels, focus on existing governance structures YAL(29)

YAL(23)



Slide 5

- YAL(22)** In addition to monitoring the provision of ecosystem services, PES schemes require monitoring of further contractual provisions, such as the timely provision of payments.
Yang, Anastasia Lucy (CIFOR), 9/8/2014
- YAL(23)** The government can leverage the current scale of participation and experience across different institutional, geographic, and socioeconomic contexts to encourage those transactions that result in improved perceptions of watershed service delivery and that result in improved capabilities for service providers to enhance individual and community wellbeing. Such encouragement can come in the form of greater collective land-use security, transparent and available intermediaries to implement transactions, and ensuring the alignment of stakeholder needs and outcomes.
Yang, Anastasia Lucy (CIFOR), 9/8/2014
- YAL(28)** such as the timely provision of payments.
Yang, Anastasia Lucy (CIFOR), 9/10/2014
- YAL(29)** at multiple levels, focus on existing governance structures.
Yang, Anastasia Lucy (CIFOR), 9/10/2014



Key **Efficiency** lessons at a global scale

- Targeted and flexible payments
- Bundling payments for multiple services^{YAL(16)}
- Benefits should consider costs incurred at different levels i.e. transaction, opportunity and implementation.
- Focus PES on locations with moderate opportunity costs



Slide 6

YAL(16)

The flexible payment schemes were shown to yield the most significant increase in environmental service delivery and efficiency. In order to implement flexible payments in a PES program, precise estimates of participation costs are required. This study examined these costs in personal one-to-one interviews, but this is costly, and could cause landowners to answer strategically, thus producing biased estimates. One possible, less costly approach is to use easily observable spatial data as proxies for participation costs.

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YAL(17)

Yang, Anastasia Lucy (CIFOR), 9/8/2014

Key **Equity** lessons at a global scale

YAL(18)
YAL(19)

- Enhancing participation and inclusiveness of all group in processes (procedural equity)
- Include complaints procedures and dispute resolution
- Increase transparency through information exchange among actors
- Clarify rights and responsibilities to the resource to help define beneficiaries



Slide 7

YAL(18)

the study also shows positive signs of decision making in which actors have the political space to propose alternative policy options, even in highly centralized policy events. Ensuring accountability and inclusive decision making in Vietnam, as elsewhere, will require a considerable shift from the current governance system of topdown and command approaches to a more participatory approach.

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YAL(19)

Pham et al (2014) The REDD+ policy arena in Vietnam: participation of policy actors

Yang, Anastasia Lucy (CIFOR), 9/8/2014

Lessons learnt from PFES in Vietnam



CIFOR work on PFES and REDD+ in Vietnam

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Payments for forest environmental services in Vietnam: Why payments remained low

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Bui Dung The
Enrique Ibarra

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Perez, T. F., M. DeAngelis, B. Corcoran, M. Davidson, & J. Pollock. 2014. *Ecology and Society* 19(2): 22. doi:10.2307/2344444

Research, part of a Special Feature on REDD+ and

The REDD+ policy arena in Vietnam

Thao F. Chau¹, Moira Mooliono¹, Zaida Corcoran¹

ABSTRACT. Reducing emissions from deforestation and forest degradation (REDD+) offers a potential to reduce carbon emissions and improve the livelihoods of forest-dependent communities. Successful decision-making and accountability of the current participatory mechanisms used in REDD+ in Vietnam is critical. We investigate the degree of participation in national REDD+ policy decisions, e.g., how actors level and participate in decision-making. The study aims to answer three research questions: (1) What are the actors involved in participating in the national REDD+ process? (2) What are the drivers of policy arena? (3) What are the challenges highlighted for decision-making? Our findings highlighted the dominant political actors to be state actors, e.g., NGOs and civil society. Even in this highly centralized context, some actors to mobilize actors. Within this process, such actors and accountability in the Vietnam context require a participatory form of decision-making.

Key Words: *Decision, participation, policy, methods, REDD+*

INTRODUCTION

Reducing emissions from deforestation and forest degradation (REDD+) refers to a series of objectives designed to reduce and financial incentives to alter the behavior of land-use and forest users with the result of reducing emissions of greenhouse gases from deforestation and forest degradation and carbon stocks (Griscom and Pollock 2012). The REDD+ process is expected not only to reduce emissions, but also to benefit governments (Griscom 2012) through national accounts that help to ensure accountability, participation, and legitimacy in resource governance (Pillay et al. 2010; UNEP 2010; Waring 2011; Chazdon et al. 2012; Mittermeier et al. 2012; Venter-Hamilton et al. 2012).

Participation in decision-making has received particular attention because REDD+ offers multiple opportunities to agriculturalists whose interests which are subject to carbon offsetting to ensure quality of the through recognition of forest people's rights, will be addressed with a single instrument (Angelsen 2008; B. Pollock 2010; Baker 2010; Larson 2011; Chazdon et al. 2012; Mittermeier et al. 2012; Bouillon et al. 2013). Various definitions have been made to define participation, which is complex (Ardahan 1988; Pretty 2001; Hayward et al. 2001; Schlager et al. 2006; Cornwell 2008; Shortall 2008; O'Flynn 2011).

Our research aimed to reveal the extent to which REDD+ formulation in Vietnam incorporates a participatory approach. We view participation as actors' power and ability to influence decision-making, and realization. We also take into account Korten and Miller's (2007) framework, which states that participation should not only be about having a say in policy decisions, but also about educating people

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OCCASIONAL PAPER



The context of REDD+ in Vietnam: Drivers, agents and institutions

Pham Thu Thuy
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Nguyen Thi Hien
Nguyen Hieu Tho
Vu Thi Hien

OCCASIONAL PAPER



Payments for forest environmental services in Vietnam

From policy to practice

Pham Thu Thuy
Kerest Bennett
Vu Tam Phuong
Jake Brunner
Le Ngoc Dung
Nguyen Dinh Thien

and donor driven PES

since



Slide 9

YAL(24

Started since 2004 and ongoing

Study coverage in Vietnam

Multi-level

Hue, Nha Trang, Bac Kan, Hoa Binh (2002-2006)- Pilot and donor driven PES program

Lam Dong, Son La, Nha Trang, Dak Nong, Yen Bai, Dien Dien, Nghe An (since 2008)- National PFES scheme and REDD+

Pham et al. (2014) The REDD+ policy arena in Vietnam: participation of policy actors, *Ecology and Society* 19(2), 22.

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Wunder, S. (2005) Payments For Environmental Services: Some Nuts And Bolts, *CIFOR Occasional Paper No. 42*

Yang, Anastasia Lucy (CIFOR), 9/8/2014

Effectiveness: Monitoring and evaluation (M&E) of PFES

Gaps/ limitations

- Absence of a clear monitoring and evaluation system
- 10% verification of compliance required:
- Only if a dispute is raised - *Not effectively implemented*
 - Self reporting the norm - *disincentive to report deforestation / degradation*

Recommendations

- Forest baseline condition needs to be established
- Provide protocols for environmental monitoring: forest quality; soil erosion; water regulation
- Improve capacity / skills in data collection and analysis
- Audits from independent third parties

Quantity



Quality



Efficiency: M&E for PFES contracts

Gaps/ limitations

- Unclear tenure system
- Enforcement is low
 - buyers' compliance
 - sellers' provision of ES
 - FPDFs in financial reporting
- Numerous forest owners cause high transaction cost

Recommendations

- Defining rights and forest land allocation
- Marking boundary ownership on photo maps – disputes should be resolved before contracts are signed
- Quality data in disbursement of payments collected at regular and timely basis
- Ensure enforcement of contractual requirements
- Group contracts vs individual contracts

Pham, T.T. et al. (2013) **Payments for forest environmental services in Vietnam: From policy to practice**, Occasional paper, CIFOR.

Pham T.T. et al. (2013) **Approaches to benefit sharing: A preliminary comparative analysis of 13 REDD+ countries**, Working Paper 108, CIFOR.



Equity M&E and Benefit Sharing Mechanism (BSM) for PFES

Gaps/ limitations

- Social impacts (e.g. income) assumed but undocumented, payments cannot compete with opportunity costs
- Lack of understanding of PFES at a local level
- language barriers, low education levels and limited negotiating ability for benefit sharing.
- Lack of grievance handling system
- Unclear spending

Recommendations

- Identify Socio-economic baseline and assess impacts
- Enhance trust by furthering accountability and capacity in local leaders
- Introduce grievance handling system to enhance accountability and transparency
- Bundling payments to make more economical attractive
- Inclusion of villagers and all social groups in design of BSM and adapted based on context

Pham T.T. et al. (2014) **Local preferences and strategies for effective, efficient and equitable PES benefit distribution options in Vietnam: Lessons for REDD+**, Human Ecology (In Press)

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Conceptual Framework for M&E PFES

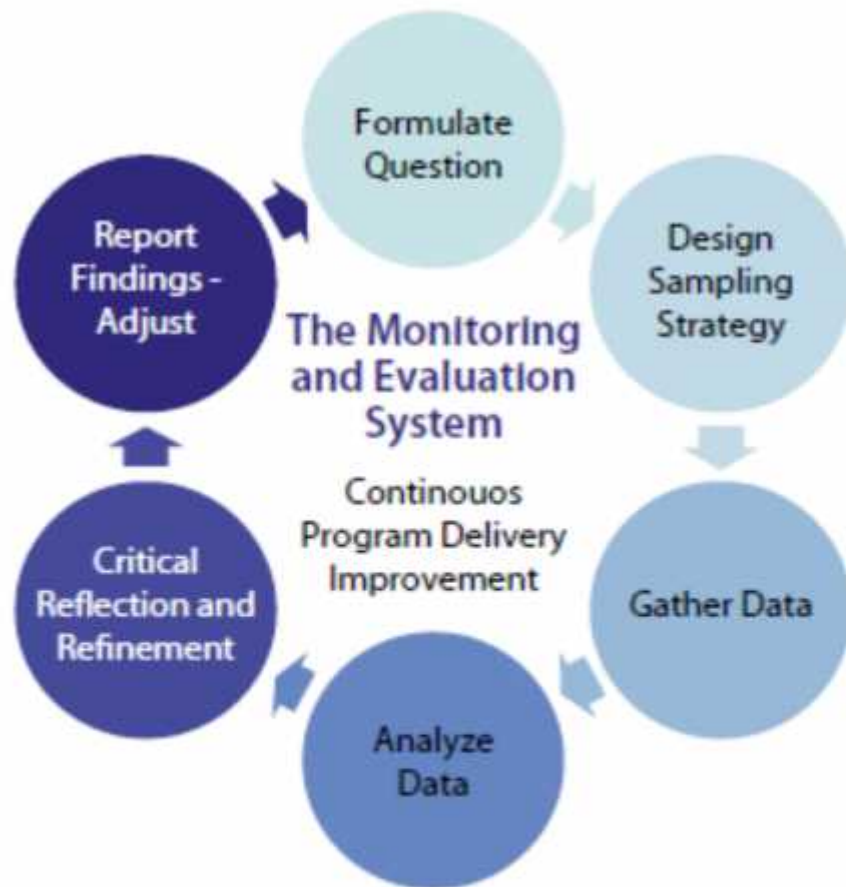


Figure 9. Overall scheme for incorporating monitoring and evaluation into PFES.

“To understand baseline forest and socio-economic conditions and how implementation of PFES will/has affected those conditions over time.”

- Simple or sophisticated depends on local funds and capacity
- Short-term – monitor inputs
 - Highlight and reward good land management
 - Community based, engage woman and minorities
- Long-term – monitor outcomes
 - well documented, payment conditional on outcomes.

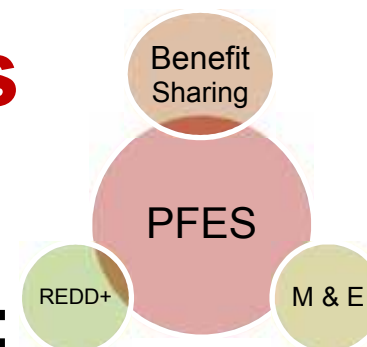
Source: Pham, T.T. et al. (2013) Payments for forest environmental services in Vietnam: From policy to practice, Occasional paper, CIFOR.





Final Key messages

PFES Lesson on the 3Es:



Effectiveness – establish M&E for assessing implementation, performance, and procedural aspects.

YAL(27)

Efficiency - should consider bundling PFES with other government programs, such as poverty reduction and conservation programs etc.

Equity – Ensure inclusivity in procedural processes for improved governance

PFES learning to REDD+

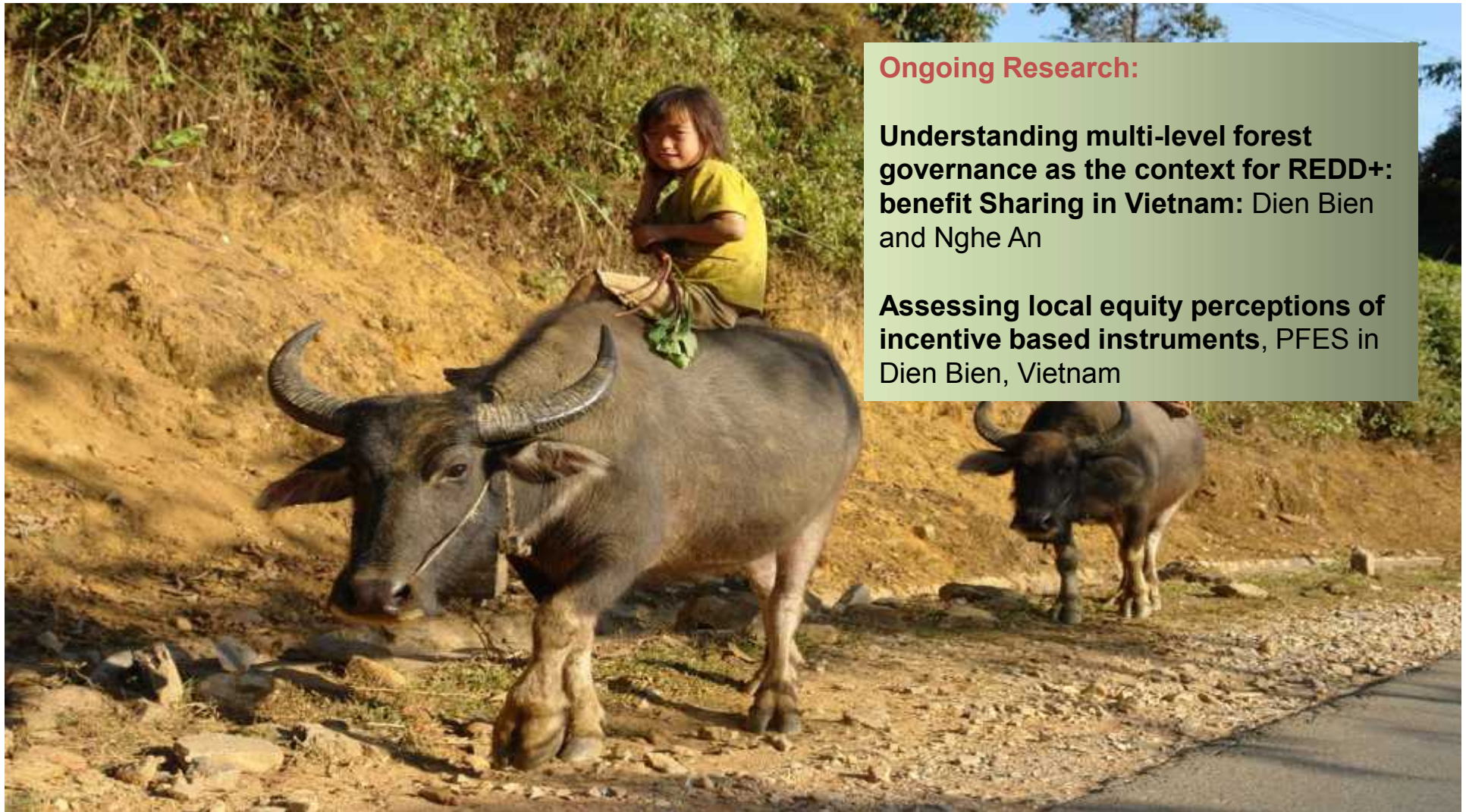
criteria for REDD+ benefit sharing design need to consider local contexts

Institutional governance of REDD+ should compliment existing structures

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YAL(27

Try to think about 1 key message for each of the 3Es!
And 1 message for PFES learning to REDD+
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Ongoing Research:

Understanding multi-level forest governance as the context for REDD+: benefit Sharing in Vietnam: Dien Bien and Nghe An

Assessing local equity perceptions of incentive based instruments, PFES in Dien Bien, Vietnam

Join us at www.cifor.org

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Key CIFOR PES publications

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