



Vietnam: Payment for Forest Ecosystem Services

Integration of market logic by a strong socialist state



Context

After 1986: Economic restructuring to move towards a state-controlled market-oriented economy

“Payment is good – control is better” – Wunder, 2005

- 1993: Program 327
- 1998: 5 Million Hectare Reforestation Program
 - Some forestland allocated to households and communities
 - Government pays households for forest protection and replanting
- **2008: Pilot PFES program**
 - **New revenue drawn from environmental service “users”**
- **2010: PFES expanded nationwide**



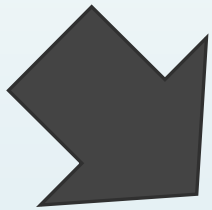
State Socialization of PES

Vietnam State Discourse of: Collective Responsibilities and Multi-stakeholder Engagement

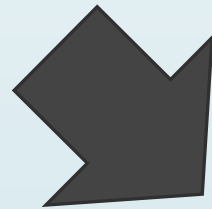
- “Sharing the cost” with society on forest conservation
- Focused on equity rather than environmental services provision
- Moral obligation to support **community, state and the environment**

PFES: Payment for Forest Ecosystem Services

Electricity or Water Consumers, Tourism



Central & Provincial Level Funds



Recipients
(Households, State-owned companies)



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Reconciling socialization with market logic

- Within state controlled PFES, some political space for a direct PES
- Provisions in the legal framework for direct PFES
- Some cases of this occurring for tourism

PFES Objectives

Sustainable Economy
Mobilizing social resources;
Increasing the value of the forest sector;
Contributing to GDP growth.



Sustainable Society
Capacity building and awareness;
Creating jobs and incomes;
Improve livelihoods.

Sustainable Environment
Forest protection and development;
Forest sustainably manage;
Biodiversity conservation.



Future of Vietnam PFES

- Long term State commitment to PFES
 - Ongoing expansion and improvement
 - Potential for private sector and international funding (REDD+)
 - Improvement of monitoring
- Expansion of “direct” PFES



Questions?