

Implementation of Payment for Forest Environmental Services and its Influence on Local Livelihoods in Thua Thien Hue Province, Vietnam

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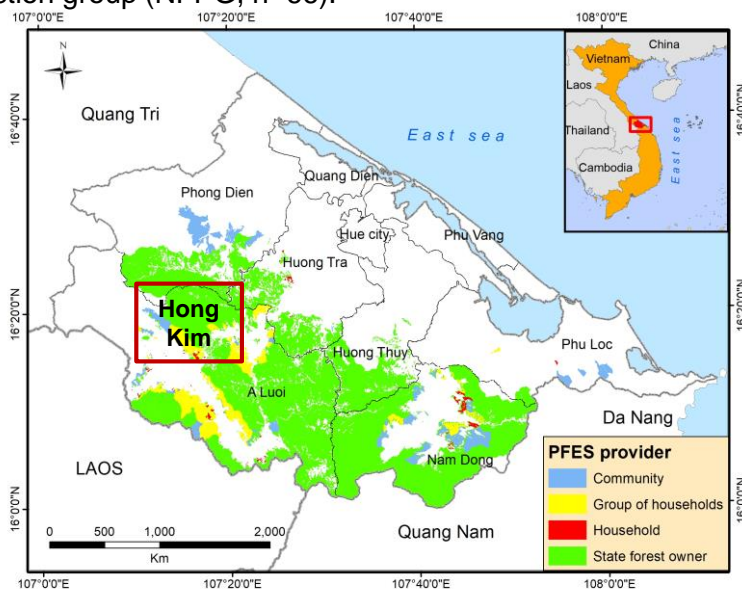
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BACKGROUND

In Vietnam, **Payment for Forest Environmental Services (PFES)** is a new policy launched nationwide on January 1st, 2011 to **transfer money from service users to service providers who protect forests** to socialize the forestry sector and contribute to strengthening the role of local communities in forest management and protection. Although this policy is considered to contribute to the reduction of the state budget invested in the forestry sector and poverty reduction, the implementation of this policy still has many shortcomings. The study aims to interpret the PFES implementation in Thua Thien Hue Province, and to assess the influence of the PFES on the livelihood of forest protectors, especially ethnic minorities.

METHODOLOGY

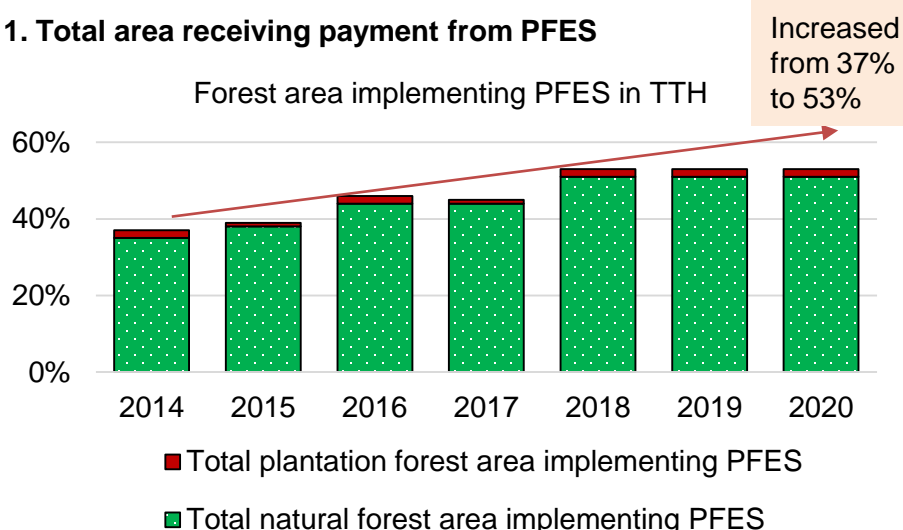
This study combined several methods, such as inheriting secondary data from state offices, focus group discussions, semi-structured interviews, and participatory observations. The household surveys were conducted in Hong Kim commune, divided into two different groups named Forest protection group (FPG, n=67) and Non-forest protection group (NFPG, n=66).



Map of the service providers in Thua Thien Hue province

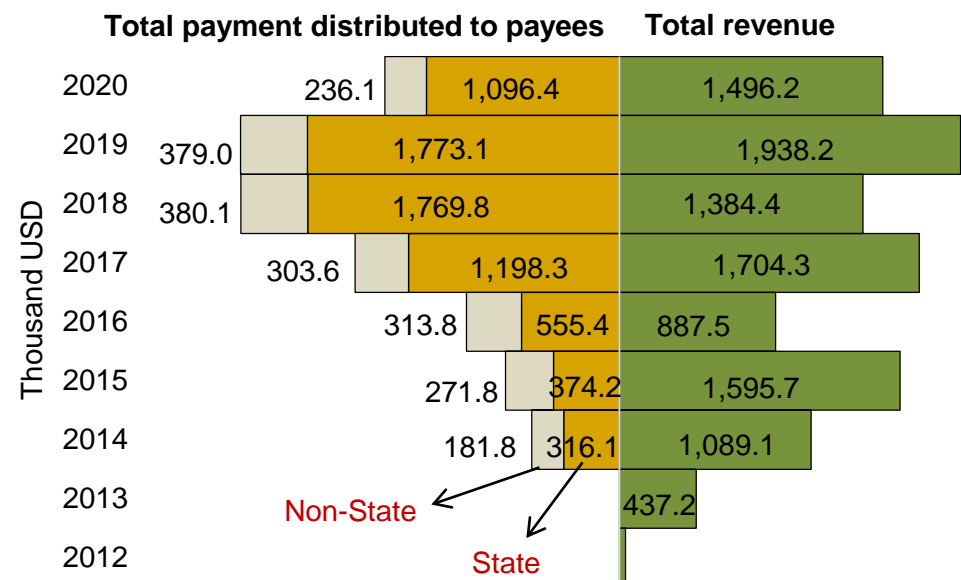
RESULTS AND DISCUSSION

1. Total area receiving payment from PFES



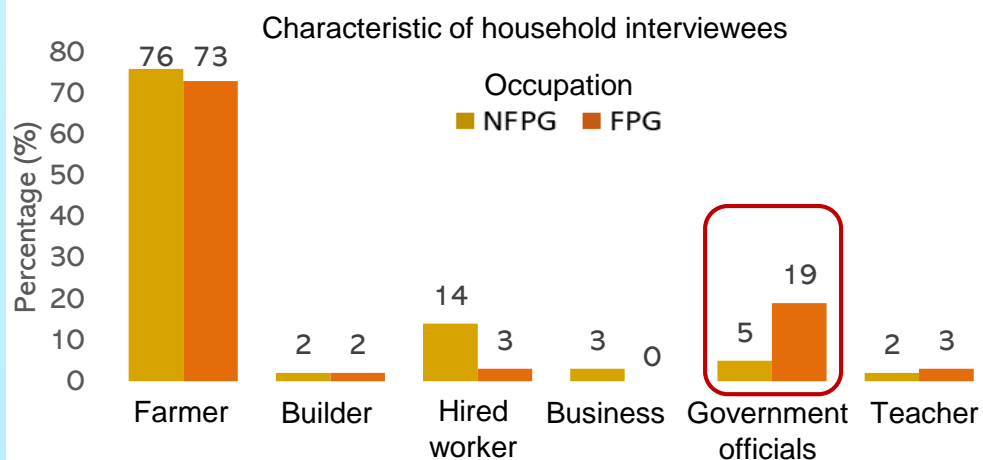
RESULTS AND DISCUSSION

2. Total revenue and distribution payment from PFES (2012-2020)



- **State** obtained 77% of payment, while **non-state** received only 23%.
- **Fluctuation of revenue** due to its heavy dependence on limited number of service beneficiaries → The need to expand PFES beneficiaries.

3. Contribution of PFES payment to livelihood income of FPG



Government officials in FPG hold a higher percentage than those of NFPG.

Contribution of PFES income in the total household income

	USD	NFPG	FPG	Mann whitney U test
PFES income		0	50.9 ± 13.4	
Total cash income		2,855 ± 1,835	3,179 ± 1,803	0.215

There were no significant differences in the total income of both groups. Additional income from PFES is negligible to FPG's total income.

Conclusion and recommendation

Revenue from PFES is **still fluctuating** from year to year due to their great dependence on limited number of service users. To better PFES implementation, it is necessary to identify and expand PFES beneficiaries.

