

Contribution of payment for forest environmental services (PFES) to the livelihood of ethnic minorities in central Vietnam

Authors: Le Thi Thu HA*, Hitoshi SHINJO*,

* Graduate School of Global Environmental Studies, Kyoto University

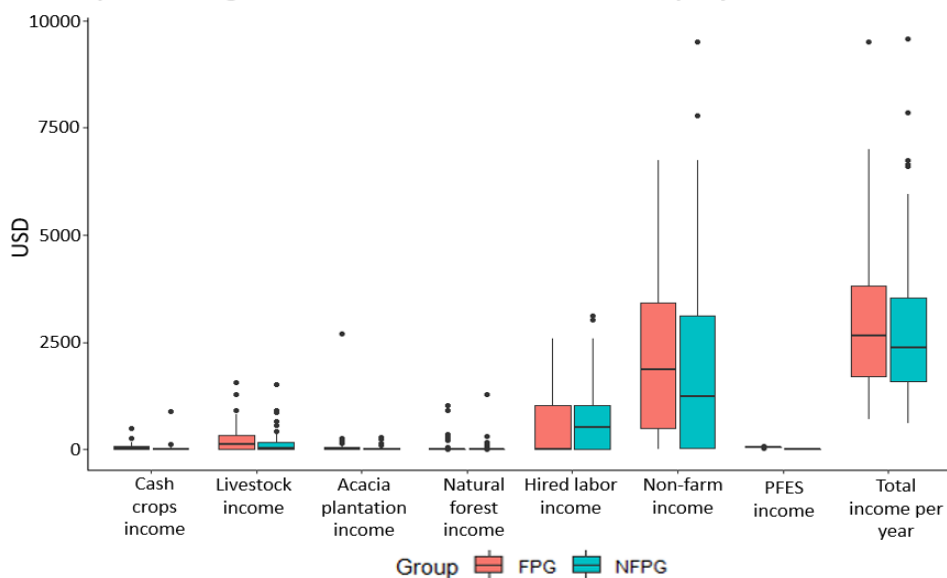
Background: Vietnam is the first nation in Asia introducing the PFES scheme on a nation-wide scale since January 1st, 2011. The PFES is considered as a main breakthrough to socialize the forestry sector by transferring money from forest resource users such as hydropower plants and water supply services to the local communities in charge of forest protection activities. There are so many challenges when the policy is introduced to reality. It is necessary to consolidate the effectiveness of implementing the PFES in Vietnam. This study aims to elucidate how the PFES is distributed to households, how it contributes to the livelihood of ethnic minorities in central Vietnam, and how the local people recognize PFES.

Methodology

Study site: Hong Kim commune, A Luoi district, Thua Thien Hue province, Vietnam. **Sample and data collection:** Focus group discussions, semi-structured interviews, and participatory observations were applied in this study. Out of 553 households in this commune, 133 households were randomly selected from calculated via the Slovin formulation (1960) and divided into two different groups named Forest protection group (FPG, n=67) and Non-forest protection group (NFPG, n=66).

2. How PFES contribute to livelihood income of FPG

Boxplot showing the contribution of cash income source per year to FPG and NFPG



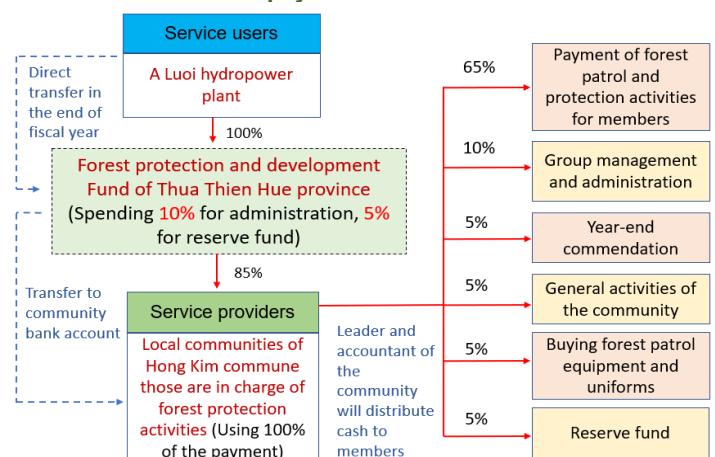
Although the total income per year of FPG (3,112 USD) seemed higher than those of NFPG (2,794 USD), they were not significantly different. This means that although FPG has additional income from PFES (50 USD per year), this source of income is negligible (accounted for only 2% of total income).

Results and discussion

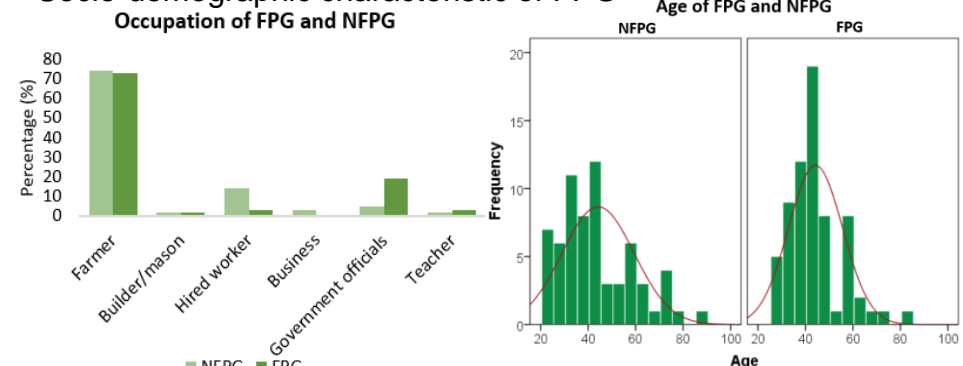
1. How the PFES is distributed to households of FPG

Only 122 out of 553 households could become members of FPG due to the limitation of the allocated forest.

The distribution of PFES to FPG households via indirect payment method



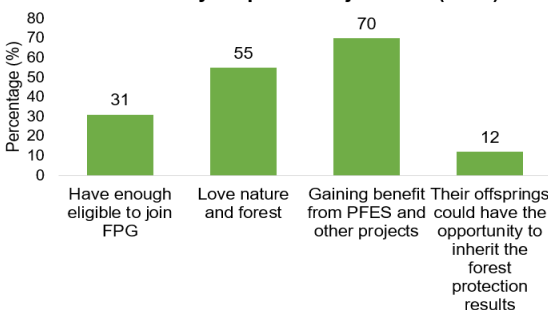
* Socio-demographic characteristic of FPG



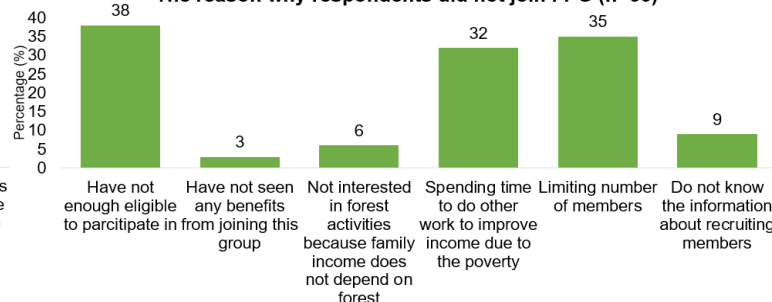
Government officials in FPG (19%) hold a higher percentage than those of NFPG (5%), which might marginalize the opportunity of vulnerable households to become members of the FPG. Middle-aged (36-45) were willing to join FPG. Because young people prefer to do other jobs and are not interested in FPG, the elderly are not healthy enough to join this activity.

3. People perception of the PFES

The reason why respondents join FPG (n=67)



The reason why respondents did not join FPG (n=66)



The non-monetary benefits of PFES and other projects, which aim to restore and maintain the function of forest ecosystems in providing abundant water resources for agriculture and domestic use, reducing risks of erosion and landslide, providing NTFPs, saving culture and customs of the community, is a big motivation for interviewees to be members of FPG.

Conclusion & Recommendation:

Indirect payments have contributed to less payment received by FPG. Although PFES income (2%) is not really significant in the total household income, the non-monetary value is a great motivation for people to join FPG. It is necessary to **expand receiving payment** from other service users to support people's livelihoods. It is better to **openly and transparently select members** to ensure fairness and promote the effectiveness of PFES to involve the entire commune.