

FOREST ENVIRONMENT SERVICE
PAYMENT POLICY

*(Decision no 380/QĐ-TTg dated 10
April 2008 issued by Prime Minister)*

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I. BASIS OF PILOTING POLICY DEVELOPMENT

1. MORE COMPREHENSIVE AWARENESS OF ECONOMIC VALUE OF FOREST (ECONOMI-SCIENTIFIC BASES – NEW APPROACH)



I. BASIS OF PILOTING POLICY DEVELOPMENT

2. ESTABLISH ECONOMIC LINKAGE BETWEEN FOREST PROTECTOR AND DEVELOPER AND FOREST ENVIRONMENT SERVICE USER

(benefit-based opinion)

- Worker, labour working in the forestry sector and participating directly to forest protection and development are benefited part of the direct use value or part of the protection payment paid by the state, while forest owner is mostly not benefited from indirect use value of forest
- Society, community, organization and individual residing outside forest area without participating to forest protection and recovery are benefited from forest services
- Benefits from these services may be disappeared if forest developer is not compensated adequately in order to continue protecting forest and supplying services
- Establish economic link between forest protection and development worker and forest environment service user

I. BASIS OF PILOTING POLICY DEVELOPMENT

3. CHANGE INVESTMENT APPROACH IN FOREST PROTECTION AND DEVELOPMENT

Demand for investment in forest protection and development is huge but investment approach is still mainly come from state budget (meet only 30-40% demand). Thus, proper mechanism is required to mobilize various sources from society and direct beneficiaries of forest service to contribute to the forest protection and development cause.

4. WATER SOURCES FROM DA AND DONG NAI RIVER BASIN ARE VERY IMPORTANT TO VIETNAM IN TERMS OF ECONOMIC DEVELOPMENT AND NATIONAL ENVIRONMENT SECURITY

5. REFER TO EXPERIENCE OF OTHER COUNTRIES WORLDWIDE

II. CONTENTS OF THE POLICY

1. GOALS

- Define rights and obligations of forest environment service provider and user
- Implement forest socialization, mobilize additional sources from society to the forest protection and development

2. APPLICATION SUBJECTS

a) Organizations involving to forest environment service utilization and payment

- Dai Ninh hydro power .
- Đa Nhim hydro power
- Hoà Bình hydro power
- Hydro powers locating along the Sap stream of Son La province
- Sai Gon Water Corporation (SAWACO)
- Dong Nai Construction and Water Supply Company
- Son La Water Supply Company of Son La province
- Organizations, individuals doing tourism businesses within special and protection forest areas of Lam Dong and Son La provinces

b) Forest owners of Dong Nai and Song Da river basin upstream area within the political boundary of Lam Dong and Son La provinces

3. FOREST ENVIRONMENT SERVICES

- a) Water sources accommodation and supply service;
- b) Soil protection, erosion mitigation, anti-earth accumulation in lake service
- c) Tourism service.

4. FOREST ENVIRONEMTN SERVICE PAYMENT MODALITY

Indirect forest environment service payment: forest environment service user pay for the service charge to the provider indirectly through entity (Forest protection and development fund)

5. DEFINE NORMS AND PAYMENT AMOUNT FOR FOREST ENVIRONMENT SERVICE USE

- To hydro power: VND 20/1kwh (applied for one commercial unit).
- To water production and supply enterprises: VND 40/m³ (applied for one commercial unit).
- To tourism activities: 0, 5 - 2 % of the total income.
 - Collect entrance fees from visiting protection and special use forests:

6. ORGANIZATIONS PAY FOR FOREST ENVIRONMENT SERVICES

- Service users residing within Lam Dong and Son La provinces must pay for service charge through the Forest protection and development funds of Lam Dong and Son La provinces
- Service users involving to different provinces must pay for service charge through the Vietnam Forest protection and development fund. MARD, basing on basin area of Lam Dong and Son La province, refunds to the provincial funds and the remaining balance may be funded to other provinces within the basin or used for executing the Decision 380
- The Forest protection and development funds of Lam Dong and Son La provinces are responsible for compensating directly to the service payment beneficiaries.

7. USE OF FOREST ENVIRONMENT SERVICE PAYMENT

The payment amount shall be used as follows:

- 10% for forest protection and development fund
- 90% to cover activities carried out by forest environment service payment beneficiaries.

If the service payment beneficiaries are state organizations, 10% is permitted to use to cover management costs, 80% is used to pay for forest protection costs.

8. FOREST SERVICE PAYMENT BENEFICIARIES

- Forest owners are organizations: is decided by the PPC upon district PC's proposal after being appraised by DARD.
- Forest owners are households, individuals, local communities: is decided by district PC upon professional district department of forestry's proposal



THANK YOU!