

PAYMENTS FOR FOREST ECOSYSTEM SERVICES IN MAINLAND SOUTH-EAST ASIA: FROM IDEAS TO PRACTICE

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PAYMENTS FOR ECOSYSTEM SERVICES (PES)

- Voluntary transactions between service users and service providers that are conditional on agreed rules of natural resource management for generating offsite services (Wunder 2015)
- Promising approach to natural resource management
 - Most schemes in the US, Europe and Latin America
 - Development at early stages in Asia and Africa



IMPORTANT ASPECTS OF A PES SCHEME

- **Additionality**
 - Contribution in addition to without the scheme
- **Transparency**
 - Contract terms, decision making, benefit sharing are transparent and known to all
- **Conditionality**
 - Payment is made only as long as the service is provided
- **Voluntary transactions**
 - Providers act voluntarily



Cf. Tacconi 2012

FOREST CONDITIONS IN MAINLAND SOUTH-EAST ASIAN COUNTRIES

COUNTRY	FOREST AREA 1 000 ha	% OF LAND AREA	ANNUAL CHANGE RATE 2010–2015 %	PLANTED FOREST % OF FOREST AREA (2015) [annual change rate 1990–2015 %]
CAMBODIA	9 457	53.6	-1.3	0.7 [0.1]
LAO PDR	18 761	81.3	1.0	0.6 [16.5]
MALAYSIA	22 195	67.6	0.1	8.9 [0.0]
MYANMAR	29 041	44.2	-1.8	3.3 [3.6]
THAILAND	16 399	32.1	0.2	24.3 [1.6]
VIETNAM	14 773	47.6	0.9	24.8 [5.5]

FOREST TENURE

COUNTRY	% OF FOREST AREA OWNED & ADMINISTERED BY GOV.	% UNDER SOME DEGREE OF COMMUNITY MANAGEMENT	% OF FORST LAND UNDER PRIVATE/ COMMUNITY OWNERSHIP	RURAL POPULATION % OF TOTAL 2015**
CAMBODIA ¹	100	3		79
LAO PDR ²	100	32		61
MALAYSIA ^{2,3}	95		5	25
MYANMAR ^{2,3,5}	100	2		66
THAILAND ^{2,3}	100	3 (community land use permit)		50
VIETNAM ^{3,4}	71*		25/4 allocated	66

1 Kurashima et al .2015; 2 RECOFT 2013; 3 FAO 2015; 4 To Xuan Phuc & Tran Huu Nghi 2014; 5 Tint et al. 2014

*includes: State Enterprises, Forest Management Boards, Peoples Committees, Army, other organizations

**<http://data.worldbank.org/indicator/SP.RUR.TOTL.ZS>

PES POLICY AND PROGRAMMES

COUNTRY	Specific PES legislation	PES recognized in national plans/strategies	Projects/programmes
CAMBODIA	No	Yes*	Pilots and Voluntary market
LAO PDR	No	Yes**	Pilots
MALAYSIA	No	Yes***	Voluntary market
MYANMAR	No	No	Pilots
THAILAND	No	Yes****	Pilots
VIETNAM	Decree No. 99 on the Policy for Payment for Forest Environmental Services, 2010	Yes*****	Nationwide PFES programme

RECOFTC 2013; *National Forestry Programme 2010–2029; **Strategy for agricultural development 2011–2020; ** *Eleventh Malaysia Plan (11MP); ****11th National Economic and Social Development Plan; *****E.g. Vietnam National Green Growth Strategy and Viet Nam Sustainable Development Strategy for 2011–2020

EXAMPLES OF PES PROJECTS (1)

COUNTRY	Projects/ programmes	Current/ Potential providers	Current/ Potential buyers	Comments
CAMBODIA	Pilots: watershed, biodiversity	Local people, communities	Tourists, hotels, NGOs, donors, hydropower companies	
	Carbon: 2 VCM (VCS) projects: Oddar Meanchey; Keo Seima Wildlife Sanctuary	Communities, Gov., NGO	Global voluntary markets, e.g. Disney (Keo Seima)	Oddar Meanchey: 63 831 ha Keo Seima: 292 690 ha
LAO PDR	Pilots: watershed, biodiversity, carbon	Gov.agency, university, NGO, local people, communities	Gov.agency, foreign companies in hydropower and mining, downstream water users	Large scale off- sets, in these and other pilots so far no direct payments to local communities

EXAMPLES OF PES PROJECTS (2)

COUNTRY	Projects / programmes	Current / Potential providers	Current / Potential buyers	Comments
MALAYSIA	Malua BioBank: biodiversity	Sabah State gov.+ private investors (biodiversity conservation certificates)	Voluntary buyers (companies, NGOs, private citizens)	Gov. provides or participates in provision, locals benefit through employment Seeks to preserve 34 000 ha
	Perak State Forest: watershed	State forest dept.	Voluntary buyer: Hydro-power company	0.25% of profits
	Rehabilitation of logged-over dipterocarp forest in Sabah: Carbon (VCS)	Company+Foundation of the Dutch Electric Generation Board	Global, voluntary carbon markets	Rehabilitate 25 000ha logged over forest
MYANMAR	Pilots: Carbon	N/A	N/A	Improvement of the Quality of Life of Ethnic Minorities in the Naga Area through Youth Participation in REDD

EXAMPLES OF PES PROJECTS (3)

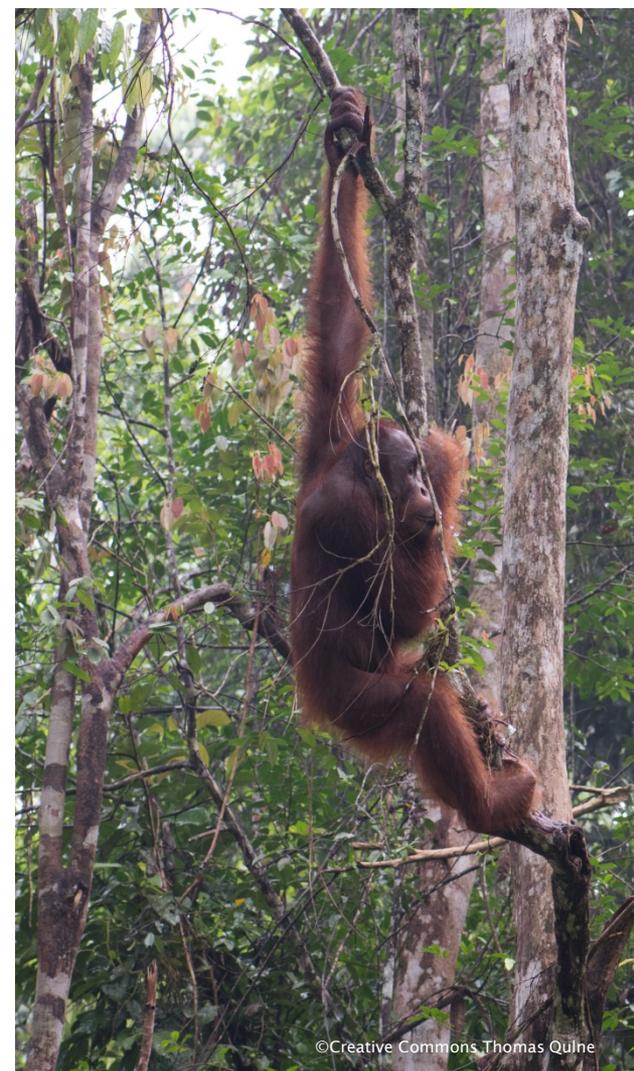
COUNTRY	Projects/ programmes	Current/ Potential providers	Current/ Potential buyers	Comments
THAILAND	Pilots: watershed, biodiversity	Local people, communities, NGOs, gov.	Water users, tourism sector, companies (CSR), general public, NGOs	Pilots in initial stages National organizations + donor driven, private companies (CSR)
VIETNAM	National PFES programme: currently watershed, landscape, biodiversity (future: carbon, soil protection)	Individuals, households, communities, organizations (forest management boards, state forest enterprises)	Current: Hydropower (majority), water supply, tourism sector	Payments trough central and provincial Forest Protection and Development Funds, REDD+ fund will be part of PFES Supports forest protection on 3–4 milj. ha /year

TYPES OF PAYMENTS

- **Voluntary non-governmental payments for voluntary actions**
 - Voluntary payments by non-governmental stakeholders to compensate suppliers (private or gov. agency) who voluntarily take action to provide or safeguard ecosystem services
- **Regulatory non-governmental payments for (voluntary) actions**
 - Regulatory framework to establish demand (compulsory fees for e.g. water/hydropower companies; tourists; tourism business)
- **Governmental payments for voluntary actions**
 - Local/regional/national government agency, quasi public agency represent the general public and acts as buyer by financing the provision of ecosystem service(s)

CONCLUSIONS₍₁₎

- In general lack of acknowledgement of ES and their value
- No formal institutional framework (except Vietnam)
- Governments own and administer most of the forest land
 - Lack of or unclear legal property rights and/or restricted rights of local communities (Cambodia, Laos, Malaysia, Thailand, partly Vietnam)
 - Reluctance to allow local communities to benefit financially from forest resources (Cambodia, Laos)
 - PES seen as an option for obtaining funding for state forest administration/protection (Cambodia, Laos, Malaysia, Vietnam)
- High transaction costs



CONCLUSIONS₍₂₎

- Problems with
 - Transparency
 - Conditionality
 - Additionality

- Monitoring and evaluation mostly lacking

- High forest cover + large rural populations => in theory potential for poverty alleviation exists, in practice depends on institutional setting

- Well-designed PES schemes can complement regulatory intervention rather than substitute them
 - Interplay within the whole institutional setting is crucial (Schomers & Matzdorf 2013)



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THANK YOU

