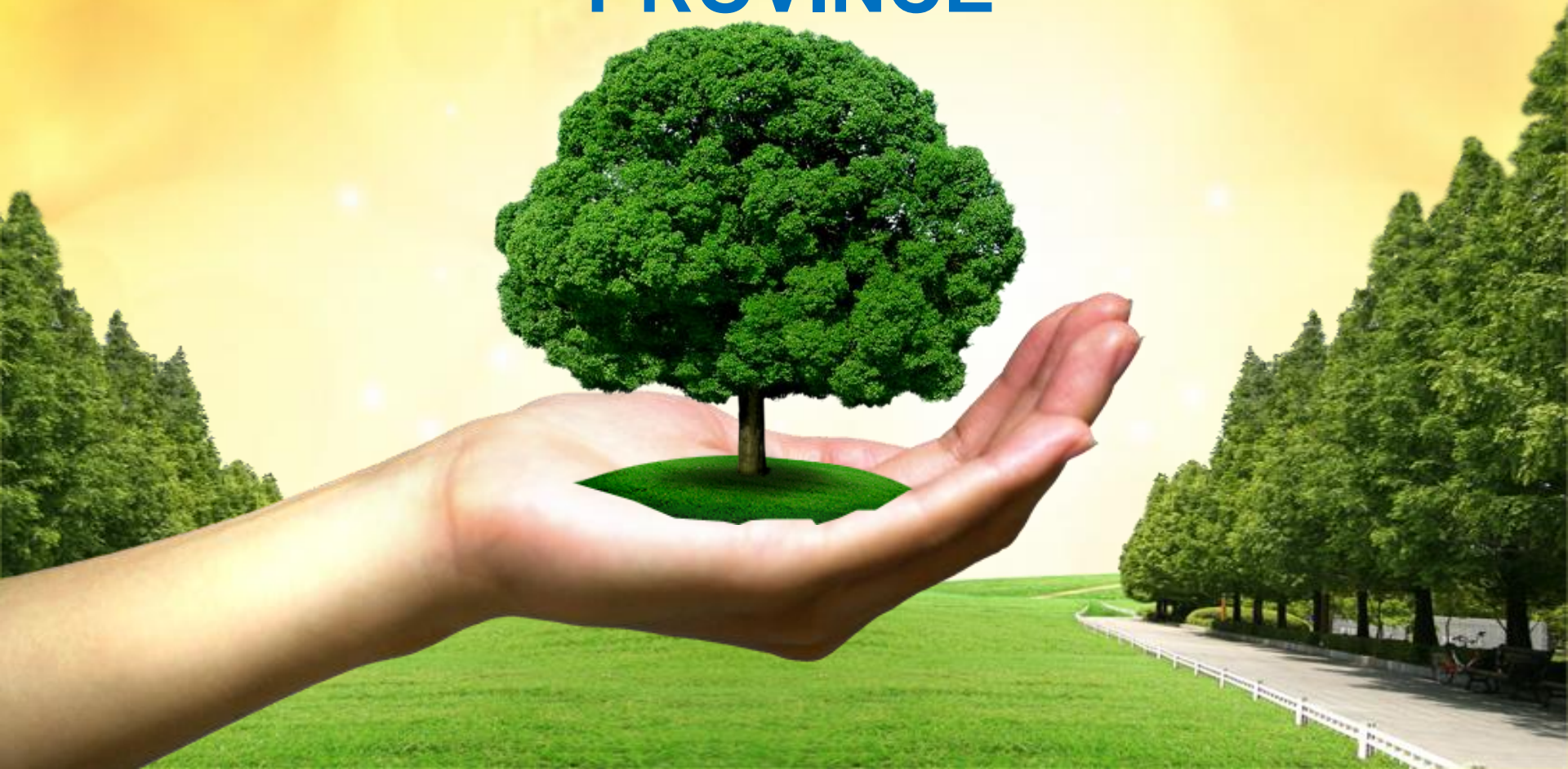


OVERVIEW OF PFES IN SON LA PROVINCE





PFES evolution in Son La is divided into 3 stages:

I. Pilot phase in accordance with Decision no. 380

II. Decree 99

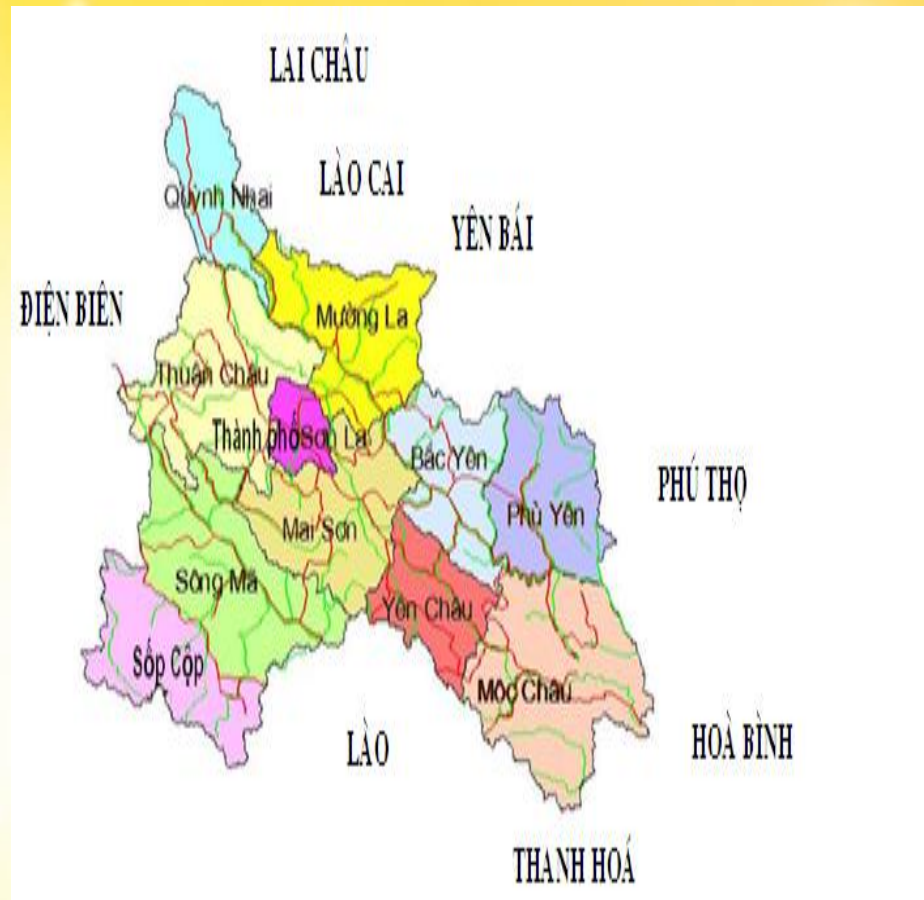
III. Forestry law and Decree 156



I. OVERALL PICTURE OF SON LA PROVINCE

Son La province is located in the Northwest region of Vietnam, with boundaries bordering 6 provinces: Lao Cai, Yen Bai, Phu Tho, Hoa Binh, Lai Chau; Thanh Hoa and Lao PDR.

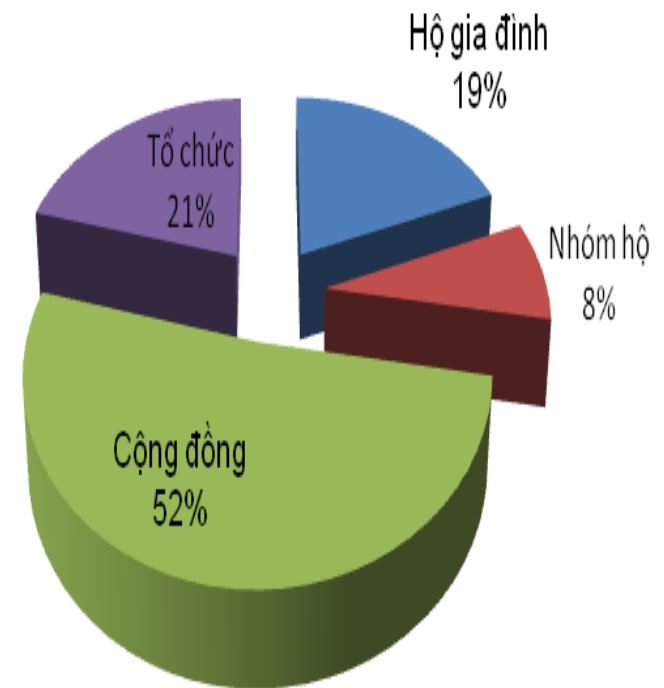
Son La has 12 districts and a provincial municipal with 204 communes and wards. Total natural land area is 1,417,444 ha, of which forest land of 817,890 ha accounting for 57.9% (of which forested land is 641,000 ha and the forest cover is 45.4%). Be potential for forest economic development.



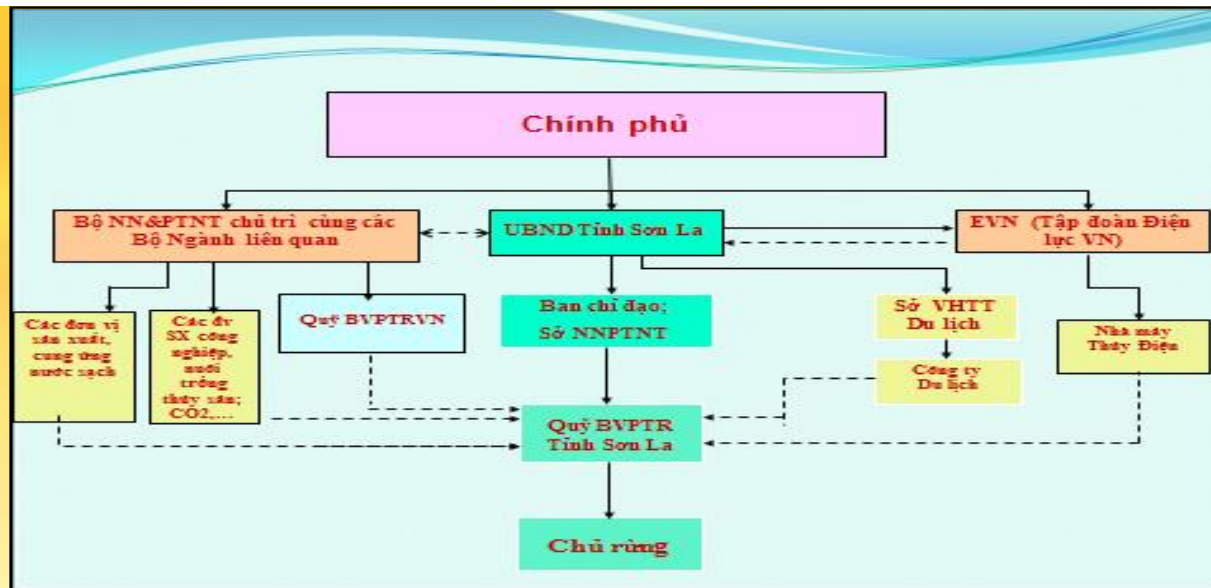
be potential for PFES, with 98 public construction works planned, of which 54 hydropowers with capacity of 4,000MW, the annual PFES revenue is VND 200 billions/year.

FOREST AND LAND ALLOCATION STATUS

- Land and forest are allocated to 65,372 beneficiaries.
- Allocation to 54,692 hhs accounting for 19% total allocated land area.
- Allocation to 5,009 hh groups accounting for 8%.
- Allocation to 2018 economic entities, accounting for 21%.
- Allocation to 4,013 communities, accounting for 52%.



PFES ORGANIZATIONAL STRUCTURE IN SON LA PROVINCE



II. ACHIEVEMENTS, IMPACTS OF PFES IN SON LA PROVINCE

1. Policy impact on local authority and local community's awareness and quality of the forest protection and development tasks

- since deployment of PFES scheme, the local authority and local people have been better aware of their benefits and obligations, and consequently better forest management. Deep and active involvement of the local authority, from propaganda, promotional activities to coordination of forest protection and development, and forest fire prevention. 1,860 forest patrol teams have been established.
- Number of the violations has been reduced remarkably. With 1,434 cases found in 2009, only 599 cases were detected in 2020.
- The forest cover was increased from 40% in 2008 up to 45.4% in 2020



2. Create a sustainable financial source for forest protection and development, reduce pressure on the state budget

- Over 12 years of implementation, the provincial Fund has mobilized VND **1,644 billions** from hydropowers, clean water suppliers, for disbursement to 43,000 forest owners, of whom mostly are ethnic and poor people. Create jobs and improve livelihoods of the forest dependent people; support the forest patrol teams for patrolling (total PFES amount is 5 times more than that of the state budget investment in forestry via the 661 program over the past 12 years 1999-2011)


- The payment rate per ha of forest has been increased gradually. In 2010, the payment rate of VND 110,000 which has been increased to 300,000 – 1,500,000 VND/ha/y in 2020, depending on respective basin.

- This payment rate is 2-3 times more than that of the previous programs, creating jobs, improving living conditions of the forest laborers; providing support to the forest patrol teams for their operations.



[illegible][illegible][illegible]


3. Economic and social impacts, and other impacts on local livelihoods, income of the forest dependent people



- Pfes payment rate has been increased over the years. With 110,000 VNF in 2010 up to 300,000 – 1,500,000 VND/year in 2020 depending on the respective basin.

- The average annual revenue is about 200 billion VND/year (*of which about more than VND 100 billions are disbursed to communities*). Creating jobs, livelihoods for 30,000 hhs and contributing to the new rural development program with 7,345 construction works (such as road, cultural house, schools, etc.) invested VND 173.99 billions from PFES (*the survey shows that, since the roads were built, local agriculture products have been more accessible to the market, hence creating more incomes and improving living conditions of the local people, reducing pressure on deforestation*)

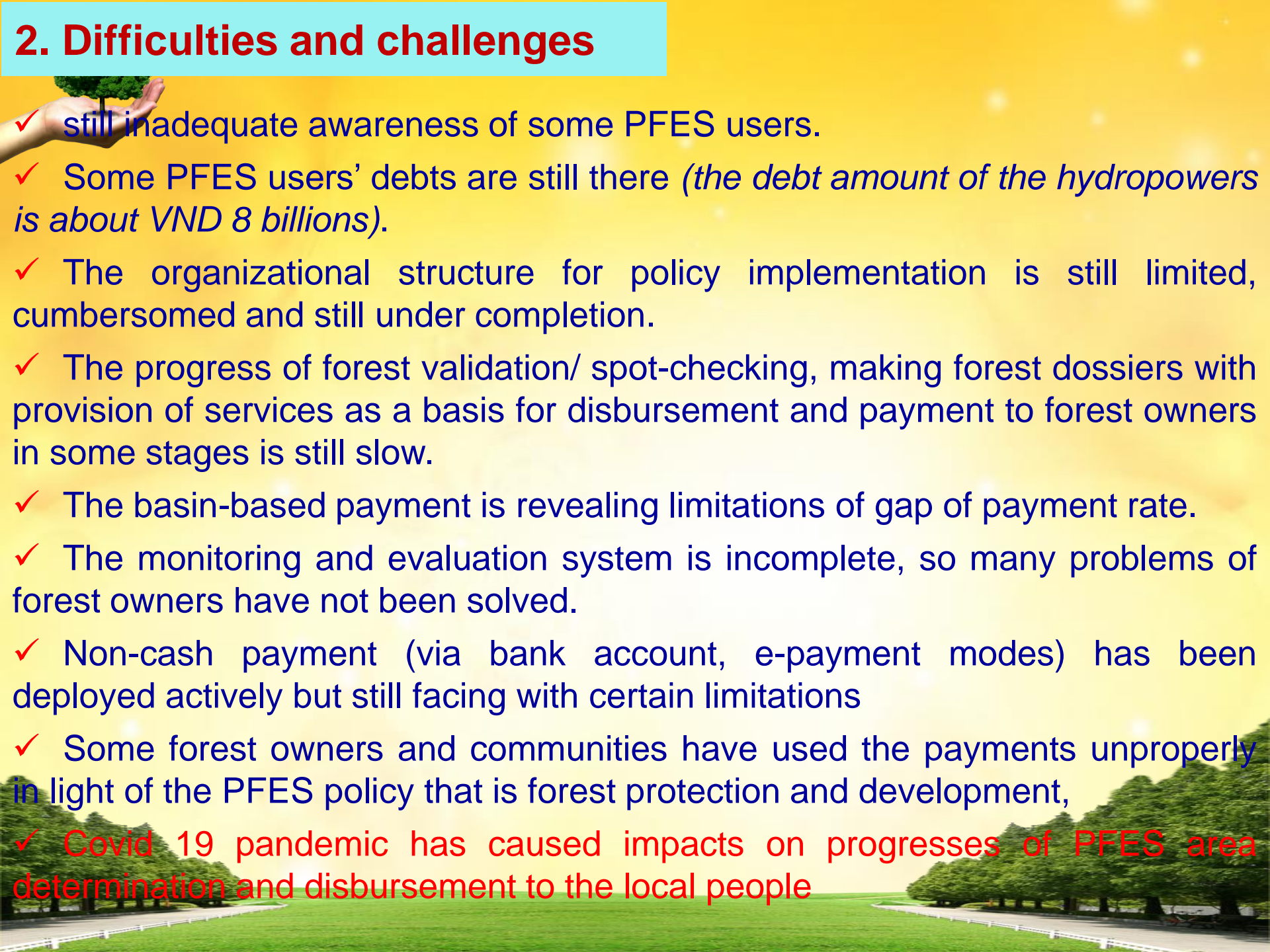
- Payment rate of forest protection has been increased 2-3 times more than that of the previous programs, creating jobs, improving living conditions of the forest dependent people; savings from state budget investment in forestry are used for other necessity and investments in the more disadvantaged communes of the province.



III. ADVANTAGES, DISADVANTAGES AND CHALLENGES

1. Advantages

- ✓ be closely directed and coordinated of the authorities, branches, international organizations and the local people
- ✓ The province's viewpoints and policies identify the forestry sector as an important economic sector and focus resources for development.
- ✓ The province has advantages and potentiality for PFES deployment such as large forest area, potential for hydropower
- ✓ Increased incomes of the forest owners, hence contributing to the improved livelihoods; local people are more aware of forest protection, working closely with authority for forest protection and development;
- ✓ The implementation show that this is the right policy and is consistent with the practice of sustainable forest management, protection and development in Son La in particular and the whole country in general;
- ✓ Through the implementation, it has been shown that the policy has solved many basic problems, in which the focus is on 03 basic issues: environmental, economic and social.



2. Difficulties and challenges

- ✓ still inadequate awareness of some PFES users.
- ✓ Some PFES users' debts are still there (*the debt amount of the hydropowers is about VND 8 billions*).
- ✓ The organizational structure for policy implementation is still limited, cumbersomed and still under completion.
- ✓ The progress of forest validation/ spot-checking, making forest dossiers with provision of services as a basis for disbursement and payment to forest owners in some stages is still slow.
- ✓ The basin-based payment is revealing limitations of gap of payment rate.
- ✓ The monitoring and evaluation system is incomplete, so many problems of forest owners have not been solved.
- ✓ Non-cash payment (via bank account, e-payment modes) has been deployed actively but still facing with certain limitations
- ✓ Some forest owners and communities have used the payments improperly in light of the PFES policy that is forest protection and development,
- ✓ Covid 19 pandemic has caused impacts on progresses of PFES area determination and disbursement to the local people

Thank you

