

Payment for Environmental Services

Improving Resiliency to Climate Change



PAYMENT FOR ENVIRONMENTAL SERVICES (PES)

- ❑ PES schemes reward those whose lands provide these services with subsidies or market payments from those who benefit, such as lowland farmers or local residents in the case of a watershed protection scheme (who pay those who manage these upstream forests to ensure a sustainable flow of water).
- ❑ PES is a voluntary, negotiated framework that arranges payments for the benefits provided by forests and other natural ecosystems to recognize their value and ensure that these benefits continue well beyond the present generation.
- ❑ PES encourages landowners to manage resources in a manner that ensures they continue to generate ecosystem services (such as carbon offsets). In addition to benefiting biodiversity, PES schemes also have a potential to benefit poor landowners who manage these environmental services.
- ❑ PES schemes bring great hope for sustaining the protection and management of forests for the benefit of people and nature. In particular, PES schemes help mobilize sustainable financing for conservation and climate change mitigation.

PES AND THE STRATEGIC SUSTAINABLE FINANCE MECHANISM DEVELOPMENT APPROACH

- ❑ DETERMINE science-based payment priorities and mechanisms through cost benefit analysis with strong local input.
- ❑ DEVELOP joint investment strategies with provinces and private buyers to consolidate conservation services values
- ❑ NEGOTIATE and clearly define royalty and fee assessments
- ❑ INVEST in value-added sustainable forest resource management strategies (bamboo, tourism, essential oils, carbon credits) where possible
- ❑ EAR-MARK funds with transparent processes and procedures for disbursement to participating local-level stakeholders
- ❑ DEVELOP low-cost, science-based participatory monitoring approach to evaluate the disbursement mechanism, enforce agreements, and strengthen existing markets

CASE STUDY: VIET NAM PILOT PAYMENT FOR FOREST ENVIRONMENTAL SERVICES (PFES)

IN VIET NAM, THE MINISTRY OF AGRICULTURE AND RURAL DEVELOPMENT AND THE ASIA REGIONAL BIODIVERSITY CONSERVATION PROGRAM (ARBCP) WORKED TOGETHER TO STRENGTHEN THREE AREAS TO IMPROVE ABILITY OF MARKET SIGNALS TO SET PRICES AND SUSTAIN SERVICE DELIVERY:

1. COMPLETE ECOSYSTEM SERVICE MAPPING AND IMPROVE SCIENTIFIC UNDERSTANDING OF ECOSYSTEM PRODUCTION FUNCTIONS.
2. STRENGTHEN ABILITY TO RESPOND AND PERFORM UNDER DIFFERING BIOPHYSICAL AND SOCIOECONOMIC CONTEXTS
 - ESTABLISHING WATERSHED VALUES
 - DEVELOPING AESTHETIC VALUES
 - NEGOTIATION AND SCIENCE-BASED PARTICIPATORY APPROACHES
3. DEVELOP APPROPRIATE POLICY, FINANCE, MANAGEMENT, AND GOVERNANCE ENABLING SYSTEMS

FOREST VALUE EVALUATION

