

PES Study Tour to Lam Dong, Vietnam

Trip report Date: 6-10 February 2012

LEAF Program, +66 (0) 2 631 1259

Outline

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A group of 14 Thai participants explored PES implementation in Lam Dong province

The purpose of the study tour is to provide an opportunity for Thai officials and representatives from the pilot site in Thailand to explore information about payment for environmental services that has been successfully carried out in areas of Lam Dong province in Vietnam to a targeted audience in a pilot site in Thailand. Reflections from the Thai participants who are officials from the Department of national

parks, wildlife and plant conservation (DNP) as well as the representatives from the communities at the pilot sites in Thailand from the tour showed that the study tour can be a great way to raise awareness of the links between environmental services contributing to people's livelihoods and the economic development process.

In April 2011 the Thailand DNP was designated to be an official partner for the

LEAF program for implementing its PES project in a pilot site in Thailand, the Maesa-Kokma Man and Biosphere Reserve, located 40 km northwest of Chiang Mai city. Although the program has not yet officially registered, the program advanced the implementation of PES in the Thai pilot site by organizing a PES study tour to Lam Dong province, a pilot site in Vietnam from 6 to 10 February 2012.

Objectives of the tour

The three objectives set for this study tour include:

First, to learn about the PES concept as implemented in Vietnam. Second, to explore and understand about the process of development and implementation of PES in Vietnam. Third, to learn about their lessons learned as well as the challenges for implementing PES in Vietnam.

Daily activities

Day 1: Meeting with policy makers from Hanoi

Discussions in the morning and afternoon sessions were held at the meeting room of the Lam Dong Department of Agriculture and Rural Development (DARD) in Dalat city.

In the morning session, three invited speakers from the Hanoi who are involved in policy development and one ARBCP staff provided information about development process of PES implementation in Lam Dong province, which is one of the two pilots sites for PES implementation in Vietnam. The discussed topics fall into four areas: 1) PES policy development; 2) identifying buyers and regulations for buyers; 3) identifying beneficiaries and the mechanisms to link the buyers and beneficiaries and; 4) benefit distribution of PES payments in the scheme.



Figure 1: group photo with the invited speakers from Hanoi

The Thai participants realized the background of environmental degradations in the history for Vietnam, the importance of forest protection and its opportunities for poverty alleviation in rural areas. The PES concept and its development for the payment mechanisms for such the pilot site in Vietnam as a strategy for poverty alleviation

through forest protection that allows payments from buyers to be channeled to the poor households in the area were also explained. The benefits distribution based on scientific tools that link the quality of the environmental services to beneficiaries were elaborated. After the preparation for the PES policy development in Vietnam for several years, the implementing process for PES on the ground in Lam Dong province as a pilot sites were shared with the Thai participants.

In the afternoon session, the PES payment fund was further elaborated by the group of Provincial PES Fund, Lam Dong DARD province.

Day 2: Meeting with households benefiting from the PES Payment Fund and visit to a scientific measurement station

The discussion in the morning session took place at the meeting room of the Da Nhim commune. The Da Nhim Protection Forest Management Board (PFMB) first explained about their responsibilities and mechanism for channeling the PES fund to the households who participated in the PES program. Thai participants also learned how the PES project could involve local households in the area into the project through representatives from four villages participating in the PES project. This stimulated practical questions from the Thai participants, especially from the 5 representatives from the pilot site in Thailand.



Figure 2: Local representative from Maesa-Kokma shared his experiences in forest management on Day 2

In the afternoon, the participants visited one of the four gauging stations within the PES program area near the Da Nhim commune. The gauging station was built for an installation of scientific tools to measure the surface runoff, representing the data from land use types of agricultural practices and forest area. The visit and explanations triggered many critical questions from Thai participants, especially from the Department of National Parks, Wildlife and Plant Conservation (DNP), Thailand.

Day 3: Meeting with the buyers: two tourism companies and a hydropower producer

The first discussion in the morning took place at the meeting room of the "Lovely Valley" tourism company. The participants learn about the history of the company. The mechanisms how the company participated in the PES fund as well as their motivation for participating in the PES scheme were discussed. Questions related to the expectations from the company to the payment as well as the monitoring and verification of the changes in environmental services were raised by the Thai participants. The second meeting was with the deputy director of the "Lakeside" tourism company in the park. The participants received similar opinions and experiences about the PES mechanism from this company. Both companies referred to their awareness of the benefits to the poor and the importance of the natural ecosystem. The companies view the payment as part of their investment in their tourism operation. The Thai participants were skeptical about the value of the payments made by the companies to the PES fund. The companies highlighted an improvement in environmental services such as water from the PES program over the long term period in which one should not expect improvements of the services within the first three years.



Figure 3: The village headman from Phanonkok, Thailand asked his question to the tourism company on Day 3

In the afternoon, the Thai participants met with the staff from the Dai Ninh Hydro Power Plant. The current production situation was discussed, in which the company staff indicated that they were making a loss. The participants asked for their motivations to pay to the PES fund in spite of the higher losses to the company after joining the PES scheme. The company also mentioned their difficulties to reduce losses through higher power charges as the price is controlled by the government and the energy price is a sensitive factor for development in Vietnam. Like the other two companies in the morning, the participants were keen to tell that the hydropower plant has an expectation of improved water quality for power production. And the company referred to an irrational expectation about improving the water quality only after three years of joining the PES scheme. In spite of that, the company was keen to tell about reports that show changes in the water quality from the PES operators in the first three years.

Day 4: Meeting with households benefiting from PES Payment Fund

Thai participants left Dalat city for Ho Chi Minh in early morning to meet with the Saigon Water Supply Company (SAWACO). The discussion was held in a separate room at a restaurant in Ho Chi Minh City prior lunch. A group of company representatives provided their current production activities, water sources for water production as well as their positive views about the PES scheme. Participants asked similar questions in regard to the expectation from the payment the company having contributed to the PES fund, and the answer was similar to other three companies who pay to the PES fund.

Daily group exercises

The daily group exercises after the meeting helped the Thai participants to recall what they had learned that day and what does the information means for Thailand, particularly for the Maesa-Kokma Man and Biosphere Reserve as a pilot site for Thailand.

Some notes from the participants

"PES should be founded on 4 pillars: government, people, private sector, and PFES fund regulators. Yet, for Thailand, implementing this concept is rather difficult as people see any environmental services as something for free. Perhaps the start of PES implementation can be implemented in an indirect ways"

"Information we have received today are interesting. Yet, some of the information is convincing and some are not. What we observed in the area is different from what we were told today"

"The gauging station we visited today was an interesting one. This is a good and convincing method for monitoring and verification of the water quality. This is a good tool for a group who is responsible for monitoring the improvement of

environmental services"

"To implement PES in Thailand, raising awareness about the value of services provided from the forest ecosystems and knowledge about PES can be the first step "



Other group exercises



Besides daily meetings where Thai participants learned about PES in Lam Dong province, the participants very much enjoyed the beautiful landscape of Dalat and Da Nhim commune. Taking photos was an important activity.



PES STUDY VISIT AGENDA

Location: Dalat city, Lam Dong province and Ho Chi Minh City
Time: Feb 6-10, 2012
Updated as: 16 January 2012

Monday, February 6, 2012			
Time	Activity	Exchange content	Venue
05.00	<ul style="list-style-type: none"> Check in for Chiang Mai participants 		Chiang Mai airport, Chiang Mai
07.00	<ul style="list-style-type: none"> Chiang Mai participants leave to BKK 	TG 123 M 06FEB 1 CNXBKK HK1 07.00 08.10	
08.10	<ul style="list-style-type: none"> Chiang Mai participants arrived BKK 		Suvarnabhumi Airport, BKK
9.20	<ul style="list-style-type: none"> Check in for BKK participants 	<ul style="list-style-type: none"> Pay per diem to all participants 	
11.20	<ul style="list-style-type: none"> All participants leave for Ho Chi Minh City, Vietnam 	VN 600 L 06FEB 1 BKKSGN HK1 11.20 12.50	
12.50	<ul style="list-style-type: none"> All participants arrive to Ho Chi Minh City, Vietnam 	**participants may exchange money here**	Ho Chi Minh City, International terminal
15.30	<ul style="list-style-type: none"> All participant leave for Lam Dong province Leave for Dalat city with a mini bus 	VN1384 Y 06FEB 2 SGNDLI HK1 15.30 16.20 <ul style="list-style-type: none"> Here join the interpretator 	Ho Chi Minh City, Domestic terminal
16.20	<ul style="list-style-type: none"> All participants arrive to Lam Dong 	**participants may exchange money here**	Dalat city, Lam Dong province
17.00-18.00	<ul style="list-style-type: none"> Check in to Ngog Ian Hotel, 42 Nguyen Chi Thanh, Dalat City. Check in to a hotel in Da Lat 	<ul style="list-style-type: none"> Here join Mr. Nam 	Dalat city, Lam Dong province
18.00-20.30	<ul style="list-style-type: none"> Dinner (group) Introduction to the PES 	<ul style="list-style-type: none"> All together & introduction: speakers; interpretator; Nam; participants Introduction to the PES study tour (in Thai) 	Ngog Ian Hotel

Tuesday, February 7, 2011			
Time	Activity	Exchange content	Venue
Morning	Breakfast		
8:00 – 11:30	<ul style="list-style-type: none"> Meet and exchange with central government officials (from Government office, Department of Legislation/MARD, Forest Inventory and Planning Sub-institute) <ol style="list-style-type: none"> Dr. Nguyen Chi Thanh Dr. Pham Xuan Phuong Mr. Nguyen Tuan Phu 	<ul style="list-style-type: none"> Entire PES process in Vietnam from embryonic of idea, policy advocacy, pilot implementation of the PM's decision, and institutionalization into the government decree Roles of the government during the course of PES implementation Identification of relevant stakeholders engaging in the implementation Scientific and legal basis for PES to be implemented in Vietnam 	Meeting room of Lam Dong DARD
	<ul style="list-style-type: none"> Lunch 		
Afternoon: 13:30 – 17:00	<ul style="list-style-type: none"> Meet and exchange with official of Lam Dong DARD (Provincial FPD Fund, and Mr. An – former Director of Lam Dong DARD) 	<ul style="list-style-type: none"> PES implementation process in the province until today Advantages, challenges, innovative ideas applied in PES implementation Roles of provincial competent authorities in PES implementation Roles of Lam Dong FPD Fund, its achievements Lessons learned 	Meeting room of Lam Dong DARD
17.00-18.00	<ul style="list-style-type: none"> Feedback from the visits Dinner 	<ul style="list-style-type: none"> discuss and reflect on what was examined during the day develop up an action plan that could help inform LEAF of activities back in the MaB 	Meeting room of Lam Dong DARD

Wednesday, February 8, 2011			
Time	Activity	Exchange content	Venue
Morning	<ul style="list-style-type: none"> Breakfast 		
8:00 – 11:30	<ul style="list-style-type: none"> Meet and exchange with Da Nhim Protection Forest Management Board (PFMB) (State forest owner) Meet and exchange with a few contracted households 	<ul style="list-style-type: none"> Roles of the PFMB in PES implementation Implemented PES activities Advantages and challenges Viewpoints of contracted households towards the Government PES policy, contributions and participation of local households, benefits brought about by the Government PES policy 	Meeting room of Da Nhim commune
	<ul style="list-style-type: none"> Lunch (box) 		
Afternoon: 13:30 – 17:00	<ul style="list-style-type: none"> Visit Da Nhim Gauging Station (Agricultural and Pine land use) funded by Winrock International Meet and exchange with officers of the Gauging Station (Managed by Department of Environment and Natural Resources) 	<ul style="list-style-type: none"> Purposes and operation of the Gauging station Advantages and challenges 	Da Nhim Gauging Station

17.00-18.00	<ul style="list-style-type: none"> Feedback from the visits Dinner 	<ul style="list-style-type: none"> discuss and reflect on what was examined during the day develop up an action plan that could help inform LEAF of activities back in the MaB 	Ngog Ian Hotel
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Thursday, Feb 9, 2011

Time	Activity	Exchange content	Venue
Morning	<ul style="list-style-type: none"> Breakfast 		
8:00 – 11:30	<ul style="list-style-type: none"> Meet and exchange with tourism businesses engaging in PES <ol style="list-style-type: none"> Lovely Valley Tourism Company Lakeside Tourism Company Lunch 	<ul style="list-style-type: none"> View points of the Payer towards the Government PES policy Course of PES implementation Advantages and challenges 	Meeting rooms of the companies
Afternoon: 13:30 – 17:00	<ul style="list-style-type: none"> Meet and exchange with Dai Ninh Hydro Power Plant 	<ul style="list-style-type: none"> View points of the Payer towards the Government PES policy Course of PES implementation Advantages and challenges 	Meeting room of the company
17.00-18.00	<ul style="list-style-type: none"> Feedback from the visits Dinner 	<ul style="list-style-type: none"> discuss and reflect on what was examined during the day develop up an action plan that could help inform LEAF of activities back in the MaB 	

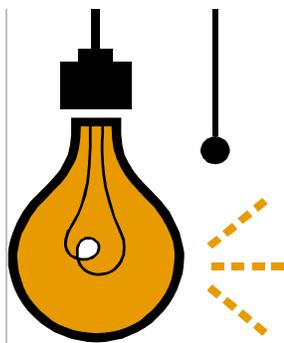
Friday, February 10, 2011

Time	Activity	Exchange content	Venue
Morning	<ul style="list-style-type: none"> Breakfast 		
8:00 – 11:30	<ul style="list-style-type: none"> Check out from the hotel Departure for Ho Chi Minh city 	VN1381 Y 10FEB 5 DLISGN HK1 09.00 09.50	Lam Dong province
11.00 – 12.00	<ul style="list-style-type: none"> Meet and exchange with the Saigon Water Supply Company (SAWACO) Lunch 	<ul style="list-style-type: none"> View points of the Payer towards the Government PES policy Course of PES implementation Advantages and challenges 	Resturant, Ho Chi Minh City
Afternoon: 15.00	Check in at the HCMC airport	VN 603 T 10FEB 5 SGNBKK HK1 17.05 18.30 **participants may exchange money here**	Resturant, Ho Chi Minh City Ho Chi Minh City
18.30	Arrive to BKK	21.30: TG 122 M 10FEB 5 BKKCNX HK1 21.30 22.40	Suvarnabhumi Airport, BKK
22.40	Arrive to Chiang Mai		Chiang Mai airport, Chiang Mai

Notes: DARD= Department of Agriculture and Rural Development

Summary: Meeting with:

Date	Type of stakeholders	
Tuesday, February 8, 2011	Policy makers	1. Government office, Department of Legislation/ 2. MARD, Forest Inventory and Planning Sub-institute (3 policy makers: Nguyen Tuan Phu; Nguyen Chi Thanh; Pham Xuan Phuong)
	Providers	3. Officials from Lam Dong DARD 4. PES provincial Fund
Wednesday, February 8, 2011	Providers	5. Da Nhim Protection Forest Management Board (PFMB)
	Beneficiary	6. Meet and exchange with 4 representatives from contracted households under the PES project area
	Providers	7. Meet and exchange with officers of the Gauging Station
Thursday, Feb 9, 2011	Buyer	8. Lovely Valley Tourism Company and 9. Lakeside Tourism Company
	Buyer	10. Dai Ninh Hydro Power Plant
Friday, February 10, 2011	Buyer	11. Sai Gon Water Supply Company (SAWACO)



Invited speakers from Hanoi

Dr. Nguyen Chi Thanh:

Former Director of Sub-institute of Forest inventory and Planning, former senior policy advisor to ARBCP. He is now working as an independent consultant.

Dr. Thanh engaged with the entire PES process in Vietnam from its incubation of ideas to advocacy to the MARD and Government Office which allowed to do the PES pilots in Lam Dong. He is one of the three key members of the PES decree writing group, and the government decree writing group of protected areas and national parks system management. He is also the key member of the circular writing group, which guides the nationwide decree implementation. He has been supporting GASF in implementing PES in Quang Nam province (3rd province in Vietnam

Mr. Nguyen Tuan Phu:

Former Director General of the Sectoral Department of the Government Office (Prime Minister Office), now working as an independent consultant. He is one of the three key members of PES decree writing group, key members of the government decree writing group about protected areas and national parks system management and circular writing group of the later decree. He engaged in the entire PES processes from its first ideas to the advocacy to the Prime Minister's decision to allow the PES pilots to the institutionalization of PES into the government policy. He has provided valuable support and input to the two first pilot PES provinces in Vietnam. He has made essential advice to the Prime minister, which led to the PM's decision to allow

the PES pilots and its institutionalization.

Dr. Pham Xuan Phuong:

Former Deputy Director of the Legislation Dept/MARD, now working as an independent consultant. He has been providing qualified consultancy services to a number of UN, WB agencies and those working in the environmental sector. He was also one of the three key members of the PES decree writing group, and PES circular writing group. He also involved in the entire PES processes in Vietnam through a number of negotiations, consultations with PES relevant stakeholders and influence MARD's decisions in PES implementation in 2 pilot provinces. He also

provided significant valuable supports to PES implementation in Son La province (one of the two first pilot PES provinces in Vietnam).

List of participants for PES study tour to Lam Dong province, Vietnam, 6-10 February 2012

Updated: 24 January 2012

NAME	POSITION	Passport No.
1. MR. CHAOWIT CHOMKETKAEW	Director Of Reconstruction And Development Of Conservation Area Section The 16 th Administration Conservation Area Bureau, DNP	X 961835
2. MR. AUMPORN PANMONGKOL	Technical Forestry Officer, Professional Level Head of Suthep-Pui Nation Park	F583374
3. MS. WIMONMART NUIPAKDEE	Technical Forestry Officer, Professional Level Head of Maesa Watershed Management Unit, DNP	F 483652
4. MR. NOPWANCHAI KULACHATTHANON	Technical Forestry Officer, Professional Level Technical Group, The 16 th Administration Conservation Area Bureau, DNP	F 562041
5. MR. ITSARATE SITHIROADJANAKUL	Technical Forestry Officer, Professional Level Head of Bhubing Forest Fire Control Unit, DNP	X 964240
6. MR. NIWET LIAMPHUN	Forestry Officer, Senior Level Head of Haui Pa Lao Watershed Management Unit, DNP	X 936659
7. MS. JIRAPORN MEEWASANA	Technical Forestry Officer , Professional Level The 16 th Administration Conservation Area Bureau, DNP	B 887126
8. MR. KAEW MONOUD	Pongyaeng Sub-district headman/ Chairman of Maesa watershed network, Mae Rim District, Chiang Mai province	J 973408
9. MR. PHASOET INTA	Banpong Sub-district headman Hang Dong District, Chiang Mai province	X 963615
10. MR. WIRAT YANGYUENKUL	Chief Executive of the Sub district Administrative Organization (TAO), Muang district, Chiang Mai province	I 774412
11. MR. WICHAI PUSIRIPATANANON	Maesa Noi Village- headman Mae Rim District, Chiang Mai province	J 973641
12. MR. MONTREE THIPPANAPAN	Phanokkok Village- headman Mae Rim District, Chiang Mai province	X 965391
13. MS. NUNTAPORN PAKDEE	Foreign relation officer, Practitioner Level International Cooperation Division, Planning and Information Office, DNP	F574531
14. MS. TIPLADA TONGTAPAO	Forestry Technical Officer, Practitioner Level International Cooperation Division, Planning and Information Office, DNP	Y915173