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VIETNAM FORESTS AND DELTAS PROGRAM

2012 - 2021 | IMPLEMENTER: WINROCK INTERNATIONAL |
PLANNED BUDGET: \$31 MILLION

The USAID Vietnam Forests and Deltas (VFD) Program supports Vietnam's transition to more resilient and sustainable development. The first phase of the program (2012-2018) helped put national policies and strategies into practice to respond to climate change, with a focus on the forestry and agriculture sectors, disaster risk reduction, and strengthening rural livelihoods. Beginning in 2018, the program's second phase focuses on supporting the Government of Vietnam (GVN) to ensure that the payment for forest environmental services (PFES) system—a critical mechanism helping to conserve Vietnam's forests—is an effective tool in accomplishing the country's environmental and socio-economic goals.

RESULTS ACHIEVED

To date, VFD has successfully developed policies and implemented actions to achieve green growth, sustainable forest management, and equitable payment for forest environmental services in Nghe An and Thanh Hoa provinces. As a result of project support, approximately 25,000 households are receiving PFES payments and are now more actively engaged in local forest protection. In Nam Dinh and Long An provinces, VFD worked with communities to better prepare for disasters resulting in more than 200,000 people in 60 communes implementing risk-reducing best practices. VFD's experts partnered with local agriculture extension centers to promote sustainable agriculture models. This collaboration helped more than 30,000 farmers in both forested and delta areas to improve their practices and productivity. At the national level, the program worked with the GVN to develop important policies including Vietnam's Coastal Forest Decree 119, which for the first time provides specific guidance on management and protection of coastal forests. VFD also helped increase Vietnam's annual PFES revenue by approximately 80% since 2018, resulting in an annual amount of about \$100 million to finance forest conservation efforts.

FOCUS ON PAYMENT FOR FOREST ENVIRONMENTAL SERVICES (PFES)

The VFD PFES Activity (2018-2021) strives to develop a base of evidence through pilots and the development of policies and tools that support the GVN's effort to improve its PFES system via three innovations:

- **Application of electronic payment mechanisms to distribute PFES benefits:** The current PFES cash-based system is inefficient and creates security risks as significant amounts of cash are transported to rural areas for distribution. VFD and local partners are developing more efficient, secure, and transparent electronic payment mechanisms that reduce transaction costs and streamline payment processes.
- **Strengthening PFES monitoring and evaluation systems:** In order to determine whether PFES is meeting its goals, VFD and the Vietnam Forest Protection and Development Fund (VNFF) are developing a system to monitor PFES implementation and improve data management, analysis, and reporting.
- **Expanding payment for new forest services such as carbon sequestration:** VFD, VNFF, and provincial partners are developing innovative carbon PFES pilots with local carbon-intensive companies. These large emitters will pay forest owners for the carbon sequestration and storage services provided by healthy forests. The mechanism will be scaled up to the national level to increase overall PFES revenues, protect more forests, and help Vietnam achieve its international climate change commitments.