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Title: Can Payment for Forest Environmental Services Motivate Local People to Participate in Forest Conservation?: Case Study of Thua Thien Hue Province in Central Vietnam

(森林環境サービスへの支払いは地域住民の森林保全への参加意欲を高めることができるか? : 中央ベトナムのトゥアティエン・フエ省の事例研究)

Thesis Summary

Payment for Environmental Services (PES) scheme has been recognized as an incentive-based instrument to conserve an ecosystem and improve its provision. As a result, PES has been an upward trend in research and its implementation worldwide to support countries in managing their natural resources sustainably. In Vietnam, the concept of PES has received attention since the early 2000s. And then, it has been implemented as a national policy since 2008. In Vietnam, Payment for Forest Environmental Services (PFES), a form of PES, is expected to bring additional income for people involved in forest conservation and help to improve the efficiency of forest management. However, the number of studies investigating the drivers of people's participation in forest conservation under PFES remains limited. Hence, this study aims to analyze the PFES implementation to provide policy implications in order to motivate local people's participation in forest conservation. Therefore, the objectives of the study are (1) to explain an institutional setting of PFES in a local context, (2) to examine the impact of PFES on forest management, and (3) to investigate the local people's participation under the progress.

Decree No. 156/2018/ND-CP regulates the K-coefficient applying under PFES implementation. The K-coefficient is composed of four elements: (1) forest status (ability to provide forest environment services), (2) type of forest (special-use, protection, or production), (3) origin of forest (natural forest, planted forest), and (4) unfavorable and favorable conditions for forest protection (social and geographical factors). This study selected Thua

Thien Hue Province for a case study. The reason was as follows. Firstly, it was the first province to apply all elements of the K-coefficient. Secondly, it was the only province that directly provided payments to Ecosystem Service (ES) providers through Thua Thien Hue Forest Protection and Development Fund (TTHFPDF). This study mainly collected primary data through fieldwork between 2019 and 2021. It included in-depth interviews with TTHFPDF vice-director, staff, and head of communes, focus group discussions with local people in seven areas with different payment rates, and households survey using questionnaires.

The findings showed that the forest condition (K1) was the only factor that could increase the efforts of the local people toward forest conservation. Meanwhile, the application of the K-coefficient at the local level is not well-understood. Its calculation depended on the capacity of provincial governments. The capability of the staff played an essential role in PFES distribution for local people. However, there is a lack of regulations for dealing with violations under the current rules. Recently, there have been two groups of FES users in Thua Thien Hue Province: hydropower plants companies and a water supply company. Those groups of FES users paid for three of five FES: namely storage services, water conservation, and soil erosion protection. However, this study analysis showed that forest area was still decreasing, mainly due to conversion for other land use, even though the forest violation decreased after PFES implementation. Furthermore, the findings showed that the percentages of forest area paid by PFES were uptrends. Labor force and regulation commitments were determinants for local people to participate in PFES. Participation in PFES was regarded as a reward for labor work in forests and a means to compensate for the legal rights of participants. PFES constituted a stable share of households' total annual income, even though its proportion was small. In terms of the decision-making process, local people were involved in some stages on the study site.

In conclusion, to enhance local people's motivation to participate in forest conservation, this study recommends that the government expand the range of K1, which is the only factor that local people can improve. In addition, this study proposes applying differential payment

rates based on different achievements of forest conservation by local people. Establishing the relevant institutions and encouraging participation at the local level also can increase forest conservation effectiveness. The efficiency of future PFES programs may be increased by enabling and stimulating the participants to take a more active part in the process of PFES management and distribution. It will contribute to the local people's recognition and decrease the conflicts regarding benefit sharing.