Vietnam has more than 13 million ha of forest, covering over 40 percent of its land area. The vast forests provide vital ecosystem services including watershed protection, biodiversity conservation, climate change mitigation and the provision of energy and natural resources. Preserving and restoring forest landscapes is critical to safeguard the livelihoods and well-being of local communities and sustain the country’s growing economy.

To incentivize sustainable forest management and protection, Vietnam institutionalized a national policy on Payments for Forest Environmental Services (PFES) in 2010, as the first country in Asia. This policy, mandated through Decree 99/2010/ND-CP, requires the beneficiaries of forest environmental services (such as hydropower plants, water supply companies and ecotourism operators) to provide financial compensation to the individuals, communities and government agencies managing the forests. After a successful PFES pilot in Son La and Lam Dong provinces, the policy is being rolled out nationwide. However, effective and consistent implementation has proven to be a challenge, as various provinces experience difficulties in interpreting the decree and enforcing the new regulations.

In response to the challenges, the USAID-funded Vietnam Forests and Deltas Program initiated a series of multi-stakeholder workshops to encourage problem solving and learning around PFES implementation. These, Communities of Practice were organized in collaboration with the United States Forestry Services and the Vietnam Forest Protection and Development Fund (VNFF).

**Introduction**

Vietnam has a tradition of sharing knowledge. Many provincial authorities visited the Provinces where PFES implementation was most successful to learn from their experiences. Communities of Practice enhance those existing connections and facilitate broader linkages, enlarging the scope of who is engaged in the discussion as well as the topics being discussed. Through Communities of Practice stakeholders are stimulated to share their knowledge and experiences, in order to resolve common issues and improve program delivery.

**Why Communities of Practice?**

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Communities of Practice are important because they:

- Connect people who might otherwise not have the opportunity to interact.
- Enable dialogue to explore new possibilities, solve challenging problems and create new, mutually beneficial opportunities.
- Stimulate learning through mentoring, coaching, and true reflection of the problems at hand.
- Generate, capture and share knowledge to help people improve their practices.
- Stimulate collaborative processes between groups and organizations.
- Help people organize around purpose and actions that deliver tangible results.

*Source: adapted from National Learning Infrastructure Institute.*
The USAID Vietnam Forests and Delta Program and partners supported three regional Communities of Practice around PFES implementation: in the Southern, the Central, and the North-Western regions. Each event lasted two days and attracted between 30 and 100 participants, representing 35 provinces in total. Efforts were undertaken to involve all relevant stakeholder groups: policy makers from the national and subnational levels, forest environmental service users, villagers who receive payments, international organizations and donors.

To ensure full stakeholder engagement, the workshops were organized in a highly participatory way. Open discussions and a voting system enabled the selection and prioritization the key PFES implementation issues the groups wanted to discuss, which included the difficulty to identify forest managers, complicated distribution procedures, inadequate monitoring and evaluation systems and violations of payment regulations.

Through interactive methods such as role plays and roundtable sessions the participants were encouraged to analyze the problems, share on the ground experiences and brainstorm creative solutions. The outcomes of these consultations fed back into national decision-making processes, enabling the revision and improvement of the PFES program.

“I was very much impressed with the roundtable discussions. An open environment was created in which participants were encouraged to discuss, interact, learn and share their opinions. This allowed to understand the key issues and propose solutions around managing and steering PFES policy. Through the sessions I learned to communicate more confidently as well as listen to others”

– Bui Nguyen Phu Ky, participant

**From local problems to national solutions**

Influencing PFES regulation

One of the key issues discussed during the Communities of Practice was the difficulty in collecting payments from forest environmental services users and the lack of sanctions in case of non-compliance. Notably hydropower companies failed to meet their disbursement obligations, often delaying payments, or refusing to pay at all. Three years after the enactment of Decree 99, the total due debt of PFES users was around VND 297 billion, approximately USD 13 million.

Based on the solutions proposed in the Communities of Practice, the central government issued Decree 40/2015/ND-CP, which strengthens the sanctions for delayed PFES payments, imposing higher fines and stronger enforcement mechanisms. This decree has led to significant increases in overall collected PFES revenue.

**The way forward**

The Communities of Practice have been instrumental in identifying PFES implementation issues and creating valuable linkages between companies, communities and policymakers. Recognizing the issues raised, the Ministry of Agriculture and Rural Development has committed to revise the national PFES decree, with support from the USAID Vietnam Forests and Deltas Program.

After the three regional Communities of Practice, training materials and guidelines have been developed for provincial fund staff on how to organize these events and encourage stakeholder engagement. A follow up is encouraged every year to sustain the established connections and maintain a functional PFES network.