

## **Sub-Working Group on Local Implementation (SWG-LI)**

### **Minutes from 3rd meeting: December 16, 2010**

#### **Attendees**

Tim Holland (SNV) - *Facilitator*  
Vu Thi Bich Hop (SRD)  
David Bonnardeaux (Winrock)  
Tore Langhelle (UNDP)  
Tim Boyle (UNDP)  
Noriyoshi Kitamura (JICA)  
Rob Ukkerman (SNV)  
Vu Minh Duc (Norwegian Embassy)  
Jake Brunner (IUCN)  
Petteri Vourinen (FAO)  
Vu Thi Hien (CERDA)  
Akiko Inoguchi (FAO)  
Richard McNally (SNV)  
Le Thuy Anh (WWF)  
Gabriel Levitt (PACT)  
Eiji Egashira (JICA)

#### **Primary agenda items**

- Update from JICA regarding new REDD project in Dien Bien province (Eiji Egashira)
- Lessons learned on REDD from ARBCP / Winrock project (David Bonnardeaux)
- Discussion on forest Red Books and problems with incentives
- Update from CERDA on REDD project in Thai Nguyen (Vu Thi Hien)
- Addressing the possibility of a 'Nested System' for REDD in Vietnam
- Departure of Tim Holland

#### **Minutes**

##### **Update from JICA regarding new REDD project in Dien Bien province (Eiji Egashira)**

Following on JICA's study mapping REDD and identifying areas with potential for REDD (JICA REDD Study), the next project is to pilot REDD on sub-regional level. Went through various options for location, now looking likely it will be in Dien Bien. This is based on REDD potential, as well as high level of poverty in Dien Bien and existing JICA project (SFM). Activities will start in April 2011 at the earliest.

The new REDD project will build on an existing JICA project in the area on SFM, which is a mixture of community-based forest conservation, land-use planning, and livelihood development. This project already has good basis for incorporating REDD into. Project

will have a budget of about \$1m for the REDD component over two years. Will also work in area of Muong Nhe, a nature reserve in north west Dien Bien. This will include study of forest quality in this area for baseline info.

Also, JICA is considering of scaling-up the ongoing JICA REDD Study. This may build on forest inventory data which has already been collected, but which at present is not sufficient in its quality. For example, the current study includes 3 time points (1990, 2000, 2010), and we might be able to add two more (1995 and 2005) to create more accurate reference emission levels (REs).

Question: possible for partnership between UNREDD and JICA to use Dien Bien as an additional pilot province for UNREDD?

JICA expects to work with national REDD program, will share lessons, ensure work consistent with national needs.

### **Lessons learned on REDD from ARBCP / Winrock project (David Bonnardeaux)**

Project has undertaken a broad spectrum of REDD activities, including Quickbird analysis, Geomod modeling, analysis of drivers.

Initially, approach was to focus on 'unplanned deforestation' REDD methodologies. It was found based on these that the revenue projected from this would not make project cost effective.

Plan then shifted to look at planned deforestation activities. At provincial level, there was a plan to log Pinus Kesiya forest land.

Because this was slightly more discrete and predictable (although planned polygons of deforestation were still running along contour lines and rivers for example) it was thought this would be far more cost - effective. However, some problems were encountered. For one, the provincial plan was only descriptive: it set target amounts and provided criteria for where forest clearing would happen (slope, elevation, etc), but did not include explicit maps of locations. This made development of baselines difficult. The plan also called for 1100 ha of planting for each 1000 ha of deforestation, which made additionality difficult to establish.

The decision was made to focus on 'unclassified' forest land. There was another activity within the provincial plan that focused on unclassified forest (i.e. not included in one of the 3 types). This included about 4,500ha in the Da Nhim watershed (PFES project area).

Regarding PFES payments, most would be allocated to ethnic minority communities to compensate loss of subsistence farming. However, FMBs are fundamentally the agents of deforestation, so should revenue from REDD-based credits be returned to them? This is a challenge when it comes to issuing credit-based payments, as minority communities are also forgoing income (from land that would be allocated to them after conversion).

Existing PFES payments cause another issue with additionality, as it is difficult for the project to establish that the desired outcome would not have happened as a result of the payments in the absence of the project. The argument can be made that the

payments are not sufficient, and that bundling of payments (for water regulation, soil conservation, landscape aesthetics AND carbon offsets) will further incentivize communities to protect the forest rather than degrade/deforest, but this needs further evidence to establish. Demonstrating this becomes a key issue.

Biggest practical challenge is the absence of documentation and mapping of the plan. In some cases, documentation of plans created at project's urging, but not always clear this represented true prior planning.

Positive outcome of project is strong capacity building within the Lam Dong working group. This consists primarily of employees from Lam Dong DARD, DONRE, and Dalat University amongst others. Capacity in this group is now sufficient that this core of people can likely do spatial modeling and many other aspects of a REDD project on their own.

### **Discussion on forest Red Books and problems with incentives**

Issue raised that there is a government initiative for former State Forest Enterprises, as they become Forest Companies, to get Red Books (land tenure documents) on their forest land. The problem is that there are taxes and fees on these (and few benefits) such that companies have little desire to obtain them, and are therefore resisting the policy. A similar situation happens in the case of some households, where the HHs are required to be responsible for their forest land and to invest in protecting it, but get almost no benefits from the land. This leaves them with little incentive to want forest Red Books.

This will remain an important issue for REDD, especially to the extent that payments and forest protection activities are based on land tenure being specified.

### **Update from CERDA on REDD project in Thai Nguyen (Vu Thi Hien)**

Mrs. Hien updated the group on CERDA's project "Pilot model of capacity building for ethnic minority community's readiness for Program of REDD". The project is located in two communes of Vo Nhai district, Thai Nguyen province

The project is a part of the global project of "Enhancing effective participation of and securing fair benefits of indigenous peoples in REDD-plus policies and programmes". The project is funded by NORAD and implemented in 8 countries including Nepal, Indonesia, Viet Nam, Cameroon, Kenya, Peru, Philippine and Nicaragua.

*General objective:* Ethnic minorities in the pilot areas (Tay, Nung, H'Mong, Dzao) are ready to the program of "Reducing emission from forest degradation and deforestation (REDD) with full participation and fair benefits; the results of the pilot shared at national level for development of carbon/REDD based policies and a tool for better forest management in upland areas in Vietnam.

*Specific objectives:*

- Develop a database for designing of REDD and alternative livelihood activities in the pilot area and then the database will be used for the project evaluation

- Communities in pilot area are better access to the policies of forest land tenure and forestry policies, especially REDD related policies.
- Awareness raising on climate change and REDD for all stakeholders, local cadres and people in pilot communes
- Develop the pilot model on REDD with the aim to sustain forest, increase biodiversity and sustainable incomes from agriculture and forestry; synthesize the documents on lesson learned, methods and tools of REDD implementation on the ground.
- Sharing the results and lessons learned from the pilot at national level through Vietnam UN-REDD network chaired by Ministry of Agriculture and Rural Development (MARD) in order to contribute in developing approaches, methods and tools on REDD and the relevant REDD policies.

The local partners for this project are District and commune People committees, Fatherland Front and Women Union. The budget is 300,000 USD (can be supplemented).

### **Addressing the possibility of a 'Nested System' for REDD in Vietnam**

Overview presentation on nested system given by Tim Holland (SNV). This presentation can be provided to the group; however it was based heavily on the following two reports, so it is recommended that those interested go directly to them:

"An integrated REDD offset program (IREDD) for nesting projects under jurisdictional accounting" Terra Global Carbon.

(<http://www.carbonpositive.net/viewarticle.aspx?articleID=2117>) and "A nested approach to REDD+" The Nature Conservancy.

(<http://www.forestcarbonportal.com/resource/nested-approach-redd-structuring-effective-and-transparent-incentive-mechanisms-redd-implem>)

The broad issue at stake here which is relevant to the SWG-LI is how the relationship between projects and the National system will be designed. The 'nested approach' discussed above is one possibility, but not the only one. It was decided at the meeting that Tim Holland would draft a short (one page or so) discussion of the issue in general, particularly providing some background on the nested approach and other options. This will be circulated to the group for comments, and then passed to the National REDD Working Group to request guidance for how the discussion should best proceed.

### **Departure of Tim Holland**

On a part-official, part-personal note, I (Tim) will be leaving Vietnam as of the end of this year, and so this is the last meeting that I will facilitate personally. However, SNV as an organisation will continue in the facilitation role, ideally with a government co-chair who should be determined soon.

I hope to stay in contact with the group through the coming year as I will remain on a part-time contract with SNV (despite no longer being based in Hanoi). It has been a great pleasure working with you all!