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**UN-REDD Viet Nam Programme Phase II:**

**Operationalising REDD+ in Viet Nam**

UN-REDD PROGRAMME

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## **ACRONYMS**

|  |  |
| --- | --- |
| 5MHRP | Five-Million Hectare Reforestation Programme (the “661 Programme”) |
| APF | Action Plan Framework for Adaptation and Mitigation of Climate Changeof the Agriculture and Rural Development Sector Period 2008-2020 |
| AusAID | Australian Agency for International Development |
| BDS | Benefit Distribution System |
| CER | Certified Emission Reduction |
| CFM | Community Forest Management |
| CITES | Convention on International Trade in Endangered Species |
| CPGRS | Comprehensive Growth and Poverty Reduction Strategy |
| CPC | Commune Peoples’ Committee |
| CSO | Civil Society Organization |
| DoF | Directorate of Forestry |
| DPC | District Peoples’ Committee |
| EC | European Commission |
| FAO | Food and Agriculture Organization of the United Nations |
| FCPF | Forest Carbon Partnership Facility |
| FFI | Fauna and Flora International |
| FIPI | Forest Inventory and Planning Institute |
| FLEG | Forest Law Enforcement and Governance |
| FLEGT | Forest Law Enforcement, Governance, and Trade |
| FPD | Forest Protection Department |
| FPDF | Forest Protection and Development Fund |
| FPDP | Forest Protection and Development Plan |
| FPIC | Free, Prior and Informed Consent |
| FSC | Forest Steward Council |
| FSDP | Forest Sector Development Plan |
| GDLA | General Department of Land Administration |
| GoV | Government of Viet Nam |
| HPPMG | Harmonized Programme and Project Management Guidelines |
| ICD | International Cooperation Department (MARD) |
| ICRAF | World Agroforestry Centre |
| IPCC | Inter-governmental Panel on Climate Change |
| IUCN | International Union for the Conservation of Nature |
| JICA | Japanese International Cooperation Agency |
| LCD | Least Developed Countries |
| MARD | Ministry of Agriculture and Rural Development |
| MoF | Ministry of Finance |
| MONRE | Ministry of Natural Resources and the Environment |
| MPI | Ministry of Planning and Investment |
| MRV | Measurement, Reporting and Verification |
| NTFP | Non-timber Forest Product |
| NTP-RCC | National Target Programme to Respond to Climate Change |
| PAMB | Protected Area Management Board |
| PES | Payment for Ecosystem Services |
| PFES | Payment for Forest Ecological Services |
| PPC | Provincial Peoples’ Committee |
| REDD | Reducing Emissions from Deforestation in Developing Countries |
| REDD+  | Reducing Emissions from Deforestation and Forest Degradation, SustainableForest Management, Forest Conservation, and Enhancement of Carbon Stocks |
| RL | Reference Level |
| REL | Reference Emission Level |
| R-PIN | Readiness Project Identification Note (of the FCPF) |
| R-PP | Readiness Preparation Proposal (of the FCPF) |
| SEDP | Social and Economic Development Plan |
| SFE | State Forest Enterprise |
| SFM | Sustainable Forest Management |
| SNV | Stichting Nederlandse Vrijwilligers (Netherlands Development Organisation) |
| SOC | State-Owned Company |
| TFF | Trust Fund for Forests |
| TWG | Technical Working Group |
| UNFCCC | United Nations Framework Convention on Climate Change |
| UN-REDD | United Nations Programme to Reduce Emissions from Deforestation andForest Degradation |
| VFDS | Viet Nam Forestry Development Strategy 2006 – 2020 |
| WB | The World Bank |
| WG | Working Group |

# Executive Summary

forthcoming

# Situation Analysis

## Introduction

4.0[[1]](#footnote-2) The UNFCCC conference in Bali in 2007 recognized Viet Nam as one of the top five countries in the world most threatened by climate change, in particular from sea level rise. Viet Nam has come a long way since, with regards to both adaptation to climate change and mitigation of greenhouse gas (GHG) emissions. It formulated a number of activities and programmes addressing both mitigation and adaptation. Most prominently, the *National Target Programme to Respond to Climate Change* (NTP-RCC) is the overall governmental programme in response to climate change. It sets out the roadmap for mitigation and adaptation, and the roles of concerned stakeholders. More specifically, actions in the forestry and agricultural sectors are covered by the *Action Program Framework for Adaptation and Mitigation of Climate Change of the Agriculture and Rural Development Sector Period 2008-2020* (APF).

4.0 The Bali conference recognized deforestation and forest degeneration as one of the driving factors in global warming and an area where much is to be gained through *reducing emissions from deforestation and degradation* (REDD). Viet Nam is considered a priority country for REDD activities: it is one of nine countries identified for country programming under the UN-REDD Programme, and was one of the first countries to receive approval for initial activities under the World Bank’s Forest Carbon Partnership Facility (FCPF)[[2]](#footnote-3). The further development of the REDD mechanism into REDD+ – *Reducing Emissions from Deforestation and Forest Degradation, Sustainable Forest Management, Forest Conservation, and Enhancement of Carbon Stocks* – is potentially very beneficial for Viet Nam, given its large expanse of degraded and denuded forests.

4.0 The REDD mechanism emerged after Viet Nam developed the NTP-RCC and the APF, as well as the more general *Viet Nam Forestry Development Strategy 2006 – 2020* (VFDS). Consequentially, the National REDD Programme (NRP), as it is currently being developed, is neither included in any of these strategies, nor in the national and provincial planning instruments such as the Socio-economic Development Plans (SEDP). The Government is intent to make reference to these strategies in the establishment of the NRP and the latter will as such be fully integrated into the planning of programmes and activities under these strategies.

4.0 Despite an overall increase in forest area since 1992, various regions of Viet Nam – including parts of the Central Highlands, the Central Coast and the Southeast region- still have high deforestation rates. Furthermore, forest degradation and fragmentation is significant throughout the remaining natural forests. Over two-thirds of Viet Nam’s natural forests are considered poor or regenerating, while rich and closed-canopy forest constitutes only 4.6 percent (in 2004) of the total. Lowland forests supporting their full natural biodiversity have been almost entirely lost, in particular mangroves. The chances of full natural forest regeneration are rapidly decreasing with the isolation of rich natural forest patches. However, recent successes with plantation forest, and regeneration of secondary forests, suggests that there is a vast scope for enhancing carbon stocks across Viet Nam.

The Government of Viet Nam (GoV) is taking a number of measures that reduce the growing threat of climate change and reduce GHG emissions. Overall forest cover increased from 9.2 million hectares in 1992 to 13.26 million hectares in 2009. This was mostly as a result of deliberate attempts by the government to increase forest cover. This came at a great cost and without any direct economic benefit, and resulted in the sequestration of considerable amounts of carbon process. The NTP-RCC and the APF, although both formulated prior to the development of formal REDD measures in Viet Nam, address deforestation, degradation and carbon stock enhancement and other issues related to REDD. Recently, the role of conservation, sustainable management of forests and enhancement of forest carbon stocks have been added to REDD, after which one now commonly refers to the REDD+ concept. The NTP-RCC and APF approaches and objectives are fully consistent with REDD+ measures and development of an overall REDD+ Strategy.

4.0 Given that REDD+ is a relatively recent development in the forestry sector, it is not explicitly mentioned in many of the current forest sector plans and strategies. However, a specific policy on REDD+ is evolving rapidly in Viet Nam. This most reflected in the recent activities undertaken for the FCPF, for which the first draft of the Readiness Preparation Proposal (R-PP) has been sent to the World Bank for approval. The proposed UN-REDD activities are in close harmony with the strategy outlined in the R-PP and the activities proposed, while taking it further to sub-national level. Supporting the FCPF and in addition to the UN-REDD Programme (Phase I), there are a host of REDD+ projects supported by international donor agencies, such as those by JICA, SNV, GTZ, NORAD and others (see also the respective section under “The State of Readiness”, below). The Government has established a high level National REDD Network to co-ordinate and support moves to REDD+ readiness. The Network is supported by a Technical Working Group, consisting of experts from government agencies, private sector, NGO’s, and bilateral and multilateral development organisations.

For effective and efficient implementation of REDD+ in Viet Nam, a cross-sectoral approach is necessary, having all ministries working together on the same, while avoiding overlap. This process of cross-sectoral approach has recently started, bringing all involved ministries in REDD+ up to date and on-line with the final goal. However, more needs to be done in full engagement, and which is part of the National REDD Strategy (NRS - see section on REDD readiness, below).

4.0 Within the framework of NTP-RCC and APF, the Directorate of Forestry (VNDoF) in the Ministry of Agriculture and Rural Development (MARD) is the lead agency with responsibility to develop and implement policies and programmes relevant to REDD+. It is also responsible for coordinating international assistance and developing a National REDD Strategy.

The overall aim of the UN-REDD Viet Nam Programme is to help the country achieve Readiness and start implementing REDD+ by 2015. This is to be achieved in three phases. Phase I, started in late 2009, focuses on the overall readiness of GoV, including the institutional infrastructure, developing a National REDD Strategy, formulating reference levels and initiating a consultation and awareness process. Phase I has the specific objective of institutional strengthening and capacity building of relevant MARD organisations at central and local levels.

The proposed Phase II builds on Phase I in order to start implementation of REDD+ in pilot areas. The specific objective in Phase II is to reduce emissions from deforestation and degradation and enhancing removals in five provinces, whilst establishing foundations for up-scaling in Viet Nam and regionally. Phase II will cover five provinces (see Annex D and E) reflecting the diversity of the forests and socio-economic situations across Viet Nam. Under Phase II, an effective Benefit Distribution System at Provincial level will be developed and tested, and Phase II will lead to verified reduction of carbon emissions.

Phase III, scheduled to start in 2015, is making REDD operational across Viet Nam.

## Forestry Development in Viet Nam

### Poverty reduction

4.0 The guiding document for social and economic development in Viet Nam is the Comprehensive Growth and Poverty Reduction Strategy[[3]](#footnote-4). Implementation of the CGPRS is through a series of five year national, sectoral and provincial plans, all under the umbrella of the Five Year Socio-Economic Development Plans (SEDP). The government and its agencies are currently preparing the SEDP 2011-2015. Overall, SEDP 2011-2015 aims, amongst other objectives, to develop the agriculture of every region, to reduce poverty - with a priority on remote regions and regions with a large ethnic minority population, and to enhance natural resource protection.

Under the SEDP, each Ministry prepares a sectoral five-year plan, and each province prepares five-year Provincial Development Plans. The ministerial sectoral plans are based partly on guidance from the Government, and partly on proposals from provinces. The provincial plans are based partly on proposals from districts, partly on guidance from the Government, and partly on proposals from ministries. Hence, together the sectoral and provincial socio-economic plans form a matrix of plans covering the nation. Five year forestry sector plans are prepared nationally and in each province.

Poverty reduction is a central tenet of all Government policies and plans, including the NTP-RCC and the APF. Accordingly, all REDD+ activities should contribute to poverty reduction. Poverty reduction is also central to the *One UN Plan: 2006 – 2010*. The *One UN Plan* is the coordinating agreement between GoV and fourteen UN agencies in Viet Nam. Outcome 3 of *One UN Plan* puts emphasis on improving local livelihoods, in conjunction with environmental protection and rational use of natural resources. The *One UN Plan* programmatic priority themes specifically include “Enhancement of income levels of poor households”. In direct support of these themes, REDD+ can be regarded as an effective tool in achieving economic growth for rural and often poor populations, while giving sufficient incentives for environmental protection and care for natural resources.

Many of the poorest people in Viet Nam live in and around forested areas and are often blamed for the overall deforestation and degradation of forests. However, of equal importance, it is to acknowledge the fact that these poorer people are most dependent on natural forests and have much to lose when Viet Nam’s forests are disappearing or degrading. This is particularly true for women who often extract forest products in support of the household. It is also noted that many of the poorer people, and many of the communities in and around Viet Nam’s forest, come from the many minority ethnic groups.

The Government of Viet Nam is taking serious measures to address poverty alleviation through improved forestry management, as poverty alleviation is a central directive within the country’s forest strategies. Notably, since 2006, MARD has implemented the “*Community Forest Management Pilot Programme 2006-2007*” in 40 communes of 10 provinces. This project is road testing guidelines for community forestry drawn up in 2006 by a national working group under MARD. MARD expects the project to result in recommendations for establishing a clear legal framework and benefit sharing system for community forest management. This framework will include income generation from sustainable productive forest management and capacity building for Forestry staff in order to reorient them towards extension and training service provision. Community forestry is seen as a key tool in combating forest degradation by giving forest-dependent people, by providing clear long-term financial incentives to engage actively in sustainable forest management and forest protection.

Furthermore, GoV issued a resolution to promote rapid and sustainable poverty alleviation in the 61 poorest districts, most of which are located in the mountainous areas. Also, there are continuous efforts across the country in allocating forest land back to local communities – although these initiatives are hampered by insufficient funding and overlapping ministerial mandates.

4.0 REDD+ can make a vital contribution to poverty alleviation, particularly in forest areas. In Viet Nam, REDD+ is regarded as a form of Payment for Forest Ecological Services (PFES) instrument. REDD+ can help achieve both long term and short term sustainable development goals – maintaining the natural resource base whilst decreasing poverty. REDD+ payments are not likely to provide enough incentive for sustainable forest management in some, possibly many, circumstances. The possibility to stack payments through the bundling of ecosystem services could provide enhanced incentives. The recent PFES decree makes payments for protection of watersheds possible. In combination with payments for carbon sequestration and possible other environmental services – ecotourism is mentioned in the PFES decree – the case for forest protection will be more compelling to forest owners.

### Sustainable Forest Management

4.0 Viet Nam aims to strike a balance between society's increasing demands for forest products and other benefits and the preservation of forest health and diversity. The Government acknowledges that this balance is critical to the survival of forests and to the prosperity of forest-dependent communities. In this respect, Viet Nam has developed forest management plans in consultation with its peoples, businesses, organizations and other interested parties in and around the forest. Adequate forest management plans and implementing mechanisms, involving the stakeholders, are imperative to Sustainable Forest Management (SFM). While many developing countries have inadequate funding and human resources for the preparation, implementation and monitoring of such forest management plans, and lack mechanisms to ensure the participation and involvement of all stakeholders in forest planning and development, Viet Nam has developed various promising initiatives, including adaptive legislation, regulation and incentives to promote sustainable forest management practices. The development of SFM cannot be seen separate from the larger context of rural development, including the development of climate resilient sustainable agriculture and poverty reduction.

4.0 Important programs include the National Forest Development Strategy, the Five Million Hectare Reforestation Plan (5MHRP or Programme 661) and the Promotion of sustainable agricultural cultivation in sloping land and development of forest plantation. Furthermore, the latest SEDP incorporates many sustainable forest initiatives, as it focuses on the economic values forestry brings to local communities and indigenous people.

4.0 Within the VFDS MARD initiated a number of operational programs, one of them the Sustainable Forest Management Program. This program focuses on a sustained use of the country’s forest resources, “favouring specific socially or economic valuable species or groups of species for the improved production of goods and services, while safeguarding and maintaining the forest ecosystem and its functions[[4]](#footnote-5).

4.0 ~~An important management measure being taken by GoV is a series of restructuring steps in the forestry sector. Through these, the strong State Forest Enterprises (SFE) are being dissolved where ineffective, or transformed into autonomous and commercially viable companies based on sustainable forest management principles. Commercial forest operations and industries are now managed by private and state owned companies (SOC) or the Viet Nam Forest Corporation.~~

Traditionally, many ethnic groups collectively manage their forests. There are many advantages to community forest management (CFM), but until recently there has been a lack of adequate legal support for CFM in Viet Nam. According to official statistics only about 1% of land is owned by communities. Surveys, however, show that the area of land under community management is much higher[[5]](#footnote-6). Recent policy to decentralise ownership and management has led to more interest in CFM as a model in Viet Nam.

4.0 The concept of CFM was officially recognized for the first time in Viet Nam with the implementation of the *Law on Forest Protection and Development* (2004). Prior to this the Government had been promoting CFM for some time, specifically on issues such as i) the process of forest land allocation to households / household groups (particularly to poor, ethnic minorities whose livelihoods are closely linked to traditional forest management), ii) the decentralization of forest management, and iii) the development of pro-poor mechanisms targeting those groups who are involved in implementing innovative forest management solutions[[6]](#footnote-7). CFM is considered as a livelihood development or poverty alleviation form of forestry, and the income generated from selling timber and non-timber forest products from CFM can be used for common community interests and as a direct form of compensation or income for communities that are allocated forest land for CFM. The most challenging issues are related to post-allocation sustainable forest management and how poor people can benefit from these allocated forests. Besides integrating CFM into GoV’s policy to reduce overall poverty, involvement of local communities and ethnic minorities, and in particularly having appropriate benefit sharing arrangements for them in place, will tackle and possibly arrest illegal logging and cross-border trade in tropical timber.

REDD+ supports – indirectly – Sustainable Forest Management through providing incentives to the local population to take better care to their standing forests, through technical support, capacity building and performance payments.

## The State of Forest Land in Viet Nam

### History

4.0 Much of Viet Nam’s forest cover was removed between 1943 and 1993 declining from at least 43% to 27%. Since then Viet Nam has made considerable efforts to increase its overall forest cover. According to official statistics the actual forest area in Viet Nam has increased to 12.74 million ha in 2007 (which equates to 38% of the land area) from 9.2 million ha in 1992. The increase has been mainly due to: new plantations, which account for 2.5 million hectares; the re-designation and inclusion of previously omitted limestone forests; and natural regeneration - predominately of bamboo forest[[7]](#footnote-8).

4.0 Despite these increases, it is generally acknowledged that the quality of natural forests continues to decrease, suffering from fragmentation and degradation. Over two-thirds of Viet Nam’s natural forests are considered poor or regenerating, while rich and closed-canopy forest constitutes only 4.6% (in 2004) of the total. Lowland forests supporting their full natural biodiversity have been almost entirely lost. Between 1999 and 2005 the area of natural forest classified as rich decreased by 10.2% and the amount of medium quality forest declined by 13.4%. Given the state of the forests in Viet Nam it is likely the issue of forest degradation would be particularly relevant. This requires further investigation.

4.0 Viet Nam’s mangrove forests have been significantly degraded; between 1943 and 1999, the national area of mangrove forests declined from 409,000 to about 155,000ha or by 62%. The rate of mangrove forest loss in the period 1985-2000 is estimated at approximately 15,000 ha/year. The last comprehensive national inventory of mangroves was carried out in 1999, but a range of site-specific data suggests that the combined controls and replanting programs in all regions appears to have slowed the decline.

### Forest categories and alignment to REDD credits

Forests are classified in 3 categories: Production Forest (for commercial purposes), Protection Forest (for watershed and environmental protection) and Special Use Forest (primarily for biodiversity conservation). According to official statistics, Production Forests measure …. hectares. Production forests are under the management of SFE and SOC, although in many cases the SFE/SOC contracts management of forest tracts to individuals and communities. The area of Protection forests is …hectares. Protection forests are managed by SFE and individual families. Finally, the area of Special Use Forests is .. hectares. Most Special Use Forests are managed by Protected Area Management Boards. The specific policy and degree of policy implementation varies from province to province.

4.0 The challenge for REDD+ is to align its credit mechanisms to these forest categories. In particular with Special Use Forests it seems awkward to tie an economic gain for forest users and to reduce the risk of conversion of forest to alternative land uses, thus creating irreversible destruction of the original standing forest. The REDD+ eligible activity of *conservation of forests* is most appropriate for these areas – at least where the protection id effective and thus no degradation occurs – but there is much uncertainty over how to operationalize this activity.

4.0 Given the complex nature of Vietnamese forests, and the status of forest management, all forms of REDD+ credit could be appropriate in Viet Nam, i.e.:

1. **Reduction of emissions from deforestation.** This is pertinent to many areas of production and protection forest which continue to face a threat of deforestation;
2. **Reduction of emissions from forest degradation.** This is pertinent to any area of special use, protection and production forest, which continue to face diverse degradation threats;
3. **Carbon stock enhancements.** This is pertinent to any forest land, much of which has been badly degraded or is even barren;
4. **Conservation of forests.** This is pertinent to all areas of standing forest, but in particular to those forest lands that have intact forests;
5. **Sustainable management of forests.** This is pertinent to all areas of standing forest.

4.0 Forest land Viet Nam is classified into the following 8 agro-ecological regions, which broadly follow ecological and climatic parameters (Figure 2.2):

* North West sub-region with 4 provinces;
* North East sub-region with 11 provinces;
* Red River Delta, with 10 provinces, including Hanoi;
* Northern Central Coast, with 6 provinces;
* Southern Central Coast, with 6 provinces;
* Central Highlands, with 5 provinces;
* South East, with 8 provinces, including Ho Chi Minh City;
* Mekong River Delta, with 13 provinces.

Figure 2.2 Agro-ecological zones of Viet Nam

In terms of ecosystem type, fourteen of the WWF identified terrestrial eco-regions are represented in Viet Nam, and, although many are severely degraded, each has the potential to participate in REDD+ by either reducing emissions or enhancing carbon stocks. The potential forest area for each of the fourteen eco-regions, by province, is presented in table form in Annex D.

## Drivers of deforestation and forest degradation in Viet Nam

THIS SECTION WILL BE REWRITTEN

The dynamics and causes of deforestation and forest degradation in Viet Nam are multiple and highly complex. The factors driving deforestation in Viet Nam have changed throughout the course of the country’s history. The period of greatest forest loss occurred between 1943 and 1993, during which it has been estimated that forest cover declined from at least 43% to 27%. Much of this was a result of war and agricultural expansion by the predominately lowland Kinh people migrating into forested areas.

By the middle of the 1990s, the severely depleted and degraded forest estate precipitated a change in policy to stabilise and increase the forest areas. In part, this was to be achieved through several national forest initiatives – most notably the ‘*661 Program’*. These programmes have led to great achievements, and have reversed the trend of deforestation and forest degradation.

With these improvements, came new challenges and threats. The current main causes of deforestation and forest degradation are generally agreed to be:

* conversion to agriculture (particularly to industrial perennial crops);
* unsustainable logging (notably illegal logging);
* infrastructure development in and around forest land;
* forest fires.

There are many other causes such as invasive species, mining, bio-fuels and climate change. Although the impact of these may grow in the future, currently their impact is considered less significant. It is important to continue to monitor these, their evolution and their impacts.

### Conversion of forest lands for agriculture

4.0 Viet Nam is increasingly one of the world leaders in the export of agricultural commodities, including coffee, cashew, pepper, shrimps, rice and increasingly rubber. Most of the recent expansion in perennial industrial crops has occurred in two of Viet Nam agro-ecological regions, i.e. the Central Highlands and the Southeast. Over the past 10 years, Provinces in these regions have experienced some of the highest levels of deforestation. Work carried out by ICRAF in Dak Nong Province (Central Highlands) found that the main direct driver of deforestation and degradation is the conversion of natural forest to industrial perennial crops and its interaction with shifting cultivation. Behind the direct drivers, the contributing factors may be complex. For example, local groups, such as ethnic minority groups, are known to acquire land in order to sell it on for producing industrial perennial crops. Good quality forest is first degraded – through illegal logging, shifting agriculture or fire - in order to be reclassified as low quality forest, so that it can be easily converted to cropland or plantation land. In coastal areas, there has also been a large increase in the area used for aquaculture, primarily shrimp. The government continues to set high targets for the increase in the value of aquaculture.

4.0 An underlying reason why economic agents have an incentive to convert forested areas to agriculture is that forest management does not adequately capture the economic value of the forests’ goods and services. Parts of the forest products industry tends to be highly inefficient and is not maximising the potential value from the forest. This is down to various reasons: inadequate training; poor processing; marketing and inability to tap into different markets. This is well recognised, and there are on-going efforts to improve the efficiency of this sector. In addition there are considerable ecological services provided by forests which are neglected. In response, recently, pilot projects introducing PFES have been initiated. The successful conclusion of these pilots has led to the development of a Decree on PFES, which was established on 24 September 2010[[8]](#footnote-9).

### Unsustainable logging

Forest degradation is mainly caused by unsustainable logging, which is mainly a result of poor management practices and/or illegal activities as well as timber harvesting by rural households for their consumption. People need forest products to satisfy their basic needs for fuel, construction and food. The use of fuel wood for charcoal puts pressure on the forested area. These basic needs can compel people to degrade or even clear natural forest.

4.0 The scale of illegal practices is difficult to estimate. According to recent statistics, in 2009 there were 25,817 violations of state regulations (with 48,605m3 of timber of all types confiscated) in respect to illegal logging, timber and forest products trade. However, due to a lack of monitoring, poor case handling and incentives which discourage local authorities to provide accurate and complete reports, it is likely that considerably more violations go undetected and unreported. Related selective logging is gradually leading to the degradation of the country’s forest estate. Some forest crimes are committed by local households driven by poverty, while much is driven and controlled by criminal gangs and networks.

There is the demand for timber for inexpensive furniture made from tropical hardwood. Viet Nam has become a major hub for the export of furniture, making wood products Viet Nam's fifth largest export earner. The issue of the illegal trade in timber as well as the illegal extraction in Viet Nam has serious implications for the future of the industry as well as the potential benefits from REDD+. With stricter requirements to show proof of legal provenance (e.g. the US Lacey Act and the EU FLEG-T initiative) there is a growing need for Viet Nam to stamp out the use of timber from illegal sources. Whereas this may lessen degradation pressure in Viet Nam, there is the danger of, displacement of illegal logging activities. Hence, displacement is recognised as one of the core themes under REDD+. Legal loopholes, such as where proof of legal provenance is not required for imports of species other than those listed under CITES, lead to a situation where wood imports can be deemed legal even though they may have been illegally exported from elsewhere (e.g. Laos and Cambodia).

4.0 In addition to the above-mentioned factors driving illegal logging, there are also more general factors within the forestry sector which are leading to unsustainable and/or illegal wood extraction. This includes some of the current forest policies and programs. Examples include the forest land classification process which opens up possibilities for the unnecessary removal of natural forested areas, the current logging ban in some Provinces’ and the setting of the harvesting quota system at such low levels that it encourages the illegal extraction of timber[[9]](#footnote-10). This harvesting quota system needs to be replaced with a system to maximise the amount of timber which can be procured.

Another key issue is the current administration of the forest sector. The whole process of decentralization which is on-going in Viet Nam has the potential to bring greater benefits to the local communities. However, unless this process is carried out in a participatory manner it can further marginalise the poor while creating and placing greater powers with the local elites. There is the issue of a lack of participatory approaches to decision making within the forestry sector which does not ensure the needs and interests of the local communities are always served. Past programs have experienced some difficulties in successfully engaging local communities in forest dependent poverty alleviation activities. One of the underlying problems is the continuing lack of allocation of adequate forest use rights to the local communities. Giving the ownership to households or communities where they can benefit from the forest area will provide incentives for them to protect the area and help to stop encroachment.

### Infrastructure development

Of all the potential infrastructural developments, road building and dam construction are the most destructive in terms of forest loss. Viet Nam’s roads have more than doubled in length since 1990. Many of these roads have been in rural and mountainous areas, using techniques that can cause great ecosystem damage. In addition to the forest directly cleared to make way for the construction, the greater accessibility of such areas to encroachment and unsustainable exploitation can have a highly detrimental impact on forests.

Viet Nam has also undertaken, and continues to undertake, a rapid expansion of hydro-power infrastructure, often in and around forest areas. Hydropower plays an important role in electricity generation in Viet Nam and its increasing development is driven by the burgeoning demand for electricity. Demand for electricity is projected to grow at 11 % year to 2015. In order to meet this rapidly growing demand, the power industry has struggled to expand and improve the power system. An assessment of the options to meet Viet Nam’s energy needs concluded that hydropower development can be justified when compared to the feasible alternative sources of power generation, having higher economic, social and environmental costs.

4.0 The North West region of Viet Nam is the area where there is the most current production, as well as offering the greatest potential for hydropower. For example, the construction of dams along the Dong Nai has already destroyed more than 15,000ha of natural forest. The estimated impact of 21 planned large scale dams (with a capacity over 4610MW) will lead to an estimated loss of around 21,133ha (including 4,227ha of natural forests, 1,367ha of plantations). The total resource value of the forest lost (including environmental service functions) was estimated to be $72.4 million. Indirect impacts on the forested areas result from in-migration and resettlement of people, with an estimated 60,000 people to be displaced from the 21 planned schemes. In particular, in areas with already a high population density, such resettlement is considered a serious risk to the surrounding forest areas.

### Forest Fires

4.0 About six million hectares of Viet Nam's forests are considered to be vulnerable to fire. This includes the entire Northwest region, the Central Highlands, the Southeast and the Mekong Delta. All have witnessed extensive loss of forests as the result of forest fires.

Forest fires originate from a number of sources. The cause of fire has been estimated to be predominantly caused by slash and burn to clear crop fields after harvest – especially in upland areas. Use of fire in hunting, collecting honey, collecting wasted materials ranks second, while carelessness and intentional setting of fires do the rest. A further underlying cause is the warmer weather conditions. 2010 has seen a large increase in fires due to the much dryer conditions, which have been attributed to El Nino. Projections of climate change show that the North West and the Mekong Delta are two of the areas which will likely experience warmer conditions.

### Underlying Factors

Several factors underlie all causes to forest loss. For example, there continues to be persistent poverty in Viet Nam particularly amongst the ethnic minority who predominately live in upland forested areas. Many poor people continue to practice shifting cultivation to produce sufficient food for subsistence in order to alleviate poverty. In the Central Highlands, much of the cultivation into new forested areas appears to be motivated by acquiring more lands, often sold on for commercial purposes to grow industrial crops. In the North Central region where there are fewer opportunities for industrial crops, shifting cultivation is practiced more for subsistence purposes. However, it is unclear how much current expansion is into new forested areas and further analysis needs to be carried out to provide more information on potential trends.

A second underlying factor is the growing population from both in-migration and population increase. Generally, spontaneous migration is diminishing due to the scarcity of arable lands, to restriction applied by the host Provinces, and partly due to the increasing availability of off-farm employment in the home regions. The remaining areas where there is in-migration is where there are still areas of fertile land available, such as the Eastern parts of the Central Highlands. Notably, population fertility rates are higher amongst ethnic minority groups (roughly 3.4 children compared to 2.1 for Kinh), which implies that population growth pressures may come from such groups[[10]](#footnote-11).

## Forestry Governance: Laws, Policies and Institutions

The state administration of forest and forestry land at the central level is MARD. The Directorate of Forestry is the agency that advises the Minister in the state management and to implement state management tasks in respect to forestry issues nationwide, including the administration of mangrove forests. The land management agency at central level is the Ministry of Natural Resource and Environment (MONRE) with the General Department of Land Administration functioning as the Advisory body. MONRE has responsibilities related to the allocation of land to households, including forestry land.

Prior to the 1990s, there were no strong polices in place to support forest protection. Efforts had focused on rebuilding the country and encouraging migration into forested areas for conversion to agriculture. With the forest estate severely depleted a series of policies and programs were introduced to arrest deforestation and to increase the overall forest area in Viet Nam.

Viet Nam’s overall policy direction for the forest sector, as framed by the Central Communist Party Strategy for industrialization and modernizations, identifies five clear objectives to be met by 2010: (i) increasing overall forest coverage to 43 percent of the national land area; (ii) completing the allocation of forestry land to households and other entities; (iii) promoting forestry-based livelihoods; (iv) protecting 10 million hectares of natural forests through management contracts with smallholder households; and (v) accelerating the development of forest plantations. Subsequent Party resolutions have stressed the need to conserve watershed and coastal-protection forests and reform SFEs. All subsequent laws, decrees, policies and strategies pertaining to the forest sector have been guided by these decisions.

Since 2000 the National Assembly has passed a number of laws with implications for how forests are owned and managed in Viet Nam; most notably the *Land Law* which helped to clarify the framework for forestry land tenure and created, for the first time, the opportunity to allocate forestry land to communities as well as to individual households. Then, in 2004, the *Forest Protection and Development Law* was promulgated. This Law recognizes distinct categories of forest ownership, with varying responsibilities and rights for forest management.

4.0 In 1992, the government launched *Program 327* aiming at "regreening the barren hills". This had mixed success. Building on the successes, it was subsequently replaced by a larger more ambitious program: *the Five Million Hectares Reforestation Program* (5MHRP) or the ‘*661 program’*. This continues to be the cornerstone of forest protection and development efforts in Viet Nam. 5MHRP sets out targets and provides subsidies, to contribute to reaching the overall target of forest coverage of 43% by 2010. Of the five million hectares, two million hectares were planned as protection forests and three million hectares as production forests. Again, the results from the program have been mixed. Although it has gone a long way in meeting its targets for protection forest, it has fallen below its expectations for regeneration, particularly for plantations. Subsequently, Program 147 “*support for development of production forest plantations*” (2007-2015) was introduced, with a focus on production forests. Various revisions have been made to the program though a number of problems persist, which have been documented in various reports. These highlight the need for more involvement of local communities in the overall decision-making process, the introduction of provisions for improved planning, controls and audits and a lack of externally verified information highlighting the actual situation at the field level.

4.0 In line with overall national programmes to reform the role of the state and to reform state-owned enterprises, the reform of State Forest Enterprises (SFE) has been a major policy push since the late 1980s. These enterprises, many of which were recently transformed into State Operating Companies (SOCs), continue to control around 37% of forest land. The objective of the reform has been to separate business activities (mainly production forestry) from those of public goods management (protecting watersheds and conserving biodiversity). However, progress has been slow.

4.0 The current national strategy for the forest sector is the *Viet Nam Forestry Development Strategy 2006 – 2020* (VFDS). This builds on previous strategies and programs, setting out new ambitious targets for plantations, policy reform, as well as further subsidies for protection and plantations and a greater role and responsibility for the local communities.

Since 1993 there have been a series of laws, policies and decrees to transfer land use rights for forestry lands away from the state. These *Forest Land Allocation Programs* have tended to be hampered by a lack of funding and the unaligned planning between MONRE, which oversees land allocation, and MARD, which is in charge of forest land management and thus affected by the slow progress of forest land allocation. By 2006, only 55 percent of land classified as forestland had been allocated to households based on land use rights certificates as compared to 81 percent of all agriculture land[[11]](#footnote-12). The success of allocation varies from province to province.

4.0 Policies to allocate forest land, to reform SFE, and to increase forest coverage, have been accompanied initiatives to strengthen forest management, often with support of the international community. For example, in 2006, the Department of Forestry implemented the *Community Forestry Management (CFM) Pilot Program*[[12]](#footnote-13). Such initiatives highlight the growing interest and move towards community forestry in Viet Nam.

In parallel, a process of *Forest Land Reclassification* has been initiated to reduce the area of protection forest requiring government support in order to increase the area of production forest available for private sector investment. Part of this initiative, formally laid down in a government Directive, aims to encourage forest production in degraded forest areas.

4.0 Viet Nam has also issued an array of decrees, circulars, laws and policies on *Forest Law Enforcement*. Crimes are classified within the Penal code, which contains four different types of forestry crimes. The Law on Forest Protection and Development (Article 12) specifies a range of “prohibited acts”, including illegal logging, hunting and collection; forest destruction; ignoring forest fire prevention; encroachment on forest land; illegal forest products transport; illegal grazing; and various other practices. The laws assign the main responsibility for ensuring compliance with forest protection to MARD, and the Forest Protection Department (FPD) as the principal implementing agency. As part of an effort to improve progress on Forest Law, Enforcement and Governance (FLEG), MARD and the European Commission (EC) have established a joint *FLEG-T (Trade)* Working Group. One of the primary goals of this working group is to decide whether or not Viet Nam will negotiate a Voluntary Partnership Agreement with the EC.

Viet Nam is the first country in Southeast Asia to pilot a scheme of PFES. The focus has been on capturing the value of watershed protection services provided by intact forests in two pilot sites in Lam Dong and Son La Provinces. Based on the success of these pilots, a PFES Decree is scheduled to come into force in 2010, in order to replicate this scheme to other Provinces.

4.0 MONRE is the standing agency tasked to collaborate with relevant agencies to assist the Government in responding to Climate Change. In December 2008, the Prime Minister approved the *National Target Program to Respond to Climate Change* (NTP-RCC). Although the focus has been on adaptation this program also covers mitigation. MONRE coordinates implementation of this Program.

Policies and programs which cover forests pertain to mangrove areas. There are a few programs specifically targeting mangroves; most notably the project to increase the existing area of mangrove forests nationwide from 209,741 ha to 307,295 ha by 2015 across 29 coastal Provinces.

In conclusion, since 1990, the national and provincial governments have initiated a broad and comprehensive range of measures – laws, legislation, policy, plans, programmes – in order to improve national forest management. Although complex, and certainly not without failings, these have achieved many successes and demonstrate Viet Nam’s national commitment to sustainable forest management.

## Current situation of REDD+ in Viet Nam

### On-going REDD+ activities in Viet Nam

Under Phase I an inventory has been made of all on-going activities in the field of, or closely related to, REDD+ activities. The reasoning behind this was to avoid duplication of efforts between the programmes. Additionally, this inventory of active donor programmes can be used to identify potential co-financing options.

4.0 Amongst the many activities on-going in the field, the initiatives from particularly the Japanese International Cooperation Agency (JICA), Netherlands Development Cooperation (SNV), World Agroforestry Centre (ICRAF), Forest Carbon Partnership Facility (FCPF), the German Development Cooperation (GTZ), the Australian Development Cooperation (AusAID) and the Finnish Government (bilaterally and through FAO) are relevant. All of these are directly or indirectly working with REDD+ elements, however, none on a national or sub-national scale. On a provincial level much is still to be gained. It can be generally considered that provincial technical capacity lags behind national technical capacity. However, provincial capacity to address practical matters and achieving objectives is vital to the success of any programme or initiative. This is where Phase II will play an important role. Integrating existing activities, merging them into the National REDD Programme and involving many subsidiary activities to REDD+ (such as SFM) in the country-wide approach, will harmonize the multi-donor activities and funds.

### The State of REDD Readiness

4.0 Good governance is one of the key factors foreign investors (countries or organisations) will look into before committing to any serious (further) investment. Viet Nam is moving towards becoming ready to start and implement REDD+ in the country. As mentioned above, GoV has initiated various measures and developed several practical laws and decrees which relate directly to the REDD+ process. All of these contribute in some way to advancing Viet Nam’s *REDD Readiness*.

4.0 Further regulatory measures are under preparation and await official presentation to and endorsement by the Government. Within the various Ministries having direct or indirect impact on the forests in Viet Nam and the effectiveness of REDD+ a number of policies wrapped in targeted legislation are being prepared or proposed. The following Ministries and Agencies are expected to be engaged in the development and operation of the National REDD Programme:

* **Government Office:** Evaluation of proposals for the Programme, drafting of Decrees and other formal documents; engagement in the overall oversight of the Programme, through participation in the PEB meetings.
* **Ministry of Finance:** Recipient of international payments for CER credits; involved in National REDD Fund management and oversight.
* **Ministry of Planning and Investment:** Elaboration and evaluation of national and provincial Socio-economic Development Plans.
* **Ministry of Natural Resources and Environment:** Land allocation, cadastre and titling; Designated National Authority for the UNFCCC; responsible for biodiversity and other (non-forest) natural resources.
* **Ministry of Agriculture and Rural Development:** Mandated to manage the forest sector in Viet Nam; national focal point for REDD+; host of the National REDD Programme and other related activities in the forestry sector.
* **Committee on Ethnic Minorities in Mountainous Areas:** Member of the PEB of the Programme and the Executive Board of the National REDD Programme.
* **Forest Science Institute of Viet Nam:** Forest research, development of ecological classification, development of allometric equations, etc.
* **Viet Nam Forest University:** Training and capacity building.
* **Forest Inventory and Planning Institute (MARD):** National Forest Inventory, development of conversion factors and allometric equations, independent verification of field measurements.
* **National Remote Sensing Center (MONRE):** Independent verification of field measurements.

4.0 In addition to the Ministries and Agencies listed above, others may be engaged as well in a less prominent way – e.g. the Ministry of Industry and Trade on the dialogue with the wood processing industry.

4.0 ~~In addition to already taking care of ensuring adequate gender responsiveness and good governance, the Government is also, recently, taking measures specifically related to REDD+. Notably, these relate to: developing the National REDD Strategy; determining optimal benefit distribution systems; designing an effective measurement, reporting and verification (MRV) system; developing appropriate FPIC processes and; overall capacity building.~~

*The National REDD Strategy*

4.0 The National REDD Strategy (NRS) is the framework upon which the National REDD Programme will be based. It defines overall goals and plans, roles for provincial and district agencies, monitoring procedures and roles, means of verification and reporting of the results, guidelines for local benefit distribution, etc. The NRS describes all relevant processes at the central and provincial levels, including an assessment of their impacts.

4.0 The NRS will undergo a process of consultation with various stakeholders within the Government and civil society. The outcome of that consultative process will form the final strategy, with an accompanying legal text. The legal text will be presented to the Prime Minister’s Office, for proclamation in a Decree.

This process facilitates comparison of, and linkage to, the FLEG-T process. The latter is of much relevance to NRS, as FLEG-T adequately has established a legal process monitoring the trade of hardwood in Viet Nam. The individually and privately operating wood-processing industry is being controlled, attempting to prevent leakage within and the region and across international borders. Incorporating FLEG-T in NRS would effectively address one of the serious drivers of deforestation.

As mentioned in the Introduction above, a cross-sectoral approach is necessary to achieve effective and efficient implementation of REDD+ in Viet Nam. Efforts are currently made to have all ministries adequately acquainted with the REDD+ concept to have them working together effectively and without overlapping responsibilities. Incentives to each Ministry are being made clear. However, to reach full engagement, more needs to be done and is part of NRS.

Given that the NRS requires consent of all parties across the political spectrum, as well as approval of all the relevant stakeholders, finalisation of the Strategy will take time. However, the first guidelines have been prepared and it is expected that the final document is up for approval by the Prime Minister by mid-2011.

The main components of the NRS are:

**Benefit Distribution System.** A REDD+ compliant Benefit Distribution System (BDS) is one which addresses the principles, and meets expectations of the international community in terms of equity, transparency, additionality and performance, while managing REDD+ revenues in an effective and efficient manner. An operational benefit distribution system is the backbone of a REDD+ programme. Viet Nam is well placed to develop a REDD+ compliant BDS as a result of many years of experience with similar systems, for example the 5MHRP programme, and recent internationally supported payments for forest environmental services (PFES) pilot projects. Viet Nam also has an effective and nationwide administration, social stability, and relatively high degree of tenure security. These factors facilitate the development of a REDD+ compliant BDS. Recently, Viet Nam has sponsored specific studies on REDD+ compliant BDS.

THE SECTION ON MRV WILL BE REWRITTEN

4.0 **Measurement, Reporting and Verification.** Viet Nam requires an efficient and transparent monitoring system that complies with all requirements established by the UNFCCC. To enable such monitoring and successive reporting to the international community, Viet Nam has initiated development of a tailor-made MRV system. In analyzing the current situation in Viet Nam and developing the Readiness activities for MRV a number of consultative activities have taken place. The National REDD Network has discussed MRV requirements and development options in general terms. Under the National REDD Network and its subsidiary REDD Technical Working Group, a sub-Technical Working Group (TWG) on MRV/REL development has been discussing the current situation and options for an MRV system for REDD+. In this process the assessment of inventory data and REL development have been discussed with stakeholders inside and outside of government.

An essential element of MRV is the availability of consistent reference (emission) levels (RL/RELs) based on historical data, and together forming reliable reference scenarios. An important thrust in establishing national RELs and RLs is provided by JICA and the Government of Finland. Recent work and discussions among relevant stakeholders have so far generated convergence on key technical points for REL/RL development in Viet Nam, notably the following:

* RELs/RLs for Viet Nam will be developed for reduction in emissions due to deforestation and enhanced removals due to the enhancement of carbon stocks. Depending on guidance from the UNFCCC and the practicability of application in Viet Nam, other eligible activities within the scope of the REDD+ mechanism may be supported, in particular the sustainable management of forests and conservation of forest carbon stocks.
* Reduction of emissions due to forest degradation will likely be foregone. The lack of reliable data on past levels of forest degradation prevents the establishment of a REL for forest degradation.
* A historical REL will be developed based on historical deforestation trends. Initial forest activity data for deforestation can be based on full available records or satellite imagery and supplemented with existing forest inventory data from 1991 (at a time in which certain national circumstances induced a change in forest cover trends).
* Sub-national RELs/RLs will be developed based on stratification of the national territory into *eco-regions[[13]](#footnote-14)*. The national territory is estimated to have approximately 15 eco-regions.
* Prospective RLs for carbon stock enhancement will be developed following the processes of first generating a RLs based on *bio-physical responses* of forests for each of the eco-regions, followed by a process of factoring in sub-national level *socio-economic conditions* per province, using spatial overlay analysis.
* Prospective RELs for reduction in emissions from deforestation will be based on carbon stock estimates per eco-region from the National Forest Inventory in combination with sub/national level *socio/economic conditions* per province, using spatial overlay analysis**.**
* Viet Nam will develop a single national REL/RL for each of the eligible activities under the REDD+ mechanism, which is fundamentally an aggregate of RELs/RLs developed for each stratum at the sub-national level.
* RELs/RLs for Viet Nam will be reviewed and updated periodically.

**Gender sensitivity.** Viet Nam recognises the importance of women in the overall success of REDD+. Women have a prominent role to play in the individual households and at community level. Decisions within households are most often depending on the ideas and cooperation of the women, e.g. with reference to use of cooking stoves, use of non-forest products to replace use of forest products – e.g. biogas systems, agricultural residue utilization – or options for income generation not based on use of forest products.

Women and men have different perspectives on forest management and use of forest products. Implementation of REDD+ may impact these perspectives, change the feasibility of sustaining existing forest management and product use and provide new opportunities. All of these scenarios need to be considered in terms of how the position of both men and women are affected.

A serious effort will be made in Phase II to involve women by means of awareness rising, education and training, and entrusting them with direct responsibilities regarding the REDD+ mechanism (e.g. collection of REDD+-required data such as the measurement of carbon stocks and preparation of forest management plans).

**Good-governance.** Good-governance particularly pertains to anti-corruption measures. This is critical for the success of the REDD+ programme. Phase II intends to tackle this problem through transparency. This is mostly achieved through applying MRV. Reported results on emission reductions, which are the basis of ultimate payments, are being collected and stored in a database accessible through the Internet. Anyone having access to the Internet will be able to consult this database and the reported results are therefore up for thorough and public verification.

*Integration with other (international) REDD-related activities*

GTZ

AusAid

JICA

Government of Finland

International projects (Winrock proposal)

*Interaction between UN-REDD Phase II and the FCPF*

Viet Nam was one of the first countries to receive approval for its Readiness Plan Idea Note (R-PIN) under the World Bank’s Forest Conservation Partnership Facility (FCPF). It has subsequently submitted its final draft version of its Readiness Preparation Proposal (R-PP), requesting approximately $3.6 million to directly support REDD+ preparation and implementation.

The R-PP focuses of establishing overall readiness to implement the REDD+ concept. It focuses on the national capacity to integrate REDD+ into its legislation and technical guidelines. Most attention is paid to (i) overall REDD management arrangements, (ii) the way all stakeholders in the country are reached and consecutively consulted, (iii) assist the country in preparing its REDD Strategy (often referred to as REDD Programme with other agencies, like UN-REDD), and to (iv) stress the need for a reliable Monitoring, Reporting and Verification (MRV) system, supported by an adequate Reference Scenario. In general, R-PP prepares the overall framework for a country to receive and start implementing the REDD mechanism.

The UN-REDD Viet Nam Programme takes these issues further. In one respect, Phase I is actually part of the R-PP, building the required capacity on a national level. A REDD+ focal point is being established in the Directorate of Forestry (VNDoF) of MARD to coordinate and manage the process of establishing tools to implement the REDD Programme. Under Phase I, FAO has started working to have an adequate MRV operational, while being supported by JICA and the Government of Finland to establish reliable (sub-) national reference levels. Phase I is the precursor of Phase II, which actively will implement the REDD Programme on a sub-national level. However, Phase II has a direct relationship to certain components of the R-PP, and activities are coherent with R-PP initiatives. Figure 2.3 shows the direct relationship between the two.

|  |
| --- |
| **Readiness Preparation Proposal (R-PP)** |
|
| Assessment of Land Use, Forest Policy and Governance**Component 1**National Readiness Management ArrangementsStakeholder Consultation and Participation**Component 2**REDD Strategy OptionsREDD Implementation Framework**Component 4**Monitoring, Reporting and Verification**Component 6**Design a Program Monitoring and Evaluation Framework**Component 5**Schedule and BudgetSocial and Environmental Impacts |

|  |
| --- |
| **UN-REDD National Programme Document****Agreed Sections** |
|
| 1. **Cover page**
 |
| 1. **Executive Summary**
 |
| 1. **Situation Analysis**
 |
| 1. **Strategy**
 |
| 1. **Results and Resources Framework**
 |
| 1. **Coordination Arrangements**
 |
| 1. **Fund Management Arrangements**
 |
| 1. **Monitoring Framework**
 |
| 1. **Legal Context**
 |
| 1. **Work plans and Budget**
 |
| **Annex: Risk Analysis** |

*Figure 2.3: Relationship of UN-REDD National Programme* Document to the Components of REDD Readiness

In functional terms the relationship between Phase I, the FCPF and Phase II can be described as awareness building, establishment of national readiness, and national operationalisation and provincial piloting, respectively.

### Summary of Phase I achievements

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The UN-REDD Viet Nam Phase 1 Programme started in late 2009 with the following Outcomes targeted:

* Improved institutional and technical capacity for national coordination to manage REDD activities in Viet Nam;
* Improved capacity to manage REDD and provide other Payment for Ecological Services at provincial and district levels through sustainable development planning and implementation;
* Improved knowledge of approaches to reduce regional displacement of emissions.

Under these, the major achievements so far have been:

* Supporting the National REDD Network and the associated REDD Working Groups;
* Development of the outline National REDD Programme;
* Undertaking an in-depth assessment of potential benefit distribution mechanisms, and introducing various options to all concerned stakeholders;
* Development of district-level historical and current land-use maps;
* Developing technical methodologies and capacities related to MRV, support to the development of an *interim* REL and RL;
* The piloting of the FPIC process in 80 villages, and the acquiring of important lesson learning;
* Developing a communication strategy, and preparation of awareness raising material and REDD website;
* Raised awareness at many levels: from high level forestry officials, to government officials throughout the administration, to provincial officials, to forest users and to the general public;
* Supporting various partners as they initiate REDD activities, notably the World Bank and FCPF, and projects, including FORMIS and NFA.

4.0 An evaluation of Phase I will be organized by the global UN-REDD Programme Secretariat. To date, this evaluation has not yet been scheduled.

### Summary of globally significant lessons learned on REDD+ in Viet Nam.

Because Viet Nam has been a leader in initiating many activities required for REDD+ readiness, it has also served as a source of lessons for other countries. For example, building on the BDS study in Viet Nam, which involved the IUCN country programme as a partner, IUCN secured funding from SENSA to undertake similar studies in Cambodia and Laos. Indonesia is now designing an FPIC process, and used the Viet Nam proposal as a starting point in considering what modifications might be needed to meet the social and political conditions in Indonesia. The national REDD+ web-site designed for Viet Nam is being considered as a model for similar web-sites for REDD+ in Cambodia and Indonesia.

# Strategies and proposed programme

## Context

4.0 Phase II of the UN-REDD Viet Nam Programme is the middle phase of a three-phased approach to introduce and implement REDD+ in Viet Nam. Phase I focuses on the initial stages and helps prepare the country to be ready (notably the institutional arrangements; preparation of effective and appropriate laws and legislation; developing a National REDD Strategy and subsequent National REDD Programme, developing reference scenarios; design of a MRV; etc.). Phase II will establish and make operational all of the essential elements of the National REDD Programme, with full-scale piloting in a number of provinces, and preparing the route for a full and nation-wide implementation under Phase III.

The success of the UN-REDD Programme in Viet Nam will contribute to the outcomes and outputs formulated under the One UN Plan, in particular to Outcome 3: *Economic growth takes into account environmental protection and rational use of natural resources for poverty reduction.*

## Approach

Phase II continues the earlier work of UN-REDD in Viet Nam (Phase I) and work supported by other parties. It builds on, and directly implements major aspects of, the (yet to be approved) National REDD Programme. Much of the knowledge generated by and capacity built during Phase I will contribute directly to the REDD+ implementation and payment schemes to be established under the current proposal. Phase II will take into account lessons learned during Phase I, as well as in preparation of the R-PIN and R-PP. Phase II will be implemented in close cooperation with FCPF (see figure 2.3).

In Phase II a set of four Outcomes are defined, each stepwise bringing realization of reduction of emissions and carbon stock enhancement closer to reality. Going from strategic preparation on the national level to actual implementation measures to be taken by the actual forest owners, a series of outputs are defined for which related activities are proposed. To better monitor progress and measure actual results, in turn the activities connected to indicators and specific *milestones* (ref. Logical Framework – Annex A). Most prominently, and therefore differing from Phase I, this phase will focus on the actual implementation of activities and targets identified in the National REDD Programme.

**Outcome 1** will focus on the national level. It will develop and make operational the required regulatory environment, legislation, participatory mechanism and financial mechanisms. In implementing these, the position of ethnic groups and women will be considered throughout, in accordance with the UN Declaration on the Rights of Indigenous Peoples and the Vietnamese Gender Equality Law. It notably contributes to the National MRV System and establishes the National REDD Fund. Outcome 1 will also address the displacement of emissions and the subsequent control mechanism necessary. The external effects of the implementation of the National REDD Programme will be monitored in order to account for any impacts on other land use categories and forests outside of Viet Nam, as a requirement from the UNFCCC[[14]](#footnote-15). A continuous regional dialogue with neighbouring countries will be established, which will be on the basis of equality given that Cambodia and Laos are also developing a national REDD+ mechanism and Thailand and Myanmar have taken first steps in that direction. In addition to the dialogue on emissions displacement, a dialogue will be established with the wood processing industry in Viet Nam to identify opportunities for making this important economic sector more sustainable with regards to sourcing its timber and eligible for international certification of their product, and to arrest or reduce displacements of emissions and illegal logging practices.

**Outcome 2** focuses on developing and implementing the National REDD Programme on a provincial level. Outcome 2 will ensure that the necessary financial, institutional and legislative capacity for REDD+ is functioning in five selected provinces. The Provincial REDD Programme will become operational for all forest land in the five provinces. Infrastructure will be established to support sustainable forest management and the distribution of REDD+ benefits to performing participants. See Annex D for the information on the criteria to select the participating provinces, and Annex E for initial information on the selected provinces.

**Outcome 3** focuses on developing the technical capacity for forest owners in the five provinces and proceeds with the actual implementation of REDD+, practically reducing emissions and enhancing removals, leading to performance payments. Based on a full assessment of the current tenure, management and ecosystem situation, and with the full participation of forest owners, a provincial plan for rolling out REDD+ will be developed and this will be fully mainstreamed into the provincial forestry plan and the provincial SEDP. This will ensure that provincial authorities and experts are able to support forest owners when they decide to reduce emissions and enhance removals on their land, through provisioning of technical support. This is where engaging both women and men becomes really critical, as does understanding how women and men are currently using resources as well as who makes decisions about the use and management of forest resources. Overall, this Outcome will contribute to improving women’s access to and control over resources.

Options for improved forest management and livelihood alternatives from forest products and otherwise will be developed in order to maximize REDD+ credits and reduce poverty in rural communities to the extent possible. This may include more efficient use of forest products – e.g. improved cooking stoves – development of value-chains for forest products – e.g. produce bamboo ladders for sale, rather than simply bamboo stalks – use of non-forest products to replace use of forest products – e.g. biogas systems, agricultural residue utilization – or options for income generation not based on use of forest products.

Following the introduction of REDD+ to the forest owners and the required capacity building on a number of forestry-related aspects, modification of practices and subsequent reduction of emissions and enhanced removals will be achievable in the five provinces. Each forest owner – husband and wife jointly, where possible – will develop a personal REDD+ management plan. Payments from the National and Provincial REDD Funds will be made to reward participation (in exchange for submitting biomass assessment data) and performance (after independent verification). The performance payments may be made in cash or in the form of services. Jointly, these payments should compensate the forest owners for their efforts and opportunity costs.

4.0 Finally, **Outcome 4** will address knowledge management and active dissemination of knowledge and experience across the Southeast Asia region. Activities under each outcome will contribute to the lessons learnt and data generated in Viet Nam. An interactive knowledgebase accessible through the Internet will be established, ensuring up to date information to be shared and discussed amongst stakeholders in neighbouring countries. Information on all substantive aspects of establishing and operating a national REDD+ program will be included: legislative and administrative procedures and arrangements, institutional capacity and capacity building, field implementation and stakeholder engagement, data collection and analysis, MRV, REL/RL development and updating, integration of REDD+ in domestic policies and programs, etc. Besides the active members on REDD+ development in the region, this Outcome will also support a South-South dialogue, involving other countries in the region (especially LDC countries) that have taken first steps on REDD+ development, but still lack international funding. More direct exchange of experiences is achieved through workshops and study tours.

### Benefit Distribution System

4.0 At the central level Phase II will establish the National REDD Fund, with all concerned infrastructure (see Annex G). It is recognised that it may take time to legally establish the Fund, whereas resources for making *participation payments* to participants in the National REDD Programme are likely to be required very early in the Programme. Correspondingly, there is a danger that forest owners will be due payments, from collecting data and developing other activities, while the National REDD Fund is not operational. Hence, for the initial Phase II operations an Interim National REDD Fund[[15]](#footnote-16) will be established. The Interim Fund will have all the known characteristics of the expected ultimate National REDD Fund and it will be fully consistent with or adaptable to all likely future characteristics of the ultimate REDD+ mechanism; this is explained further in Section 6. The Interim Fund has several objectives:

* Make participation payments. The level of the payments will be such that it encourages forest owners (most often households or groups of households) to protect the forest and improve overall quality, thus indirectly providing an incentive for sustainable forest management;
* Provide for lessons learned, and accordingly corrections to be made to operating the Interim Fund. This will further develop the capacity to establish and run a National REDD Fund at national and Provincial REDD Fund at provincial levels, with direct effect on the district and local level;
* Feed knowledge directly into efforts across Southeast Asia to operate REDD+ funds, actively promoting REDD+ development across the region.

Although it is clear that a National REDD Fund will be established in Viet Nam, it will be necessary for the National REDD Fund to have subsidiary arrangements at the provincial level, and possibly down to the commune level, to distribute benefits to beneficiaries. The Government of Viet Nam is currently considering several options for the benefit distribution system. The optimal situation for Viet Nam, and may differ from province to province. Through Phase II, the different options will be piloted and closely monitored in the pilot provinces.

4.0 By the end of the four year programme period, if UNFCCC has moved forward sufficiently internationally[[16]](#footnote-17), the National REDD Fund will become the permanent national fund for receipt of proceeds from the sale of CERs, in line with UNFCCC REDD+ regulations. Throughout Phase II all the required operational capacity will be provided for the Fund to run nationally and to be financing operations throughout at least the pilot provinces. Expansion to the remaining provinces should then be straightforward.

### Selection of Provinces

4.0 The Phase II Programme includes full-scale implementation of REDD+ in a number of provinces. The aim is to have a mosaic of diverse sites/provinces, thereby generating diverse lessons learned and overall experience. Selection of those pilot provinces will be based on a number of objective and operational criteria. The main criteria for selecting provinces are:

* *Representativity in terms of biophysical and ecological conditions* – the Phase II Programme intends to pilot the Provincial REDD Programmes under all conditions;
* *Representativity in terms of socio-economic conditions* – all conditions needs to be tested, in particular in relation to poverty reduction, ethnic communities and socio-economic development opportunities;
* *Local commitment, and potential for REDD integrating into local development processes* – the readiness and willingness of the province to implement REDD+ activities, including having the capacity to manage the array of administrative and technical requirements;
* *Data and information availability* – e.g. having the necessary amount of data available to prepare required reference scenario’s;
* *Availability of REDD-suitable forest land*.

4.0 ~~Based on these criteria five provinces were selected (see Figure 2.4):~~

1. ~~Bac Kan~~
2. ~~Binh Thuan~~
3. ~~Ca Mau~~
4. ~~Lam Dong (pilot province for UN-REDD Phase I)~~
5. ~~Nghe An~~

~~Annex D provides full details of the process used to select provinces. Annex E provides a detailed description of the provinces selected to have REDD+ implementation under Phase II.~~

~~Figure 2.4 Selected Provinces under the UN-REDD Phase II Programme~~

### Displacement of emissions

4.0 When the NRP is operational or is under way of getting effective, the problem and undermining activities of regional displacement of emissions will be addressed. Although Viet Nam itself has a negative net deforestation rate because the area of new plantations exceeds the rate of loss of natural forests, the country’s large forest industries sector, which is mainly dependent on imported raw materials, may put pressure on existing natural forests in neighbouring countries. Building on the experiences of Outcome 3 of Phase I, and acknowledging the role REDD+ can play in regional deforestation in the Lower Mekong Basin, the Programme will actively take on unsustainable and illegal forest practices. Regional discussions and exchange of information and knowledge should effectively lead to reduction in leakage and displacement practices.

Due to the tight geographical and economic ties, implementation of REDD+ in Viet Nam in itself may have important (negative) consequences to neighbouring countries. Emissions may be *displaced* to other countries, rather than simply reduced. In line with UNFCCC requirements, Phase II will monitor and assess displacement of emissions from Viet Nam to other countries (Outcome 1.5).

4.0 An active discussion with Viet Nam’s influential wood-processing industry will be initiated, aiming for an overall framework to address the sourcing of raw material. With the major source countries of timber imports implementing their own REDD+ programmes, there will be consequences for the wood processing industries. The outlook is not entirely negative, however. The National REDD Programme in Viet Nam will ultimately lead to a higher, sustainable supply of domestic timber. The discussion with the wood processing industry will include an inventory of the needs of the industry in terms of timber quality – species, density, lengths / volume, strength, etc. – in order to identify areas where plantations and / or enrichment plantings can benefit the domestic wood processing industry in the long term. Additionally, improvements in the efficiency of usage of the raw material can reduce the need for timber and hence decreasing potential risk of displacement and illegal logging. While the NRP or the UN-REDD Programme will not address this issue, it is included in the VFDS and it may thus be addressed jointly with NRP activities.

### Regional knowledge sharing and collaboration

In South-East Asia many countries are preparing to implement a national REDD+ mechanism. The expertise built up and the lessons learned from Viet Nam will be critical to the successful development of REDD+ across the region. The Phase II activities therefore include an integrated component of knowledge sharing and exchange with regional partners. Knowledge of ecosystem properties, alternative approaches to income generation, design of data management and regulatory environment for fund management can all be shared with regional partners. The Phase II programme will develop an interactive knowledge-base and information sharing platform that will be made available for consultation and contribution by partners in regional countries. All outputs of Phase II will contribute to this knowledge-base and it will be actively promoted in the region (Outcome 4).

### Gender mainstreaming in the National REDD Programme

4.0 Viet Nam recognises the importance of women in the overall success of the National REDD Programme. Women play a prominent role in the individual household and at community level. Decisions within households are most often depending on the ideas and cooperation of the women, e.g. with reference to use of cooking stoves, use of non-forest products to replace use of forest products – e.g. biogas systems, agricultural residue utilization – or options for income generation not based on use of forest products. Therefore the position and role of women in the rural household and use of forest resources will be fully considered in Phase II through the involvement of women by means of awareness rising, education and training, and providing them with direct responsibilities and tasks regarding the REDD+ mechanism:

* Gender-differentiated data in relation to the agents of deforestation;
* Benefit sharing and payment structuring, with special attribution to women;
* Monitoring indicators, separated out by sex where relevant;
* Stakeholder participation processes (FPIC and others, Women’s Union)
* Promoting capacity building for women

Including a gender perspective in the most effective way does require that specific attention is given to the specific position that men and women have in society and with respect to the utilization of forest resources:

**Roles.** Women’s roles in forest management are usually limited to those of subsistence needs for fuel wood, medicinal products, wild foods, fodder for livestock and selling small quantities of fuel wood in local markets, while men’s roles are more likely to be linked to timber and non-timber forest products extraction for commercial purposes.

**Rights.** Women are commonly without any formal rights to land or forests. The differentiation by gender has major implications for ownership to forest land and by-products that affect the selection of species for planning and forest management decisions. The *Red Book* land tenure certificates can nowadays be signed by both husband and wife, but this is not yet common practice.

**Values.** Any incentive scheme that favours the carbon value of ecosystems more than other values may lead to serious negative impacts on food and water sovereignty, access to traditional medicines and seeds, and other socio-economic, cultural, spiritual and ecological values of forests, which often relate to the activities that women undertake in the forest.

The UN-REDD Programme will fully integrate both men and women in the operation of the National REDD Programme and the planning and implementation of the activities at commune and village level. In particular the benefit distribution system will incorporate a gender perspective, to ensure that the needs of women, who frequently form a marginalized group in the forest sector, are taken into account and that REDD+ can act as an impetus to improved gender equality. Thus, benefits made to households and communities should include safeguards to ensure gender equality.

## The proposed Phase II programme

**Goal:** To sustainably manage forest resources with the objective of reducing emissions and enhancing removals of carbon in Viet Nam.

**Objective:** To reduce emissions and enhance removals in five provinces in Viet Nam, whilst establishing foundations for up-scaling in Viet Nam and regionally.

The Programme endeavours to make the National REDD Strategy operational at national level and down to the field level in five provinces. Funds from international donors, notably from the Government of Norway, will be deposited in the National REDD Fund and distributed to the concerned stakeholders.

Due to its character, REDD+ is an excellent means to contribute mutually to poverty alleviation and sustainable forest management, providing incentives and mechanisms. Concretely this will be achieved by linking REDD+ plans directly into the district and provincial Socio-economic Development Plans and Forest Protection Development Plans. Eventually, all REDD+ financed activities and payments will contribute to provincial sustainable development as a result of combined targets.

Opportunities for collaborating with other sustainable forest management initiatives – including some sponsored by international partners – will be examined. Examples of shared objectives include better forestry practices introduced, better data management, and improved law enforcement, improved sustainable livelihood for population around forest areas, etc. Collaboration may include combined activities, work plans or outputs.

REDD+ implementation also aims at capacity development at all levels, including strengthening forest management and governance development (e.g. legislation, law enforcement).

The combined result of all activities supported by this Programme should be modified forestry practices, and, in turn, enhanced removals, and hence a build-up of carbon credits.

# Results Framework

In order to secure the goal and objective as defined in Chapter 3 above, the following outcomes are pursued:

1. National REDD Programme operational
2. National REDD Programme operational in five provinces
3. Forest user capacity to adopt alternative, sustainable practices in five provinces, leading to verifiable REDD+ credits, reduced emissions and enhanced removals
4. REDD+ readiness in other countries more cost-effective through incorporation of lessons from Viet Nam

The logical framework matrix, with indicators and targets, is provided in Annex A. The Results Framework matrix, with an overview of all outcomes and associated budget is given is provided in Annex B.

## Outcome 1: National REDD Programme operational

The basic National REDD Programme is being established under Phase I. This includes the National REDD Strategy and basic national management mechanisms and administrative structures. The National REDD Programme forms the framework within which the National REDD Programme operates. However, a series of technical, legal, analytical, participatory and other measures are required to ensure the National REDD Programme is operating effectively. All this will be done fully in line with evolving UNFCCC guidance and requirements.

### 1.1 National coordination mechanism operational

UN REDD Phase I established the National REDD Network and its Technical Working Group and sub-groups, to oversee development of the National Programme and Strategy. The Network and its Working Groups will continue functioning to oversee the operationalisation of the programme. Their capacity and functions will be expanded to enable them to oversee REDD+ operations throughout Viet Nam throughout the coming years. This will include training and awareness-raising for key government staff – including on issues such as gender mainstreaming and the position of ethnic groups – stakeholder analysis and development, etc.

***1.2 Legal framework for the National REDD Programme prepared***

The National REDD Programme, as drafted during UN-REDD Phase I, needs official recognition by the Government of Viet Nam through a national Decision or Decree. Subsequently, the strategy shall be integrated, as necessary, through the country’s existing laws, decrees and regulations. This will require a review of all legislation, identification of gaps and conflicts with REDD+, and definition of corrective measures. A social and gender impact assessment will be made, in line with the Law on Laws and the Gender Equality Law. Given that this is a responsibility of the Social Affairs Committee of the National Assembly, they will therefore be involved.

Subsequently, the National REDD Programme will be appropriately embedded into government policy and plans, particularly through the ministries that deal with forestry (e.g. MARD, MONRE, MOF, MPI, etc.), and specialized institutes or programs, such as the Committee for Ethnic Minority and Mountainous Affairs (CEMMA) or FSSP. REDD+ implementation cuts across the different ministries. To achieve effective cross-sectoral involvement, all stakeholders at this level need to become at par to avoid duplication of efforts (and hence waste of financial means) and to mainstream REDD+ activities within each respective ministry. Engagement of all these stakeholders is required and is achieved through adequately providing information on the REDD+ concept. Various activities are ongoing in this field, such as through the task-force on REDD+ under MARD and the Climate Change Programme of UNDP. An important coordinating role is with the Prime Minister’s Office.

The Government will establish the National REDD Programme, upon adoption of the legal documents. Once established, the governing bodies of the National REDD Programme, including members from other Ministries such as MPI, MOF and MONRE, will be supported in their tasks (output 1.1).

### 1.3 National REDD Fund established

The National REDD Fund is a critical element of the National REDD Programme. The National REDD Fund (or “Fund”) will be the depository for international REDD+ payments to Viet Nam. Several options are being considered for the Fund housing – either a completely new fund, or a sub-fund within an existing mechanism. Creating a National REDD Fund is the preferred option, but may meet many obstacles before effective realization. This is due to the number of legal obstacles to be over won before erecting such new financial body and would take considerable amount of time. Possibly it would take too much time to become effective in Phase II, rendering the effectiveness of the National REDD Programme and endangering commitment of the stakeholders.  Another option is to develop a sub-fund of the FPDF, the argument being that it takes less time and effort to create compared to a complete new fund.  But even this is still subject of debate and part of the much-delayed government consultation process.

The National REDD Fund will be fully in line with UNFCCC guidance and requirements, as they evolve. The Fund will be managed through a Participants Board and a National Management Board. The Participants Board will ensure broad participation in REDD+. The Fund will be subject to an Independent Auditing Board, as well as any UNFCCC required international auditing. A Complaints Board will be established, which, although not dedicated to the Fund, will serve as the recourse mechanism for the Fund, to address any complaints or grievances. See Annex G for a more detailed description of the Fund.

Payments from the Fund will be made to stakeholders in Viet Nam. Several options are being considered for this benefit distribution mechanism. It is most likely that most funds will be distributed through Provincial REDD Funds in each participating province – see Outcome 2.

It is likely that the National REDD Fund will take some time to establish. In the interim period, interim arrangements will be established under this Outcome to ensure international REDD+ payments can be received by Viet Nam, and can be distributed in line with Viet Nam laws and policy, and in line with UNFCCC guidance. The *Interim* REDD Fund may be established under management of UNDP as a standard UNDP project. Such “Pass Through” Fund would allow donors to avoid direct transfer to a Vietnamese Fund, avoiding possible additional problems otherwise created while automatically falling under bilateral agreements between Viet Nam and the donating country. If such Interim Fund will be created under the responsibility of UNDP, all required safeguards will be established, such as social, environmental and fiduciary safeguards. Annual auditing will take place following international standards. Such interim arrangement may last up to 24 months.

### 1.4 National MRV System established

THIS SECTION WILL BE REWRITTEN

The National Measurement, Reporting and Verification (MRV) system will be designed, following the most up-to-date standards of system design for mission-critical information systems, including data technical requirements (data integrity, transaction management, data security, fail-over redundancy, backup, etc), business processes (definition of data management and analysis, definition of roles and responsibilities of all actors, definition of security profiles, etc) and operational management (general management of the system, security management, updates and maintenance, staffing, training). Under Phase II, a direct link will be made with developments and achievements being made within the FCPF. In the latter, most of the activities required to physically establish the MRV system are proposed. The actual implementation, infrastructure investments and training of users of the system will be supported at the national level and in five pilot provinces.

At the heart of any well-functioning MRV is the availability of adequate reference levels, including both Reference Levels (RLs) and Reference Emission Levels (REL). Phase I has initiated an analysis of possible reference levels and the technical options for the definition of such RL/REL. Distinction has been made between retrospective RELs based on historical data and prospective RLs based on extrapolation of past trends or forecasting based on modelling. However, it is understood that all technical considerations will not be final until a decision is arrived at by the UNFCCC.

Another important element of this design is the definition of the interface of the MRV system with the immediate stakeholders, i.e. forest owners wanting to upload new survey data or review their status or relative performance and district and provincial authorities having to perform specific duties in implementing REDD+.

Reporting of basic data by forest owners will be managed through a national data infrastructure for the MRV system. A variety of technological options will be applied to provide forest owners and support organizations to report their data to the national MRV system. The two main communications options will be the internet, which is very rapidly expanding in Viet Nam and generally available in provincial capitals and most district centres, and the mobile phone network, which has complete coverage except in the most remote areas. Internet access is the preferred option for cost considerations, but also because it is easier to support multiple functions through a single interface and to provide feedback to the forest owners (data upload, overview of previous submissions, overview of payments, comparison with other uploaded data or provincial averages, etc).

At the central level all data from the forest owners is collated and combined with other sources of information. Analysis will be supported through a dedicated team in the National REDD Programme and third-party organizations invited. Analysis will include data quality assessment, estimation of biomass and biomass dynamics, review of stratification of eco-regions, etc. The analysis will result in a report of emission reductions and removals that complies with requirements of the REDD+ mechanism as established by the CoP of the UNFCCC.

The Government is intent on establishing an internal verification mechanism to establish the fidelity of the report on emission reductions and removals prior to submission to the UNFCCC. On the basis of the data in the MRV a set of (statistical) analysis procedures has to be developed that complies with standards that independent auditors will apply in their validation.

The internal validation on the basis of the reported data is to be supplemented with assessment of the accuracy of activity data and emission factors using an approach of sampling of areas using high-resolution satellite imagery. There are currently no internationally accepted standards on such quality assessment and there is no guidance from the UNFCCC, its subsidiary bodies, the IPCC or scientific consortia of interest (e.g. GOFC-GOLD), so this validation will be implemented on a pilot basis. The validation methodology will be made available to the independent auditors for examination (and possible repetition with other sets of satellite imagery).

Besides a direct monitoring function of MRV, it also serves other (indirect) purposes. The principal functions of the MRV system are based on management of all relevant data and information in a single (but distributed) information system. This integration opens up a host of possibilities for additional functionality, some of which are directly related to REDD+ and requiring no or minimal extra data, while others are related to other functions or priorities of the State or the Vietnamese society at large. The following other functions of MRV are recognized:

* Providing the base information to distribute benefits (see also Annex G). Benefit distribution for REDD+ will manage the participation and performance payments to participants in the REDD+ mechanism. The MRV system will be compliant with any technical or regulatory requirement of the benefit distribution system;
* Monitoring of the safeguards, in particular those related to Indigenous Peoples and local communities, conservation of biodiversity, ecosystem services and other social and environmental benefits, risk of reversals and risk of displacement of emissions;
* Monitoring and evaluation of the effectiveness of the National REDD Programme itself, including social and environmental impact assessment;
* Support to the national, provincial and district SEDP;
* Integration with other forest information systems in use by the Government, e.g. the National Forest Inventory (NFI) database which supports the conversion of basic forest properties into biomass estimates. Inversely, the MRV system can support the NFI by providing a fine-grained picture of the condition of the forest, which will be instrumental in the design of the sampling system for the NFI.
* Awareness raising in the general public, including through provisioning of information using public access media (web pages) and directed to specific target groups.

### 1.5 Displacements from REDD+ activities monitored and communicated with regional partners

The UNFCCC defines as one of the safeguards of the REDD+ mechanism that countries should monitor the displacement of emissions to other land use categories and areas. Under this output a monitoring system for displacement of emissions will be established in order to quantify displacements. In particular, the illegal trade of timber across the international and regional borders needs to be monitored. Any transport of timber by means of road, water or rail need to be registered to have a fair picture of the actual extent of the illegal practices. This can be coordinated with the FLEG-T initiative, currently being implemented in Viet Nam.

The displacement of emissions immediately affects the neighbouring countries of Viet Nam (or more in general, those countries that Viet Nam sources its forest products from). A regional dialogue will be continued from the current Phase I of the UN-REDD Programme, in order to engage regional governments in a discussion on the REDD+ mechanism and consequences of forest utilization strategies and trade in forest-based materials and products. Meetings with neighbouring countries will be held on an annual basis.

An essential element of monitoring is the feed-back obtained from the neighbouring country. Reduction of emission displacements can only be effective if both governments implement effective controls on these displacements, for instance through more stringent procedures for cross-border transports of forest-based products. Under this output, for instance, GoV will be assisted in establishing effective displacement controls. Besides such series of regulatory controls, a broad information program will be implemented to curtail the displacements. This situation will be closely monitored and remedial measures taken as necessary.

### 1.6 Wood processing industry committed to sourcing sustainably harvested timber and implementing measures to reduce displacement of emissions

When the National REDD Programme is successful in reducing emissions and enhancing removals, there will be consequences for the wood processing industry in Viet Nam, in particular when emission displacement controls are effective, as well as external processes such as FLEG-T. The National REDD Programme may also have beneficial effects for the wood processing industry, through an increased availability of domestic timber from sustainably managed forests.

A dialogue will be established with the wood processing industry to create awareness on the National REDD Programme and to identify ways of making the industry more sustainable in terms of where it sources its raw material from.

## Outcome 2: National REDD Programme operational in five provinces

Ultimately, the National REDD Programme will function across Viet Nam, in all provinces suitable for REDD supported activities. This will require the establishment and operationalisation, in each province, of a set of technical, policy, institutional, financial and participatory tools and measures. These measures and tools will differ from province to province, in response to the diverse circumstances in each province.

Activities under Outcome 2 will establish the necessary tools and measures in five provinces, and then oversee their operationalisation and piloting. This will include a Provincial REDD Fund and the essential provincial capacity needed: for example legislation, land reform, sub-national RELs, and all the required supporting technical capacity (e.g. to take measurements, to collect and manage data, to enforce laws, to plan forestry, etc.). The details will vary from province to province. Annex E provides background information on the five participating provinces.

This Outcome will provide the necessary motivation to individual forest users to adopt livelihoods that emit fewer GHG and/or enhance carbon stocks. The following outputs under Outcome 2 will be realised at the end of Phase II in each of the participating provinces:

### 2.1 National REDD Programme provisions integrated into provincial planning and programming of the forestry sector

Every province participating in the National REDD Programme needs to develop its own Provincial REDD Strategy and Programme. This will require an analysis of forest land, forest cover, land tenure, forest management arrangements, forest stakeholders, forest economics and finance – all in the larger context of land use planning and poverty reduction – and drivers of change on forest land. The analysis and guided participation will be the basis for establishing REDD+ targets and approaches at the provincial level. This will be the main contents of the Provincial REDD Programmes.

Preparation of the Provincial REDD Programme will be done jointly with the development of provincial Forest Protection and Development plans. The results will be integrated into the provincial Socio-economic Development Plans. REDD+ will then be firmly mainstreamed at the provincial development level. Provinces will be supported to include a gender and social analysis in this task – i.e. who has access to and control over resources, who makes decisions, etc.

Analysis of opportunity costs and transaction costs for REDD+ will be made and subsequently applied in the provincial planning.

### 2.2 Provincial REDD Funds established

4.0 In line with the Vietnamese administrative system and capacity, REDD+ benefits will be distributed from the National REDD Fund through subsidiary provincial funds. A Provincial REDD Fund will be established in each of the pilot provinces, with appropriate oversight, management, and recourse mechanisms. Details of the most appropriate form of the Provincial REDD Fund are not yet available and some of the most promising options identified in the Benefit Distribution Study developed under the Phase I programme will be piloted in the participating provinces.

For more details on the fund establishment and management, please see Annex G.

### 2.3 Provincial components of the MRV system established

THIS SECTION WILL BE REWRITTEN

In Viet Nam, data is collected and stored at the provincial level. However, the provincial MRV system is effectively integrated with the national MRV system and access is granted through the Internet. The provincial functions of the MRV relate in particular to validation of data being reported from the participants in the National REDD Programme in the province and planning of activities on REDD+.

At the provincial level the MRV system will be instrumental in providing guidance to the provincial authorities in the development forestry sector elements of new Socio-economic Development Plans (SEDP - the principal planning instrument of the Government) and their annual updates, as well as in analyzing progress and evaluating the performance of the implementation of the SEDP in the forestry sector. A genuinely positive beneficial, however, not incidental effect of a provincial MRV, is that it will serve the cause of good-governance in the Province, efficiently diminishing serious levels of corruption.

### 2.4 Institutional capacity of provincial agencies to support implementation of REDD+ enhanced

The Provincial REDD Programmes (Outputs 2.1) will be based on an analysis of forest land, forest cover, land tenure, forest management arrangements, forest stakeholders, forest economics and finance, and drivers of change on forest land. This will lead to the identification of required capacity in each province.

Under Output 2.4, capacity building, training, infrastructure investment and operational support will be provided to enable the provincial authorities to effectively engage in the National REDD Programme. This support will be extended to authorities in the various offices in the province, such as line agencies of ministries, provincial FPD, Peoples’ Committees and relevant mass organizations. Depending on the needs in the concerned province, this may include institutional support, legal support, policy support and gender issues in forestry.

This output will have many cross-links with outputs defined under Outcome 3. The latter will provide knowledge and options that the provincial authorities can apply in the implementation of the National REDD Programme.

## Outcome 3: Forest owner capacity to adopt alternative, sustainable practices in five provinces, leading to verifiable reduced emissions and enhanced removals

This outcome will ensure that individual forest users have the required skills, information and support to develop livelihoods that lead to reduced emissions or enhanced carbon storage, after which effective implementation of the REDD+ concept takes place. Outcome 3 will put all elements in place so that a substantial number of forest users modify land use practices, leading to reduced emissions from deforestation, reduced emissions from degradation, and enhanced carbon storage. Based on verified performances payments can be made.

Long-term sustainability of the improved forest management can only be assured if the benefits thereof accrue to the owners of the forest. In addition to purely forest management principles, this requires full consideration of the requirements and preferences of the local communities. Under this outcome specific attention is therefore given to enabling forest owners – in this case understood to be individual households or associations of households – to draft their own forest management plans, including extraction of timber and minor forest products, to support the local livelihoods. The importance of reducing poverty through supporting livelihoods requires the full and continuous engagement of women in the entire process of planning for sustainable management but also involvement in decision-making with regards to the performance payments.

### 3.1 Assessment made of the ecological potential of the forests of Viet Nam, taking into account all relevant ecosystem services and goods

All forests grow according to a pattern that is determined by the forest types, the environmental conditions and other external factors, ultimately leading to a situation of climax vegetation when left undisturbed. This climax vegetation is the maximum expression of the vegetation given its environment. When compared to the actual condition this yields the potential benefit that can be expected from REDD+ alone. The forest, however, provides other ecosystem goods and services as well. The combined benefit from all of these – extraction of timber and NTFPs, watershed protection, biodiversity conservation, landscape management for eco-tourism, REDD+, etc – while not optimal for any particular aspect, may prove higher benefits than those for REDD+ alone.

This output tries to identify the ecological potential of forests in Viet Nam, through research of the various benefits that forests can deliver. Besides the ecological potential, the current and potential carbon stock will be determined at this stage, to provide the required information for users to prepare their REDD+ plans (output 3.4). The options developed under this output directly contribute to the development of REDD+ forest management plans and provincial forest sector development (Outputs 2.1 and 3.5).

### 3.2 Options for sustainable use of forest resources by forest owners available

Forests have an economic potential that can and should be applied for the socio-economic benefit of the Peoples of Viet Nam. What exactly the sustainable harvestable levels are of the different forest types and conditions in Viet Nam is currently not known. This output aims to identify those options for the sustainable use of the resources in the different forest types found in Viet Nam and provide forest users with targeted training. Sustainable resource use will be considered at the landscape level – encompassing several villages or even communes – with due regard to other (potential) ecosystem services and from the perspective of supporting rural livelihoods. Particularly management skill development with respect to sustainable forestry practices will be provided, including skills specific to women, but focus is also put on e.g. re-vegetation practices, regeneration of forests, and sustainable extraction of timber.

This output will focus on providing site specific guidance and the options developed directly contribute to the development of REDD+ forest management plans and provincial forest sector development (Outputs 2.1 and 3.5).

### 3.3 Stakeholder-endorsed plans for emission reductions made, incorporating alternatives for income generation within or outside the forestry sector

Forest products – timber and non-timber forest products (NTFPs) – are extracted from all forest types in Viet Nam and utilised in a multitude of ways for household consumption, domestic markets and export, as both raw material and processed products. Much of the added value is, however, not realized by the people extracting the products. As a consequence, extraction of forest products is usually not sufficient to support a household livelihood, often leading to elevated levels of extraction of raw material in order to boost income levels.

This output will assist forest owners to develop plans to increase the value generated from the extraction of raw materials from the forest, while implementing sustainable management of the forest and thus leading to reduced emissions and enhanced removals. This can be achieved, for instance, through the development of value chains (e.g. produce bamboo ladders for sale, instead of selling bamboo stalks), use of forest products and unique local knowledge to produce fragrances or products for medicinal use, the development of more efficient production methods or consumption patterns, replacement of forest resources with raw material from outside the forest – e.g. agricultural residues – and the development of alternative livelihood options not based on the extraction of forest products. The use of forest resources by women is of specific interest here, as women tend to be responsible for the collection and processing of minor forest products, which typically have the highest potential for income generation whilst still having a low impact on the biomass of the forest. All of these options should contribute to lowering the pressure on the forest from extraction of raw material, thereby allowing the forest to regenerate and thus contribute to enhanced removals.

The options developed under this output will intrinsically account for alternative livelihoods that make most sense under REDD+ and directly contribute to the development of REDD+ forest management plans and provincial forest sector development (Outputs 2.1 and 3.5).

### 3.4. Ad hoc REDD+ plans under implementation

Throughout the five participating provinces, participants in the National REDD Programme have to develop plans to manage their forest land in accordance with the requirements of the Programme. This output will assist the potential participants to prepare their REDD+ plans that include sustainable forest management practices and the monitoring of biomass at site. Participants will be provided with targeted training, institutional support and all other needed elements of forest user REDD plans. These plans will form the basis of the activities to be undertaken for the National REDD Programme and they will lead to the expected emission reductions and enhanced removals.

The activities under this output are predominantly support for and implementation of training to participants in the National REDD Programme to enable them to effectively manage their forest resources in order to achieve the reduced emissions and enhanced removals.

4.0 Verified reports on reported reduced emissions and enhanced removals will be the basis for making payments (Output 3.5). The participants deliver basic data on the forest resources to the MRV system to determine the degree of reduced emissions and – particularly – enhanced removals. The delivery of this basic data will generate a *participation payment* to the participant. This payment will come from the National REDD Fund (see Annex G). One of the critical targets of this output is therefore that participants achieve independence in collecting and reporting high quality basic data from the forest resources under their management.

### 3.5 Forest user REDD+ targets and achievements integrated into District SEDP / Forest Development plans

The first step for each participant is to prepare REDD+ plans for their forest land, commune or district, or for the SoC with whom they have a contract for forest management. These forest user plans will be endorsed by local authorities. The aggregate of all forest user plans will be incorporated into district Forest Development Plans as targets. These targets will be incorporated in the district level SEDP and its annual work plans. Achievements will be registered in the National MRV system in the five pilot provinces. Monitoring of the following issues will be included:

* Modified practices
* Reduced emissions
* Enhanced removals
* Participation
* Payments.

All monitoring will be aggregated up to village, district, provincial and national level. This will lead to an overview of emission reductions and enhanced removals throughout the Vietnamese territory, to be internationally and independently verified. Based on verified reductions of emissions and enhanced removals and the sale of the certified credits, performance payments can be made to participants (after other costs have been extracted).

## Outcome 4: REDD+ readiness in other countries more cost-effective through incorporation of lessons from Viet Nam

### 4.1 Regional harmonization / coordination plans for REDD+ developed

Viet Nam is the most advanced country in the region in terms of preparing for REDD+ implementation. Much experience is gained from a diversity of activities and lessons learned. Hence, other countries in the region can learn much from experiences in Viet Nam. Using a variety of means – workshops, study tours, interactive knowledge base development (Output 4.2), etc. – lessons and data generated in Viet Nam are effectively shared with other countries. Under direct coordination of Viet Nam, this ultimately should result that national REDD+ strategies and plans for the 5 countries of the Lower Mekong are harmonized and contain specific and consistent regional coordination proposals.

### Interactive knowledge platform operational

Publically accessible interactive digital knowledge base developed to share experience on REDD+ in the region. In addition to the various procedural, technical and operational topics in REDD+ implementation, specific attention will be given to gender mainstreaming and the position of ethnic groups in REDD+.

This outcome focuses on available knowledge managed and actively disseminated across Southeast Asia region, and will prepare a publically accessible digital platform to share data and information and allow contributions and discussions from stakeholders on an interactive basis. Such an electronic knowledge platform allows sharing of experiences on REDD+ best practices in the region and supports the transformation of technical findings to conditions in neighbouring countries, transformation of governance measures to conditions in neighbouring countries, and dissemination of lessons learned in accessible formats to other countries. Interactive exchange of experiences will keep the knowledge base up to date, while overall maintenance of this platform is under the responsibility of the National REDD Network, Viet Nam.

### 4.3 Virtual library of communication materials targeting diverse stakeholder groups available

This output particularly focuses on the collection of relevant REDD+ data and information and translation of this into useful and accessible communication material. Such material is directly shared with all stakeholders across the region, but will also be accessible through the digital knowledge base. As the latter is web-based this will have a quick, cheap and wide-spread outreach.

### 4.4 Countries in the region, especially LDCs, benefit from Viet Nam expertise through South-South cooperation

This Output will especially support a South-South dialogue, involving other countries in the region. Particular attention will be given to LCD countries that have taken first steps on REDD development, but still lack international funding. In a quick and relatively cheap manner these countries can come up to mark, improving overall readiness and hence successfully putting in their bid for international financial assistance in further developing their national REDD Strategy and consecutive implementation. Initially such support comes from Viet Nam, being overall leader in the region with respect to REDD+ readiness, later other countries will follow in bilateral support activities. A direct exchange of experience and lessons-learned is achieved through workshops and study tours.

# Management and Coordination Arrangements

VERY PRELIMINARY

The “National Implementing Partner” (a.k.a. “Designated Institution”) of this Programme will be MARD. A National Programme Director (NPD) will direct the programme and carry overall accountability for the programme to the GoV and to the UN Agencies. The overall programme and each specific activity will be implemented under the leadership of the GoV, represented by the NPD.

4.0 The Programme will be executed by a single "National Implementing Partner - MARD", with the support of the participating UN Agencies, UNEP, FAO, and UNDP. In consultation with the participating UN Agencies, MARD will select appropriate national co-implementing partners (provincial, district agencies and other consulting bodies) to conduct specific tasks and responsibilities. The Programme management is the overall responsibility of the Government of Vietnam. The administration of the total grant, both for operating the Programme and for the National REDD Fund, will be assigned to a single UN Agency whose administrative and financial procedures shall apply to any reporting that the Government of Viet Nam is required to do (this is subject to further discussion between the Government of Vietnam, the Government of Norway and the UN-REDD Programme). Specialized service delivery costs for programme and project implementation by the participating UN Agencies may be charged directly to the Programme, in accordance with the regulations of the single administrating UN Agency, but such costs will amount to no more than 7% of the UN Agency’s budget allocation.

4.0 National partners and all participating UN Agencies will use the HPPMG signed between Viet Nam and UN and the UN-EU cost norms.

4.0 The organizational structure of the Programme is given in the figure below.



Figure : Organizational structure of the Programme.

### Programme Executive Board (PEB)

A Programme Executive Board will be established. The PEB will be chaired jointly by a designate of the Minister of MARD and a designate of the UN Resident Coordinator, and will include UNDP, FAO, and UNEP; representatives of the leaders of: MPI, MOF, MONRE, CEMMA; and National Programme Director (Secretary). A representative of the donor(s) will be invited to attend meetings of the PEB as an observer. The PEB will initially meet quarterly, for at least the first three quarters of project implementation, and thereafter at intervals required to ensure effective project implementation, but at least once per year. The PEB will be responsible for the effective coordination of the programme, the approval of all detailed work plans, budgets, and overall monitoring and evaluation of progress made. PEB decisions will be reached by consensus. Specific responsibilities include:

* Approving the Programme Document before submission to the UN-REDD Policy Board;
* Approving the strategic direction for the implementation of the Programme within the approval by the UN-REDD Policy Board;
* Aligning UN-REDD funded activities with the UN Strategic Framework or One-Plan approved strategic priorities;
* Approving the documented arrangements for management and coordination;
* Approving the annual work plans and budgets as well as making necessary adjustments to attain the anticipated outcomes;
* Reviewing the consolidated Programme Report from the Managing Agent and providing strategic comments and decisions and communicate this to the UN Agencies;
* Suggesting corrective action to emerging strategic and implementation problems;
* Creating synergies and seeking agreement on similar programmes and projects by other donors;
* Approving the communication and public information plans prepared by the PMU.

### Programme Management Unit

The Programme Management Unit (PMU) is responsible for day-to-day management and implementation of the programme, including the preparation of annual and three-monthly work plans, and financial and programmatic reports. The PMU is based in Hanoi and consists of the following staff:

* 1 National Programme Director (NPD)
* 1 Programme Manager
* 1 National Senior Programme Technical Advisor (REDD)
* 1 International Senior Programme Technical Advisor (REDD)
* 1 International Technical Advisor (Forest Governance and REDD Implementation)
* 1 International Technical Advisor (Finance and Auditing)
* 4 National Advisors (REDD+ Implementation National/Provincial)
* 1 National Advisor (Forest Policy and Governance)
* 1 National Advisor (Forest Economics)
* 1 National Advisor (Forest Finance)
* 1 National Expert (GIS & Remote Sensing)
* 1 National Expert (Forest Inventory and Planning)
* 1 National Expert (Information Systems, Databases)
* 2 Secretaries, Interpreters
* 1 Senior Accountant, 1 Junior Accountant
* 1 Administrator
* 1 Communication Officer
* Programme Support Assistants (may be recruited and/or mobilized from existing staff of agencies in MARD and Provinces depending on the needs of the Programme and will be decided by the NPD)
* Field Officers

4.0 The tasks of the key staff are briefly described in the sections below. Terms of Reference for these staff can be found in Annex H. The structure of the PMU is given in the figure below.



Figure : Structure of the Programme Management Unit. (Please note that all PMU staff are directed by the NPD. The relationships given here are functional only.)

### National Programme Director

4.0 The Ministry of Agriculture and Rural Development will assign a leader of DoF as part-time National Programme Director (NPD). The NPD shall be responsible to the GoV and UN Resident Coordinator on uses of the joint programme resources and reporting on the programme implementation progress as well as achievements. Specifically, the NPD shall be responsible for comprehensive management and implementation of the UN-REDD Programme via PMU management. The NPD shall make decisions related to implementation, monitoring and evaluation of the joint programme. The NPD is also acting as PEB Secretary.

### Programme Manager

4.0 The Programme Manager (PM) will be delegated by the NPD to ensure smooth implementation on daily basis. The PM will be accountable for operational activities of the project, including the daily management of PMU support staff. This is a full-time position requiring strong management experiences and excellent English. The PM will be responsible for the timely delivery of progress reports, annual and quarterly work plans and budget for approval.

### National Senior Programme Technical Advisor

4.0 A nationally-recruited full-time Programme Technical Advisor (PTA) will be recruited for the duration of the Viet Nam UN-REDD Phase II Programme. The PTA will work closely with the Senior Technical Advisor in order to provide on-going technical advice to the NPD so as to ensure effective and timely delivery of programme results, and to direct the national and international advisors and experts in their assignments. The PTA will also assist in the identification of required technical inputs and mobilization of appropriate technical specialists to deliver those inputs. The PTA will also assist in monitoring of programme delivery and advise on modifications to the programme strategy and work programme in order to rectify any short-comings in programme delivery.

### International Senior Programme Technical Advisor

4.0 An international Senior Technical Advisor (STA) will be recruited for the duration of the Viet Nam UN-REDD Phase II Programme. The STA will work closely with the PTA to provide on-going technical advice to the NPD so as to ensure effective and timely delivery of programme results, in particular on issues related to compliance with REDD+ requirements and regulations and *best practices* for implementation of the National REDD Programme, and to direct the national and international advisors and experts in their assignments. The STA will also assist in the identification of required technical inputs and mobilization of appropriate technical specialists to deliver those inputs, in particular consultants, contracts for services and procurement of equipment. The STA will provide quality control and assurance to the work provided by third parties such as consultants or service providers. The STA will also assist in monitoring of programme delivery and advise on modifications to the programme strategy and work programme in order to rectify any short-comings in programme delivery.

### International Technical Advisor (Forest Governance and REDD Implementation)

4.0 An International Technical Advisor on Forest Governance and REDD Implementation (TA-FG) will be recruited for the duration of the Viet Nam UN-REDD Phase II Programme. The Technical Advisor will work closely with the PTA and the STA on issues related to the implementation of REDD+ in the provinces and their relationship with the National REDD Programme. The Technical Advisor advises the provincial authorities and REDD+ implementation, with specific reference to integration of REDD+ in provincial planning and the distribution of benefits to stakeholders. The Technical Advisor provides expert advice to the National Advisors on Forest Governance to guide them in the operational aspects of REDD+ implementation at national and provincial level. The Technical Advisor has detailed knowledge of the REDD+ mechanism and the functioning of provincial administrative bodies, in particular those related to forest management.

### International Technical Advisor (Finance and Auditing)

4.0 An International Technical Advisor on Finance and Auditing (TA-FA) will be recruited for a period of 36 months. The Technical Advisor will work closely with the PTA and the STA on issues related to fund management, disbursement of funds and auditing. The Technical Advisor advises on the legal and operational aspects of fund management and auditing and will liaise with key Ministries such as MoF and MPI. The Technical Advisor will provide advice and guidance to allow for other potential donors to participate in the National REDD Fund and other forms of contributing to the National REDD Programme. At provincial level the Technical Advisor will suggest options for fund structuring, following expressed preferences of the provinces, which comply with national and international standards for fund management and disbursement. The Technical Advisor will advise on standards and systems for information management related to fund management and auditing.

### National Advisors (REDD+ Implementation National/Provincial)

4.0 Four National Advisors on REDD+ Implementation will be recruited full-time for the duration of the Viet Nam UN-REDD Phase II Programme. The National Advisors will work under the general guidance of the PTA and STA; they will work closely with the TA-FG in their daily activities. The National Advisors will primarily assist the provinces in all aspects of the implementation of the REDD+ activities and programmes, in particular:

* Identification and planning of activities;
* Capacity building, workshops and other events;
* Awareness raising among communes, FPIC;
* Development of forest management plans for REDD+ participants;
* Data collection, Participatory Carbon Monitoring, field verification;
* Data management, analysis, verification and reporting;
* Benefit distribution, planning of disbursement and identification of development goals;
* Monitoring and evaluation of progress and performance, reporting.

4.0 The National Advisors may be based in Hanoi or in some other duty station in Viet Nam. They are expected to travel frequently and to remote places.

### National Advisor (Forest Policy and Governance)

4.0 The National Advisor on Forest Policy and Governance will be recruited full-time for the duration of the Viet Nam UN-REDD Phase II Programme. The National Advisor will work under the general guidance of the PTA and the STA; he/she will work closely with the TA-FG in his/her daily activities, as well as with the National Advisors on REDD+ implementation. The National Advisor will work closely with Government agencies in the development of national regulations and strategies on REDD+ and on integrating REDD+ with other Government programmes and strategies. The National Advisor will work closely with the provinces in integrating policies and strategies in provincial planning instruments, in collaboration with the TA-FG.

### National Advisor (Forest Economics)

4.0 The National Advisor on Forest Economics will be recruited full-time for the duration of the Viet Nam UN-REDD Phase II Programme. The National Advisor will work under the general guidance of the PTA and the STA; he/she will work closely with the National Advisor Forest Finance and the TA-FA in his/her daily activities, as well as with the National Advisors on REDD+ implementation. The National Advisor will work closely with Government agencies in the development of procedures and options for opportunity cost analysis and income generation from sustainable forest utilization. The National Advisor will work closely with the provinces in integrating REDD+ management plans into the provincial planning instruments, in collaboration with the TA-FG.

### National Advisor (Forest Finance)

4.0 The National Advisor on Forest Finance will be recruited full-time for the duration of the Viet Nam UN-REDD Phase II Programme. The National Advisor will work under the general guidance of the PTA and the STA; he/she will work closely with the TA-FA in his/her daily activities. The National Advisor will work closely with Government agencies in the development of operational modalities for the National REDD Fund, liaising in particular with MoF and MPI. The National Advisor will work closely with the provinces in the design of provincial sub-funds and the development of regulations and modalities for the Provincial REDD Funds, in collaboration with the TA-FG. The National Advisor will integrate REDD+ financing options with other forms of financing for forestry operations in Viet Nam, in particular those based on the PFES Decree and other established mechanisms.

### National Expert (GIS & Remote Sensing)

4.0 The National Expert on GIS and Remote Sensing will be recruited for the duration of the Viet Nam UN-REDD Phase II Programme. The National Expert will work closely with the PTA and STA in designing and operating a spatial information management and analysis system in support of REDD+, in particular MRV. The National Expert will coordinate activities and designs with the National Experts on Forest Inventory and Planning and Information Systems and Databases. The National Expert will liaise with other agencies and programmes on this task, in particular FOMIS, NFI, the National Remote Sensing Center, the Forest Inventory and Planning Institute (including CFIC and FREC), the Forest Science Institute of Viet Nam (including RCFEE), universities and other relevant agencies. The National Expert will provide support to the other staff in the PMU in the form of map material, spatial analyses and statistics.

### National Expert (Forest Inventory and Planning)

4.0 The National Expert on Forest Inventory and Planning will be recruited for the duration of the Viet Nam UN-REDD Phase II Programme. The National Expert will work closely with the PTA and STA in integrating REDD+ activities with the National Forest Inventory programme and coordinate work and plans with the National Experts on GIS and Remote Sensing and Information Systems and Databases. The National Expert will liaise with other agencies and programmes, in particular FOMIS, the Forest Inventory and Planning Institute (including CFIC and FREC), the Forest Science Institute of Viet Nam (including RCFEE), universities and other relevant agencies.

### National Expert (Information Systems, Databases)

4.0 The National Expert on Information Systems and Databases will be recruited for the duration of the Viet Nam UN-REDD Phase II Programme. The National Expert will work closely with the PTA and STA in designing and operating an information management and analysis system in support of REDD+. The National Expert will coordinate activities and designs with the National Expert on GIS and Remote Sensing. The National Expert will assist in the analysis of the information requirements for REDD+ both at national and provincial levels, and design an information structure to be implemented in an enterprise-class database environment. The National Expert will work with MARD experts on the design and implementation of operational procedures for database management (e.g. security, backups, system maintenance) and its daily management. The National Expert will assist provinces in the establishment and operation of provincial information systems for REDD+, including capacity building.

### Secretaries / Interpreters

4.0 Two Secretaries / Interpreters will provide assistance in the operational management of the project; undertake preparation for project events, including workshops, meetings (monthly, quarterly and annual), study tours, trainings, etc.; provide interpretation for foreign project staff and consultants, when required; assist with project communication activities, including publications, and in particular taking responsibility for translation of documents from English into Vietnamese and vice versa; and other duties.

### Accountants / Administrators

4.0 A Senior and a Junior Accountants will be responsible for financial planning, accounting and reporting, control of expenditures and bank reconciliation. The Senior Accountant will support internal and external auditing of expenses.

### Administrator

4.0 An Administrator will be responsible for daily operation of PMU work and tasks, including maintaining staff records and accounts, an inventory register, and general administration.

### Communication Officer

4.0 The Communication Officer will be responsible for the communication strategy of the UN-REDD Viet Nam Programme and the production of communication materials to be used in activities and events of the Programme. The Communication Officer will maintain the Viet Nam REDD web site and support the development of the knowledge platform for regional REDD+ information exchange (output 4.2).

### Recruitment

4.0 Recruitment of national project personnel, whether they are in the professional or administrative support category, will follow the existing procedures and regulation of Viet Nam or UN, specifically the Viet Nam – United Nations Harmonized Programme and Project Management Guidelines (HPPMG).

4.0 Both national and international personnel anticipated to be recruited under the Programme are identified in Annex H.

### Recruitment of International Project Personnel

4.0 The recruitment and administration of international staff and consultants follows the existing regulations of the three participating UN Agencies, with agreement from the NIP. After having common consensus on the ToR of the required staff member or consultant, the selection of the best candidate will be undertaken in full consultation between the NPD and responsible UN Agency. In some cases, the participating UN Agencies are able to mobilize internal technical assistance on a cost-recovery basis, which has the advantage of simplifying and speeding up the recruitment process. Such internal recruitment will only be used where the participating UN Agency staff member has expertise equal to or greater than that likely to be secured through external recruitment.

*Responsibilities of the National Implementing Partner in International Recruitment*

4.0 Through the PMU, the Vietnamese partner shall undertake the following activities:

(a) The PMU/STA/PTA cooperates with the responsible participating UN Agencies (UNDP, FAO and UNEP) to develop a ToR for individual international posts to be recruited.

(b) After the names and CVs (referred to in the UN as “Personal History Forms”) of at least three candidates are sent by the responsible participating UN Agency, the NPD/PM/STA/PTA should review them and recommend a preferential ranking, in consultation with the responsible participating UN Agency.

(c) Following the selection process and selection announcement of the responsible participating UN Agency, the NPD shall provide acceptance or objection letter responding to the proposal of the responsible UN agency for official recruitment.

(d) The PMU arranges for obtaining, in a timely manner, the necessary visa and residence permit for the international consultant, as well as customs clearance and reception of personal effects, living arrangements, etc.

(e) The PMU provides local monitoring and supervision of the work of the staff member or consultant, making sure that expected outputs are delivered as planned and with the required quality standards, and discussed with the appropriate parties before his/her departure.

*Responsibilities of UN Agencies in recruitments of International Project Personnel*

4.0 International staff members or consultants recruited by a responsible participating UN Agency are hired and administered in accordance with the rules and procedures of the responsible participating UN Agency. The responsible participating UN Agency will consult with the NPD/PMU in preparation of TOR and selection of the staff member or consultant, as described in the preceding section.

### **Sub-Contracting**

4.0 A sub-contractor is accountable for its performance to the NIP, and therefore the sub-contract should describe progress benchmarks and indicators for measuring its outputs. In turn, the NIP is accountable to the responsible participating UN Agency and the Government. This chain of accountability is the reason for use of the term “sub-contract” rather than “contract”. The original “contract” is represented by the project document, which is essentially issued by the participating UN Agencies to the NIP. The NIP, as the contractor, thus issues sub-contracts from the project.

4.0 A contractor/sub-contractor is defined as an entity providing services or goods in exchange for payments or other considerations. The tentative subcontracts anticipated for the project are identified in Annex I. Contractors/sub-contractors are chosen through competitive bidding. International subcontracting is normally assigned to the responsible participating UN Agency with "no objection" of the Government, representing by NPD. Local subcontracting follows the rules and procedures of the HPPMG and UN-EU cost norms.

4.0 The responsible participating UN Agency, NPD and STA/PTA provide technical monitoring and supervision of the work of the consultants and quality of the sub-contracts.

### Cash Transfer Arrangements and work planning and budgeting

4.0 The PMU will be responsible for preparing a quarterly work plan (QWP) using a unified work plan format and covering activities and inputs under all three participating UN Agencies, and (after the first quarter of implementation) a unified report on activities and expenditures during the previous quarter, disaggregated by participating UN Agency. The QWP will be accompanied by a quarterly budget table, disaggregated by responsible participating UN Agency, and for identifying specific procurement and recruitment activities to be undertaken by the participating UN Agencies. The QWP and budget will be reviewed and agreed among the three UN Agencies and the NPD. Taking into account the financial report of the preceding quarter, and any cost savings or overruns reported therein, funds for those activities in the coming quarter to be managed by MARD and UN Agencies will be transferred by a single funding administration designated UN Agency. The legal basis for fund transfer will be in accordance with HPPMG.

### **Travel Expenses and Daily Allowances**

4.0 Routine travel is overnight travel that is foreseen in the Quarterly Work Plan agreed between the NPD and responsible participating UN Agency, for the purpose of implementing project activities. Eligible for this type of travel are national members of the project management team and project consultants. Prior to the project trip, the traveller submits his/her travel request to the NPD who approves the request and pays the full travel allowance lump-sum from the quarterly advances received from the responsible participating UN Agency.

4.0 Official programme/project monitoring by the NPD and/or senior government officials for the purpose of inspecting the implementation of programme/project activities, in particular for programme/project reviews, evaluation missions, technical reviews, periodical field visits and other special missions has to be at the request and in agreement with VNDoF and responsible participating UN Agency. Prior to the monitoring trip, the traveller submits his/her travel request to the responsible participating UN Agency for approval and payment of 80% travel allowance is made in accordance with the existing agreements between GoV and UN. The balance of 20% will be paid upon submission of the mission report and the travel claim and payments. The staff who requested travel or who led the group of travellers is responsible for preparing the mission report, while individual reporting is not required for the traveller’s participation in programme/project monitoring related meetings.

### **Provisions for procurement**

4.0 Items of equipment to be procured under the project are limited to those indicated in Annex J. The NIP is expected to meet recurrent costs, which would be incurred during project implementation from its counterpart funds.

4.0 International procurement is assigned either to the responsible participating UN Agency or NIP, following their standard rules and procedures. Local procurement is assigned to the NIP following the HPPMG. Technical equipment and tools (measurement tools, data processing computer, GPS, remote sensing software and GIS, remote sensing images, etc.) could be directly purchased from producers or official distribution agents without organising bidding.

4.0 It is a must to have written requirement and approval of the NPD regardless of national or international purchasing packages and recruitments.

# Fund Management Arrangements

VERY PRELIMINARY

4.0 Fund management will use the pooled funding modality[[17]](#footnote-18). Exact arrangements are still being discussed between the partners. In accordance with the explicit wish of MARD to deal with one UN Agency on administrative matters – which coincides with the objectives of the One UN Programme – UNDP will take on the role as sole administrator of the funds.

4.0 The funds requested from the Donor fall into two categories:

1. **Technical Assistance.** These funds will be applied to support Viet Nam in the implementation of the National REDD Programme and five Provincial REDD Programmes. Activities include institutional and human capacity building, infrastructure development, knowledge management, awareness raising, etc. A large proportion of the funds (approx. $16 million) are applied to the implementation of field activities which should lead to the reduction of emissions and enhanced removals. Total budget requested is **$26 million**, which includes a substantial allocation to support REDD+ development in LDC neighbour countries ($2 million). This budget is further specified in Annex B.
2. **Fund for payments.** The Phase II programme will pilot the provincial REDD implementation in five provinces, reaching approximately 650,000 households managing 1.9 million hectares of forest lands. Considering a phased approach for implementation and excluding operational and transactional payments (these are included in the field activities mentioned above), a total of $27 million is expected to be paid out to forest owners as participation payments. Working with some assumptions on programme effectiveness, forest growth dynamics, performance and the international carbon market, performance payments for reduction of deforestation and forest degradation and enhanced removals through forest regeneration are expected to be $57 million. Total contribution to the National REDD Fund is therefore **$84 million**.

4.0 The total budget requested from the donor is therefore $110 million over the four years of Phase II implementation.

## Transition to national fund management

Once the National REDD Fund is established all payments that have hitherto been managed by the Managing Agent will be effected by the National REDD Fund managers. This applies primarily to operational and transaction cost payment to national and provincial implementing agencies and participation payments to forest owners. It is expected that the National REDD Fund can be established before performance payments are due (some years will pass before performance becomes apparent).

For participation payments the transition will be relatively easy since they will be made from the Interim Fund from the start of Phase II. Operational and transactional activities are part of Phase II activities, however, because the implementing agencies require institutional and human capacity building and infrastructure development (e.g. MRV system, Provincial REDD Fund) and support for initial implementation of activities (mostly outputs 3.4 and 3.5). It may be expected that both the national and provincial implementing agencies will over time develop the skills to operate independently and with the establishment of the National and Provincial REDD Funds they can achieve the independence (from the Technical Assistance component of Phase II) once the resources are available in the Funds to support their activities. This may require a mechanism to transfer funds from the TA component – as given in the Results Framework Matrix, Annex B – into the National and Provincial Funds.

# Monitoring, Evaluation and Reporting

VERY PRELIMINARY

4.0 The Logical Framework matrix (Annex A) provides the expected results (Objective, Outcomes and Outputs) of the UN-REDD Phase II Programme, together with quantitative indicators, including baseline values and time-bound targets. It also describes the means of verification and risks and assumptions associated with each result. The Summary of Results framework (Annex B) identifies the responsible UN agency for each Output and the implementing partner.

4.0 Activities carried out by the participating UN Agencies shall be subject to internal and external audit as articulated in their respective Financial Regulations and Rules. In addition, the UN-REDD Secretariat will consult with the participating UN Agencies on any additional specific audits or reviews that may be required, subject to the respective Financial Regulations and Rules of the participating UN Agencies. The UN Agencies will provide a summary of their internal audit key findings and recommendations for submission to the Policy Board and National REDD Committee as applicable.

4.0 The Government, particularly the Executing Agency or Lead Implementing Partner, and the participating UN Agencies, shall jointly conduct scheduled / annual planning and review meetings for all activities covered in the results framework, monitoring and evaluation plan and work plans covered by this Programme. This will include an assessment of the risks and assumptions to determine whether they are still holding.

## Monitoring

4.0 The UN-REDD Phase II programme will be subject to standard UN monitoring procedures.

4.0 At the national level, the participating UN Agencies are required to provide narrative reports on results achieved, lessons learned and the contributions made to the Programme. The information shall be consolidated by the Programme Manager into a narrative report every 6 months. The UN-REDD Secretariat shall provide the Policy Board updates on the implementation progress of the Programme every 6 months, based on information received from the Programme Manager. The UN Resident Coordinator will assist in ensuring that the participating UN Agencies at the country level provide the necessary information. The UN-REDD Coordination Group shall also follow-up with the relevant officers and representatives of the participating UN Agencies.

4.0 The Managing Agent will provide regular updates on the financial status to the Policy Board, for review and action as appropriate.

4.0 Participating UN Agencies in receipt of UN-REDD resources will be required to provide the Managing Agent with the following statements and reports:

* Semi-annual narrative and financial informal updates for each period ending 30th June and 31st December each year, to be provided no more than no later than one month after the end of the applicable reporting period;
* Annual financial reports as of 31 December each year with respect to the funds disbursed to it from the Programme Account, to be provided no later than four months after the end of the applicable reporting period;
* A final narrative report and financial report, after the completion of all Programme activities financed from the UN-REDD Programme, to be provided no later than 30 April of the year following the financial closing of Programme activities;
* A final certified financial statement, to be provided no later than 30 June of the year following the financial closing of Project activities.

4.0 The Managing Agent shall prepare consolidated narrative progress and financial reports consisting of the reports referred to above submitted by each participating UN Agency, and shall provide those consolidated reports to the respective Resident Coordinators and subsequently to the UN-REDD Policy Board through the UN-REDD Secretariat.

4.0 Subsequently, in accordance with the MOU and the SAA, the Managing Agent will submit consolidated narrative and financial reports to all UN-REDD Programme donors. Agreed standard UNDG financial and progress reporting formats will be utilised. The Managing Agent will also submit to donors a certified annual financial statement (Source and Use of Funds).

4.0 Information given to the press, to the beneficiaries of the UN-REDD Programme, all related publicity material, official notices, reports and publications, shall acknowledge the role of the UN-REDD donors, the UN Agencies, and any other relevant parties.

4.0 Whenever possible and to the extent that it does not jeopardize the privileges and immunities of UN Agencies, and the safety and security of their staff, UN Agencies will promote donor visibility on information, project materials and at project sites, in accordance with their respective regulations, rules, policies and procedures.

4.0 In addition, independent financial audits of the use of UN administered funds will be conducted annually.

4.0 It is noted that in this context ‘monitoring’ is of project activities, inputs and achievements, not of forest practices or GHG emissions.

## Evaluation

## Reporting

## Risk Monitoring

Each regular meeting of the PCG will review the Risk Log (see Table 4 on the following page). In the case of any risks for which the PCG concludes that the risk status, or the probability or impact scores need to be amended, the PCG will recommend whether the existing Counter Measures / Management Response remain adequate or need to be amended also. The revised Risk Log will be sent to all participating UN Agencies as soon as possible after the PCG meeting.

**Table 4: RISK LOG: UN-REDD Programme in Viet Nam**

| **#** | **Descr.** | **Date Identified** | **Type** | **Impact &****Probability** | **Counter measures / Management response** | **Owner** | **Submitted/ updated by** | **Last Update** | **Status** |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 1 | Commitment of the GoV towards implementing REDD+ does not remain firm. | Phase II formulation | Political | If high-level support is lacking, NRP implementation would be slow and the viability of REDD+ as an approach to CC mitigation and forest conservation undermined. Phase I did not suffer from this risk.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| P | x | I | = | R |
| 1 | x | 4 | = | 4 |

 | Continued awareness raising on importance and opportunities under REDD+.Linking to high level government initiatives, such as NTP and SEDP. | UN Agencies will monitor |  |  | Stable |
| 2 | Government agencies do not cooperate and coordinate activities effectively | Phase II formulation | Organizational | Failure of government agencies to cooperate would slow, but would not prevent creation of the NRP. Institutional competition would reduce overall commitment to REDD+.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| P | x | I | = | R |
| 2 | x | 3 | = | 6 |

 | The on-going process to prepare the NRP is consultative and designed to create broad ownership and engagement. | Programme manager will be responsible for reporting to UN Agencies on any early indications of lack of coordination |  |  | Stable |
| 3 | Donor coordination (most importantly, with FCPF) is ineffective | Phase II formulation | Organizational | Lack of donor coordination would restrict the flow of funds to establish the NRP. UN-REDD Phase I was not exposed to this.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| P | x | I | = | R |
| 1 | x | 3 | = | 3 |

  | FCPF funding has been secured, but UN-REDD can operate independently from it. Donor coordination actively pursued by MARD and UN.  | UN Agencies in-country; UN agency regional coordinators/ advisors |  |  | Stable |
| 4 | Sub-national authorities do not share central government’s commitment to REDD+ | Phase II formulation. | Political | There is a variation in the level of commitment among sub-national partners. Ultimately, it is to be expected that national implementation of REDD+ will need to take account of poor progress in some provinces/districts

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| P | x | I | = | R |
| 3 | x | 3 | = | 9 |

 | Formulation of the programme took this risk into account by selecting five diverse pilot provinces, including one (Lam Dong) that has already demonstrated commitment. | Programme manager will be responsible for reporting to UN Agencies on any early indications of lack of commitment at pilot sites |  |  | Stable |
| 5 | Programme inputs (funds, human resources, etc.) are not mobilized in a timely fashion | Phase II formulation | Operational | Many of the outputs in the programme logframe are inter-connected, so slow mobilization of inputs to one component will slow down the whole programme.

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| --- | --- | --- | --- | --- |
| P | x | I | = | R |
| 2 | x | 3 | = | 6 |

 | The arrangements established under Phase I have been operational and moderately successful, and will continue for Phase II. | Programme manager will be responsible for reporting to UN Agencies on apparent or potential delays in mobilizing inputs |  |  | Stable |
| 6 | Influential stakeholders who benefit from forest (over)-exploitation undermine REDD+ | Phase II formulation | Political | It is recognized that some stakeholders may hold negative views towards REDD+, especially those who benefit from, for example, illegal trade in timber. If these stakeholders exert political pressure to hinder the development of REDD+, programme benefits could be compromised.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| P | x | I | = | R |
| 3 | x | 2 | = | 6 |

 | Engagement both with potential negatively-minded stakeholders and with high-level government officials, supported by awareness campaigns will reduce risk. | Programme manager will be responsible for reporting to UN Agencies on apparent or potential signs of negative stakeholder involvement. |  |  | Stable |
| 7 | UN agency partners are unable to coordinate inputs and support to the programme | Phase II formulation | Strategic | The three UN Agency partners in UN-REDD have different approaches to project management, which could impact efficiency of programme implementation

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| P | x | I | = | R |
| 1 | x | 2 | = | 2 |

 | A single UN Agency will be the Managing Agent for the Programme in order to streamline admin and finance. The other Agencies will have a technical support role only. | UN Agency country offices and regional coordinators |  |  | Stable |
| 8 | UNFCCC negotiations move slowly, and the guidelines for REDD+ programmes are not agreed. | Phase II formulation | Strategic | Ultimately, the NRP must follow UNFCCC guidance. If that is not forthcoming, this could lead to delays in Viet Nam.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| P | x | I | = | R |
| 2 | x | 2 | = | 4 |

 | The NRP follows UNFCCC guidance, and is designed to be consistent with expected guidelines. The NRP shall proceed, if necessary, ahead of UNFCCC developments. | Programme manager will be responsible for reporting to UN Agencies on any likely problems. |  |  | Stable |
| 9 | Financial incentives and improved capacity do not lead to emission reductions | Phase II formulation | Strategic | The NRP may be successful, but the activities may not lead to revised SFM practices, or that the revised SFM practices do not lead to reduced emission. This risk is inherent in the global REDD+ mechanism.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| P | x | I | = | R |
| 2 | x | 3 | = | 6 |

  | The piloting approach and monitoring of REDD+ achievements will identify failures and successful strategies.  | Programme manager will monitor this situation and report to government and UN Agencies.  |  |  | Stable |

# Legal Context or Basis of Relationship

VERY PRELIMINARY

4.0 The Participating UN Organizations (FAO, UNDP and UNEP) have signed a Memorandum of Understanding (MOU) to implement the UN-REDD Collaborative Programme, which came into effect on 20th June 2008 and ends 20th June 2012. This will be extended as appropriate in 2012.

4.0 This Joint Programme document is consistent with the cooperation/assistance agreements signed by the lead UN agencies involved in this programme with the Government of Viet Nam. For the UNDP, this Document is pursuant to the Country Programme Action Plan and the Standard Basic Assistance Agreement (SBAA) it signed with the Government of Viet Nam. All provisions in the SBAA therefore apply to this document. Consistent with Article III of the SBAA, the responsibility for the safety and security of the implementing partner and its personnel and property, and of UNDP‟s property in the implementing partner’s custody, rests with the implementing partner.

4.0 The implementing partner shall:

* put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried; and
* assume all risks and liabilities related to the implementing partner’s security, and the full implementation of the security plan

4.0 The **UNDP** reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of this agreement.

4.0 On the part of the **FAO**, this document is consistent with the basic agreement with Government of Viet Nam as indicated in the exchange of letters between the Government of Viet Nam and FAO on 27 January 1978.

4.0 The FAO Representative shall represent the Organization in Viet Nam, and shall be responsible within the limits of the authority delegated to him/her, for all aspects of the Organization’s activities in the country. In the effective performance of his/her functions, the FAO representative shall have access to appropriate policy and planning levels of Government in the agriculture, fishery and forestry sectors of the economy, as well as, to central planning authorities. He/she shall maintain close liaison with the Government’s coordinating agency for external assistance and thereby serve to keep all the appropriate Government agencies fully informed on all aspects of the policies and procedures of FAO’s programme in Viet Nam.

4.0 For **UNEP**, in line with its position as a non-resident agency with a global mandate for technical cooperation and capacity building, the signed Joint Programme document shall be the legal basis of UNEP’s relation with the Government of Viet Nam within the context of this programme. UNEP will work in close coordination with the programme management team.

4.0 The Participating UN Organizations agree to undertake all reasonable efforts to ensure that none of the funds received pursuant to the UN-REDD Programme are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by Participating UN Organizations do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via <http://www.un.org/Docs/sc/committees/1267/1267ListEng.htm>. This provision must be included in all sub-contracts or sub-agreements entered into under this programme document.

# Work plan and Budget

# Annexes

## Annex A: Logical Framework Matrix

|  |
| --- |
| **One Plan Outcome 3: *Viet Nam has adequate policies and capacities for environmental protection and the rational management of natural resources and cultural heritage for poverty reduction, economic growth, and improving the quality of life*** |
|  |
| **Result** | **Implementing Partners** | **Related Activities** | **Indicator** | **Baseline** | **Proposed Target** | **Means of Verification** | **Risks and assumptions** |
| **Objective**: To reduce emissions and enhance removals in five provinces in Viet Nam, whilst establishing foundations for up-scaling in Viet Nam and regionally |
| **Outcome** **1**: National REDD Programme operational |
| 1.1 National coordination mechanism operational | MARDFSSPUNDP | UN-REDD Phase I | * Level of satisfaction among stakeholders at national level
 | * Phase I piloted national REDD+ coordination mechanism
 | * A year after the start of implementation, at least 90% of national-level stakeholders (government agencies and NGOs) satisfied with coordination mechanism
 | * Independent survey
 |  |
| 1.2 Legal framework for the National REDD Programme prepared | MARDUNDP | UN-REDD Phase I | * Status of REDD+ decree
* Status of ministerial regulations
* Social and gender impact assessment available
 | * No decree available
* No ministerial regulations available
 | * Within 2 years of the start of implementation, draft decree submitted to the National Assembly
* Within 2 years of the start of implementation, MARD regulations developed
 | * GoV Gazette
* MARD records
 | * National Assembly has to adopt the legislation
* Engagement of all “REDD Ministries”
 |
| 1.3 National REDD Fund established  | MARDUNDP | Output 1.2UN-REDD Phase I | * Operational status of the National REDD Fund
 | * Payment for Forest Ecosystem Services Decree issued on 24/09/10
* Piloting of PES systems and funds in two provinces
* Forest Protection and Development Fund
 | * Within 18 months of the start of implementation, the National REDD Fund established
* Within 2 years of the start of implementation, the National REDD Fund makes first payments
 | * Published regulation
* Auditor statements of Fund operations
 | * Establishing National Fund requires time
* Legislation required
 |
| 1.4 National MRV System established | MARD, FSIV, FIPI, MONREFAO | Outputs 1.2, 1.3UN-REDD Phase INFIMP, FCPF, FOMIS | * Operational status of national MRV system, linked with FOMIS and NFI systems
 | * Phase I developing a first prototype
* FOMIS prototype
 | * Within 18 months of the start of implementation, a national MRV system is able to generate reports on emission reductions and removals
 | * Reports on emissions and Validation reports
 | * RELs and RLs available
* Participants report forest stock data
 |
| 1.5 Displacements from REDD+ activities monitored and communicated with regional partners | MARDUNDP | UN-REDD Phase IFLEGT | * Regional agreement on regulation of trade in timber
* Status of monitoring of cross-border movement of timber
 | * FLEGT developing capacity in Viet Nam and adjacent countries
* No effective monitoring of cross-border movement of timber
 | * Within 18 months of the start of implementation, regulations for illegal timber transport and processing defined and enforced
* Within 2 years of the start of implementation, a system for recording cross-border movement of timber fully operational
 | * Regulations proclaimed and records of violations
* Records of cross-border movement of timber verified by independent survey
 | * GoV has to establish and enforce controls
* Neighbors monitor and report on incoming displacements
 |
| 1.6 Wood processing industry committed to sourcing sustainably harvested timber and implementing measures to reduce displacement of emissions | MARDUNEP | Output 3.3FLEGT | * Level of engagement of forest products industry
* Estimates of displacement of emissions by forest products industry
 | * No engagement
* No attempt to address emissions displacement (emission levels to be estimated)
 | * Within 18 months of the start of implementation, companies representing at least 50% of the value of VN timber products industry have committed to reduce emissions
* Within 18 months of the start of implementation, displacement of emissions reduced by at least 10% compared with baseline
 | * Documents confirming intention to reduce emissions
* Reports of raw material type and source
 | * Timber industry is cooperating to monitor illegal trade and allows certification
 |
| **Outcome** **2**: National REDD Programme operational in five provinces |
| 2.1 National REDD Programme provisions integrated into provincial planning and programming in the forestry sector | PPC, MARD, DARD, DONREUNDP | Output 1.2UN-REDD Phase I | * REDD+ integrated into the provincial SEDP and annual work plans.
* REDD+ integrated into the provincial Forest Protection and Development Plans
* Social and gender impact assessment available
 | * Phase I piloted provincial REDD+ integration
* Phase I developed a framework for opportunity cost analysis in REDD+
 | * REDD+ integrated into the annual SEDP and FPDP as of 2013
* REDD+ integrated into the 2015-2019 provincial SEDP and annual work plans
* REDD+ integrated into the 2015-2019 provincial FPDP
 | * Provincial SEDP documents
* Provincial FDP documents
 | * Ad hoc plans developed under Outcome 3 formally adopted for next cycle of SEDP and FPDP
 |
| 2.2 Provincial REDD Funds established | PPC, MARD, DARDUNDP | Output 1.3UN-REDD Phase I | * Status of provincial REDD Funds
 | * No provincial REDD Funds exist
* Phase I developed options and recommendations
 | * Within 18 months of the start of implementation, a Provincial REDD Fund established in at least one province
* Within 30 months of the start of implementation, Provincial REDD Funds established in five pilot provinces
 | * Government records
* Auditor statements of Fund operations
 | * Various options of provincial fund management to be piloted in order to identify the preferred arrangement
 |
| 2.3 Provincial components of MRV system established | PPC, MARD, DARD, DONREFAO | Output 1.4UN-REDD Phase IFCPF | * Status of MRV database and carbon measurements
 | * Phase I developing a first prototype
* FOMIS prototype
 | * Within 2 years of the start of implementation, MRV systems generate reports on emission reductions and removals in all pilot provinces
 | * Reports on emission reductions and removals
 |  |
| 2.4 Institutional capacity of Provincial agencies to support implementation of REDD+ enhanced | PPC, MARD, DARD, DONRE, FPDUNDP | UN-REDD Phase I | * Capacity assessment based on level of data collection, monitoring, law enforcement, and participatory planning, including capacity to conduct and integrate gender and social impact assessment
 | * Phase I developed basic capacity in one province
 | * Within 2 years of the start of implementation, provincial and district authorities are effectively implementing engaged in REDD+ measures, including data collection, monitoring, law enforcement, and participatory planning
 | * Reports on REDD+ and validation, records of law enforcement
* Independent evaluation
 |  |
| **Outcome** **3**: Forest owner capacity to adopt alternative, sustainable practices in five provinces, leading to verifiable reduced emissions and enhanced removals |
| 3.1 Assessment made of the ecological potential of the forests of Viet Nam, taking into account all relevant ecosystem services and goods | MARDUNEP | NFIMPUN-REDD Phase IFCPF | * Reports and scientific publications on the state and potential of forests in Viet Nam published
 | * Phase I ecological stratification
 | * Within 1 year of the start of implementation, an assessment of ecological potential of the different forest types of Viet Nam on biomass and other ecosystem goods and services, publically available
 | * Reports and scientific publications on the state and potential of forests in Viet Nam
 |  |
| 3.2 Options for sustainable use of forest resources by forest owners available | MARD, DARDFAO |  | * Status of FM options
* FM options address gender differences in forest management and use
 | * Standard FM implemented throughout five pilot provinces
 | * Within 9 months of the start of implementation, options for improved FM developed
 | * Reports
 |  |
| 3.3 Stakeholder-endorsed plans for emission reductions made, incorporating alternatives for income generation within or outside the forestry sector | MARD, DARDUNDP | Phase 1 FPIC pilotOpportunity Cost Analysis (output 2.1) | * Status of plans and level of consent
* Plans address gender differences in forest management and use, options for alternative income generation
 | * No plans exist
 | * Within 1 year of the start of implementation, plans have been developed and endorsed by all stakeholders on the basis of FPIC
 | * Documented plans and records of FPIC process
 |  |
| 3.4. *Ad hoc* REDD+ plans under implementation | PPC, DARDUNDP | Outputs 3.2, 3.3UN-REDD Phase I | * Number of forest owners implementing REDD+ plans
* Proportion of forest owners generating reduced emissions and/or enhanced removals
 | * Phase I developing guidelines for PCM
* No forest owners implementing REDD+ plans or generating emission reductions and/or enhanced removals
 | * Within 2 years of the start of implementation, at least 650,000 forest owners are implementing measures to reduce emissions
* After 3 years of implementation, at least 80% of participating forest owners achieving emission reductions and/or enhanced removals
 | * Participation payments made to forest owners, supported by independent evaluation
* Performance payments made to forest owners, supported by independent evaluation
 | * Full engagement of provincial agencies supports implementation of plans
 |
| 3.5 Forest user REDD+ targets and achievements integrated into District SEDP / Forest Development Plans | PPC, DARDUNDP | Outputs 2.1, 2.3, 3.1-4 | * District Forest Development Plans and annual work plans developed with REDD+ targets
* Participants achieve REDD+ targets
 | * No plans exist
 | * 200 District officials trained and integrating REDD+ plans into SEDP/FDP annual work plans
* REDD+ planning undertaken in 3,200 villages
 | * District Forest Development Plans and annual work plans
* Verified reports on sustainable use of forest resources
 |  |
| **Outcome** **4**: REDD+ readiness in other countries more cost-effective through incorporation of lessons from Viet Nam |
| 4.1 Regional harmonization/ coordination plans for REDD+ developed | MARDUNEP | Outputs 1.5, 1.6UN-REDD Phase I | * REDD+ Strategies and plans of countries of the Lower Mekong
 | * Verbal commitment to harmonization/ coordination, but no concrete plans
 | * Within 2 years of the start of Phase 2 implementation, national REDD+ strategies and plans for the 5 countries of the Lower Mekong contain specific and consistent regional coordination proposals
 | * Government documents from VN, CMB, LAO, THA and MYA
 | * Political instability does not undermine planning
* Verbal commitments are translated into action
 |
| 4.2 Interactive knowledge platform operational | MARDUNEP | UN-REDD Phase I | * Level of participation of general users in digital knowledge platform
* Availability of content on gender and ethnic groups
 | * Platform does not exist; Vietnam REDD and UN-REDD web sites provide passive knowledge opportunities
 | * Within 6 months of the start of Phase 2 implementation a digital knowledge platform is established
* After 2 years of Phase 2 implementation, digital knowledge platform has at least 500 users, of whom at least 80% report in a survey that the platform is “useful” or “very useful”
 | * Knowledge base accessible online
* Survey, undertaken with programme funds, by independent contractor
 | * UN-REDD needs to avoid competition – seek strategic partnerships
 |
| 4.3 Virtual library of communication materials targeting diverse stakeholder groups available | MARDUNEP | UN-REDD Phase I | * Demand for UN-REDD communication materials
 | * No demand (Phase I developed some materials, which have been used elsewhere in ad hoc manner)
 | * By the end of Phase 2, year 2, web-based materials generated by UN-REDD are downloaded at least 500 times/month
 | * Web-site records
 | * Downloaded materials are actually used
* Language constraints
 |
| 4.4 Countries in the region, especially LDCs, benefit from Viet Nam expertise through South-South cooperation  | MARDUNDP | UN-REDD Phase I | * Asia-Pacific Regional UN-REDD database of REDD+ readiness
 | * Current scores in database
 | * Within two years of the start of Phase 2 implementation, readiness scores for selected countries show at least a 40% increase over baseline scores, following targeted support from Viet Nam
 | * Assessment of status of six components of readiness using UN-REDD regional database methodology
 | * Willingness on the part of recipient countries
* Problem of attribution of progress to UN-REDD inputs
 |

## Annex B: Results Framework

|  |
| --- |
| **One Plan Outcome 3: *Viet Nam has adequate policies and capacities for environmental protection and the rational management of natural resources and cultural heritage for poverty reduction, economic growth, and improving the quality of life*** |
| **JP Outputs** | **UN Org.** | **Impl. partner** | **Indicative activities** | **Resource allocation** |
| **Year 1** | **Year 2** | **Year 3** | **Year 4** | **Total** |
| **Outcome** **1**: National REDD Programme Operational |
| 1.1 National coordination mechanism operational | UNDP | MARD | * Meetings of REDD Network
* Meetings of technical working groups
* Training of key government personnel
* National information dissemination and awareness raising
* Consultation workshop with pilot province representatives
* Outreach activities
 | 180,000 | 180,000 | 84,000 | 64,000 | 508,000 |
| 1.2 Legal framework for the National REDD Programme prepared | UNDP | MARD | * Examine policy, legislative and admin reform related to REDD+ activities
* Start and maintain cross-sectoral dialogue between ministries
* Identify gaps and opportunities in legislation and define required measures
* Gender and social impact assessment
* Drafting of National REDD+ Programme decree
 | 91,000 | 56,000 | 8,000 | 8,000 | 163,000 |
| 1.3 National REDD Fund established  | UNDP | MARD | * Establish functioning interim REDD+ Fund
* Evaluate and select BDS payment mechanisms for Viet Nam REDD+ activities
* Define and establish Fund management structure (including institutional set-up)
* Operate Fund management structure
* Define, establish and operate Independent recourse mechanism
* Independent auditing
 | 40,000 | 166,000 | 66,000 | 35,000 | 307,000 |
| 1.4 National MRV System established | FAO | MARD | * Overall MRV system design
* Update the National Reference Scenario
* Capacity building of users
* Assessment of analytical procedures, including for M&E and safeguards
* Engage national and international stakeholders through the Sub-TWG
 | 80,000 | 65,000 | 65,000 | 65,000 | 275,000 |
| 1.5 Displacements from REDD+ activities monitored and communicated with regional partners | UNDP | MARD | * Workshops on REDD+ activities and timber trade in Viet Nam
* Awareness building amongst local communities by means of dispersion of communication materials
* Define and implement displacement controls
* Regional meetings with neighbouring countries to discuss cooperation and progress made
 | 232,000 | 165,000 | 130,000 | 80,000 | 607,000 |
| 1.6 Wood processing industry committed to sourcing sustainably harvested timber and implementing measures to reduce displacement of emissions | UNEP | MARD | * Meetings with wood processing industries and associated national and international organisations (incl. FLEG-T) in Viet Nam
* Preparation of a framework for assessing options for sourcing of timber and certification of origin
 | 92,000 | 75,000 | 10,000 | 10,000 | 187,000 |
| **Outcome** **2**: National REDD Programme operational in five provinces |
| 2.1 National REDD Programme provisions integrated into provincial planning and programming in the forestry sector | UNDP | PPC/DARD | * Identification and analysis of REDD+ elements in all existing forestry related data
* Preparation of Provincial REDD Programmes together with provincial FPDP's
* Fill data gaps
* Identify Provincial REDD+ targets (fed by data from 2.3, REL)
* Mainstream Provincial REDD+ Programme with Provincial Plans and SEDP
 | 57,500 | 215,000 | 225,000 | 150,000 | 647,500 |
| 2.2 Provincial REDD Fund established | UNDP | PPC/DARD | * Interim (Provincial or District) REDD+ payment mechanism functioning (using outputs from FPIC process in 3.4)
* Define and establish Provincial Fund Management Structure
* Pilot most promising options from BDS
* Establish & operate Provincial Fund Management Structure
* Independent auditing
 | 50,000 | 207,000 | 105,000 | 25,000 | 387,000 |
| 2.3 Provincial components of MRV system established | FAO | PPC/DARD | * Update the Provincial Reference Scenario
* Capacity building in MRV
* Data collection and data validation/verification
* Integrate Provincial MRV with SEDP and National MRV
 | 15,000 | 95,000 | 80,000 | 75,000 | 265,000 |
| 2.4 Institutional capacity of Provincial agencies to support implementation of REDD+ enhanced | UNDP | PPC/DARD | * Identify and analyse need for capacity building of local authorities
* Capacity building, training and institutional development
 | 29,000 | 96,000 | 20,000 | - | 145,000 |
| **Outcome** **3**: Forest owner capacity to adopt alternative, sustainable practices in five provinces, leading to verifiable reduced emissions and enhanced removals |
| 3.1 Assessment made of the ecological potential of the forests of Viet Nam, taking into account all relevant ecosystem services and goods | UNEP | MARD | * Assess the ecological potential of the different forest types of Viet Nam on biomass, other ecosystem goods and services, and carbon stock
* Prepare detailed ecosystem services database of province with all forest related parameters
* Determine, in REDD+ terms, optimal climax forestry conditions at all forest and forest land across province
* Determine existing and potential carbon stock for all forest units across provinces
 | 155,000 | 145,000 | 19,000 | 19,000 | 338,000 |
| 3.2 Options for sustainable use of forest resources by forest owners available | FAO | MARD | * Develop REDD+ and location-specific guidelines for SFM practices across targeted areas
* Provide awareness building and targeted training to District Officers (training in SFM, re-vegatation, regeneration, sustainable extraction, etc.)
* Prepare and assess REDD+ compliant options for forestry practices at targeted areas
* Prepare legislative framework for use of sustainable forest resources (incl. alternative forest products)
 | 286,000 | 100,000 | 100,000 | - | 486,000 |
| 3.3 Stakeholder-endorsed plans for emission reductions made, incorporating alternatives for income generation within or outside the forestry sector | UNDP | PPC/DARD | * Assess and evaluate existing income generation practices at targeted areas, including ecological and economic aspects
* Undertake FPIC across potential participating communities
* Define and promote more efficient use of forest products and introduce alternatives
* Scope and assess alternative and enhanced income generation practices
* Promoting non-forestry income generation. This may include technical support, or value chain enhancement
* Develop accompanying extension material
 | 357,500 | 1,232,500 | 537,500 | 85,000 | 2,212,500 |
| 3.4. Ad hoc REDD+ plans under implementation | UNDP | PPC/DARD | * Assess existing approaches to forest planning and forest land planning, including assessment of existing participatory methods
* Develop approach for improved REDD+-compliant forest planning, forest management and forest monitoring that is adaptable to sites.
* Prepare framework, with electronic data collection and management system
* Train participating forest users (650,000) (using Outputs 3.1, 3.2 and 3.3)
* Annual measuring of emission levels and monitoring of biomass and practices at forest user level
* Prepare consolidated reports for district and provinces on emissions, biomass and forestry practices
* Verify reports on reduced emissions and enhanced removals
 | 1,100,000 | 1,055,000 | 2,921,000 | 3,610,000 | 8,686,000 |
| 3.5 Forest user REDD+ targets and achievements integrated into District SEDP / Forest Development Plan | UNDP | PPC/DARD | * Train 200 district officers (5 per participating district) (3.4)
* Undertake REDD+ planning in 80 villages in 8 districts in 5 provinces (i.e 3200 villages), at the user level
* Integrate all above REDD+ plans into district and provincial five year Forest Development Plans
 | 704,000 | 1,393,000 | 1,443,000 | 125,000 | 3,665,000 |
| **Outcome 4:** REDD+ readiness in other countries more cost-effective through incorporation of lessons from Viet Nam |
| 4.1 Regional harmonization / coordination plans for REDD+ developed | UNEP | MARD | * Disseminate technical findings and lessons-learned through articles, workshops and international forums
* Coordinate harmonisation of REDD+ strategies and plans
 | 200,000 | 200,000 | 200,000 | 100,000 | 700,000 |
| 4.2 Interactive knowledge platform operational | UNEP | MARD | * Prepare REDD+ database, including lessons learned
* Development and maintain interactive digital knowledge platform
 | 205,000 | 30,000 | 30,000 | 30,000 | 295,000 |
| 4.3 Virtual library of communication materials targeting diverse stakeholder groups available | UNEP | MARD | * Collect REDD+ material and data
* Transform REDD+ material into communication material (e.g. posters, leaflets, audio-video material, etc.)
 | 35,000 | 35,000 | 20,000 | 20,000 | 110,000 |
| 4.4 Countries in the region, especially LDCs, benefit from Viet Nam expertise through South-South cooperation  | UNDP | MARD | * Provide bi-lateral assistance to (LDC) countries through:

a. workshops, study tours, etcb. data sharingc. targeted consultancies | 285,000 | 785,000 | 765,000 | 265,000 | 2,100,000 |
|    |
| Programme Management[[18]](#footnote-19) | UNDP | MARD | * Management and coordination of programme implementation
 | 598,200 | 653,200 | 653,200 | 578,200 | 2,482,800 |
| **Summary of costs by Agency** |
| UNDP | Programme Costs – excluding Programme Management | 3,126,000 | 5,550,500 | 6,304,500 | 4,447,000 | 19,378,000 |
| Indirect Support Costs | 218,820 | 388,535 | 441,315 | 311,290 | 1,359,960 |
| UNEP | Programme Costs | 687,000 | 485,000 | 279,000 | 179,000 | 1,630,000 |
| Indirect Support Costs | 48,090 | 33,950 | 19,530 | 12,530 | 114,100 |
| FAO | Programme Costs | 381,000 | 260,000 | 245,000 | 140,000 | 1,026,000 |
| Indirect Support Costs | 26,670 | 18,200 | 17,150 | 9,800 | 71,820 |
| **TOTALS** | **Programme Costs – including Programme Management** | **4,792,200** | **6,948,700** | **7,481,700** | **5,344,200** | **24,516,800** |
| **Indirect Support Costs** | **293,580** | **440,685** | **477,995** | **333,620** | **1,545,340** |

## Annex D: Summary of the criteria to select the participating provinces

The participating provinces were selected based on a number of objective criteria in order to arrive at a cross-section of biophysical, socio-economic, managerial and political conditions that jointly represent the variety of conditions found throughout Viet Nam. The criteria that were applied were:

1. Good representation of the eco-regions in the country (i.e. potential vegetation).
2. Good representation of forests in the country (i.e. actual vegetation).
3. Representation of inland, border province and coastal provinces.
4. Provinces with low and high poverty incidence
5. Provinces with mostly protection forest, generally managed by Protection Forest Management Boards.
6. Province with mostly production forest, generally managed by Forest Companies.
7. Different sized provinces – in terms of both population and area.
8. Different altitudinal distribution (lowland forest vs. mountain forest).

In each case, demonstrated political commitment to sustainable forest management and to innovative mechanisms was a necessary criterion.

~~Based on the above, the following five provinces were selected (see Map):~~

1. **~~Bac Kan.~~** ~~Mid-sized province with one of the highest incidences of poverty in the country. Large extent of natural forest remaining, representative of the South China-Viet Nam subtropical evergreen forests in mid-altitude ranges. Bac Kan is also a priority province for piloting activities of MARD.~~
2. **~~Binh Thuan.~~** ~~South-central province on the coast of the South China Sea with very low poverty incidence (<10%). Representative of the Southern Viet Nam lowland dry forests.~~
3. **~~Ca Mau.~~** ~~Southern-most province of Viet Nam with coastline on the Gulf of Thailand. Large extent of mangrove forests and freshwater peat swamp forests.~~
4. **~~Lam Dong.~~** ~~Situated in the Central Highlands at higher altitudes, with a large potential for Southern Annamites montane rain forests but largely deforested for cash-cropping such as coffee, tea and rubber plantations. Large ethnic population, mostly K’Ho. Lam Dong is the pilot province for UN-REDD Phase I.~~
5. **~~Nghe An.~~** ~~Large province in the North-Central region, bordering on Laos to the west and the Gulf of Tonkin to the east. Nghe An still has large areas of relatively low quality forest at risk of degradation and deforestation. Shifting cultivation is prominent. Large ethnic population, mostly H’Mong and Tay peoples.~~

~~The following two tables provide relevant information for all provinces in Viet Nam,~~

Annex E provides a short profile of the five selected provinces, illustrating how each satisfies the selection criteria.

Physiographic, socio-economic and forest data per province.

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Province** | **Land area** | **Border** | **Coastal** | **Low land (< 100 m)** | **Upland (100 - 800 m)** | **Mountain (> 800 m)** | **Population** | **Kinh %** | **Ethnic %** | **Urban** | **Rural** | **Poverty** | **Natural forest** | **Plantation forest** | **Forestry gross output** | **Wood production** |
|  (Source) | (1) | (2) | (2) | (3) | (3) | (3) | (1) |  |  | (1) | (1) | (1) | (1) | (1) | (1) | (1) |
| (Unit)  | (ha) |  |  | (ha) | (ha) | (ha) |  |  |  |  |  | (%) | (x1000 ha) | (x1000 ha) | (bill VND) | (x 1000 m3) |
| An Giang | 353700 | X |  | 347774 | 5926 | 0 | 2149200 |  |  | 610000 | 1539200 | 8.5 | 0.6 | 12.8 | 96.1 | 71.0 |
| Ba Ria-Vung Tau | 198700 |  | X | 156341 | 42359 | 0 | 996900 |  |  | 496100 | 500800 | 6.3 | 14.5 | 12.3 | 52.3 | 47.2 |
| Bac Giang | 382800 |  |  | 240840 | 141645 | 315 | 1560200 |  |  | 150200 | 1410000 | 17.5 | 65.4 | 93.6 | 142.3 | 62.1 |
| Bac Kan | 485900 |  |  | 3383 | 435266 | 47251 | 295300 |  |  | 47800 | 247500 | 36.8 | 230.0 | 51.3 | 110.6 | 56.0 |
| Bac Lieu | 250200 |  | X | 250200 | 0 | 0 | 858400 |  |  | 226100 | 632300 | 13.9 | 2.4 | 1.9 | 21.1 | 2.9 |
| Bac Ninh | 82300 |  |  | 82271 | 29 | 0 | 1026700 |  |  | 242300 | 784400 | 7.5 | 0.0 | 0.6 | 6.6 | 4.8 |
| Ben Tre | 236000 |  | X | 236000 | 0 | 0 | 1255800 |  |  | 125900 | 1129900 | 14.2 | 1.0 | 2.8 | 13.9 | 3.4 |
| Binh Dinh | 604000 |  | X | 259570 | 310725 | 33706 | 1489000 |  |  | 413600 | 1075400 | 14.2 | 194.8 | 77.2 | 165.7 | 167.5 |
| Binh Duong | 269500 |  |  | 268769 | 731 | 0 | 1497100 |  |  | 448300 | 1048800 | 0.4 | 1.1 | 8.1 | 60.0 | 0.7 |
| Binh Phuoc | 687500 | X |  | 244219 | 443281 | 0 | 877500 |  |  | 147300 | 730200 | 9.1 | 95.2 | 18.7 | 23.1 | 30.7 |
| Binh Thuan | 781000 |  | X | 324537 | 425103 | 31359 | 1171700 |  |  | 461700 | 710000 | 9.2 | 352.6 | 30.2 | 53.1 | 37.2 |
| Ca Mau | 533200 |  | X | 533200 | 0 | 0 | 1207000 |  |  | 247500 | 959500 | 12.7 | 8.9 | 90.3 | 96.0 | 77.5 |
| Can Tho | 140200 |  |  | 140200 | 0 | 0 | 1189600 |  |  | 783100 | 406500 | 7.0 | 0.0 | 0.0 | 9.5 | 5.1 |
| Cao Bang | 672500 | X |  | 0 | 515779 | 156721 | 512500 |  |  | 88800 | 423700 | 35.6 | 318.0 | 16.9 | 123.0 | 26.3 |
| Da Nang | 128300 |  | X | 56287 | 62096 | 9917 | 890500 |  |  | 773500 | 117000 | 3.5 | 36.5 | 10.5 | 28.4 | 23.5 |
| Dak Nong | 651600 | X |  | 0 | 511428 | 140172 | 492000 |  |  | 72900 | 419100 | 23.3 | 309.5 | 14.6 | 49.4 | 30.0 |
| Dak Lak | 1312500 | X |  | 0 | 1168034 | 144466 | 1733100 |  |  | 389300 | 1343800 | 21.3 | 571.9 | 61.3 | 111.4 | 53.5 |
| Dien Bien | 956300 | X |  | 0 | 380508 | 575792 | 493000 |  |  | 74700 | 418300 | 39.3 | 379.3 | 15.3 | 135.9 | 47.4 |
| Dong Nai | 590300 |  |  | 314892 | 275397 | 11 | 2491300 |  |  | 828000 | 1663300 | 4.3 | 111.6 | 56.0 | 72.9 | 42.2 |
| Dong Thap | 337500 | X |  | 337500 | 0 | 0 | 1667700 |  |  | 287500 | 1380200 | 10.6 | 0.0 | 8.4 | 181.0 | 110.6 |
| Gia Lai | 1553700 | X |  | 611 | 1316626 | 236462 | 1277600 |  |  | 364800 | 912800 | 23.7 | 680.4 | 35.3 | 140.7 | 106.0 |
| Ha Giang | 794600 | X |  | 38558 | 430404 | 325638 | 727000 |  |  | 87300 | 639700 | 37.6 | 360.2 | 67.3 | 166.7 | 67.3 |
| Ha Nam | 86000 |  |  | 79507 | 6493 | 0 | 786400 |  |  | 77200 | 709200 | 11.6 | 5.4 | 2.0 | 19.8 | 12.5 |
| Ha Noi | 334500 |  |  | 322326 | 11718 | 457 | 6472200 |  |  | 2641600 | 3830600 | 2.4 | 6.9 | 17.6 | 29.9 | 8.8 |
| Ha Tinh | 602600 | X | X | 354980 | 213883 | 33737 | 1230300 |  |  | 183900 | 1046400 | 26.5 | 210.2 | 101.9 | 198.0 | 63.5 |
| Hai Duong | 165000 |  |  | 161607 | 3393 | 0 | 1706800 |  |  | 326000 | 1380800 | 10.1 | 2.3 | 8.0 | 17.1 | 2.0 |
| Hai Phong | 152200 |  | X | 145075 | 7125 | 0 | 1841700 |  |  | 849100 | 992600 | 6.3 | 10.8 | 7.0 | 23.8 | 6.9 |
| Hau Giang | 160100 |  |  | 160100 | 0 | 0 | 758000 |  |  | 149700 | 608300 | 13.3 | 0.0 | 2.5 | 23.3 | 10.1 |
| Ho Chi Minh | 209600 |  | X | 209600 | 0 | 0 | 7165200 |  |  | 5964000 | 1201200 | 0.3 | 12.2 | 26.8 | 46.7 | 13.5 |
| Hoa Binh | 459500 |  |  | 110617 | 314017 | 34866 | 789000 |  |  | 119900 | 669100 | 28.6 | 136.8 | 90.7 | 216.6 | 135.5 |
| Hung Yen | 92300 |  |  | 92300 | 0 | 0 | 1131200 |  |  | 138700 | 992500 | 10.3 | 0.0 | 0.0 | 5.7 | 5.6 |
| Khanh Hoa | 521800 |  | X | 211886 | 220080 | 89834 | 1159700 |  |  | 460500 | 699200 | 9.1 | 166.5 | 36.2 | 39.2 | 37.2 |
| Kien Giang | 634600 | X | X | 617478 | 17122 | 0 | 1687900 |  |  | 453900 | 1234000 | 9.3 | 43.7 | 28.1 | 112.7 | 42.6 |
| Kon Tum | 969100 | X |  | 0 | 387257 | 581843 | 432900 |  |  | 146400 | 286500 | 26.7 | 610.6 | 39.7 | 78.2 | 56.0 |
| Lai Chau | 911200 | X |  | 0 | 384401 | 526799 | 371400 |  |  | 53300 | 318100 | 53.7 | 343.5 | 19.9 | 96.2 | 11.4 |
| Lam Dong | 977200 |  |  | 0 | 349721 | 627479 | 1189300 |  |  | 450400 | 738900 | 15.8 | 543.3 | 58.6 | 100.8 | 89.2 |
| Lang Son | 832400 | X |  | 45279 | 779914 | 7207 | 733100 |  |  | 141700 | 591400 | 19.3 | 244.0 | 149.9 | 424.2 | 74.5 |
| Lao Cai | 638400 | X |  | 22661 | 323263 | 292476 | 614900 |  |  | 130300 | 484600 | 33.2 | 257.7 | 65.6 | 193.7 | 43.5 |
| Long An | 449400 | X |  | 449400 | 0 | 0 | 1438500 |  |  | 251700 | 1186800 | 7.7 | 0.8 | 45.7 | 285.7 | 80.8 |
| Nam Dinh | 165300 |  | X | 165300 | 0 | 0 | 1826300 |  |  | 323600 | 1502700 | 10.6 | 0.0 | 2.8 | 22.1 | 7.0 |
| Nghe An | 1649100 | X | X | 495797 | 905857 | 247446 | 2919200 |  |  | 368500 | 2550700 | 22.5 | 717.9 | 136.3 | 437.4 | 116.5 |
| Ninh Binh | 138900 |  | X | 116845 | 22055 | 0 | 900100 |  |  | 161000 | 739100 | 13.0 | 23.6 | 3.8 | 33.8 | 8.2 |
| Ninh Thuan | 335800 |  | X | 105920 | 182717 | 47162 | 565700 |  |  | 204400 | 361300 | 19.3 | 141.0 | 6.9 | 18.3 | 6.4 |
| Phu Tho | 353200 |  |  | 215855 | 132433 | 4911 | 1316700 |  |  | 209700 | 1107000 | 16.7 | 64.1 | 114.8 | 190.8 | 251.0 |
| Phu Yen | 506100 |  | X | 163363 | 319923 | 22814 | 863000 |  |  | 188800 | 674200 | 16.3 | 126.1 | 47.5 | 39.6 | 24.8 |
| Quang Binh | 806500 | X | X | 252529 | 518885 | 35086 | 848000 |  |  | 128100 | 719900 | 21.9 | 457.1 | 91.6 | 107.3 | 47.5 |
| Quang Nam | 1043800 | X | X | 258835 | 571561 | 213404 | 1421200 |  |  | 264600 | 1156600 | 19.6 | 386.9 | 78.5 | 166.2 | 169.7 |
| Quang Ngai | 515300 |  | X | 200957 | 276497 | 37847 | 1219200 |  |  | 178900 | 1040300 | 19.5 | 104.5 | 130.3 | 125.3 | 180.5 |
| Quang Ninh | 609900 | X | X | 312750 | 282916 | 14233 | 1146600 |  |  | 577000 | 569600 | 6.4 | 149.2 | 152.6 | 165.0 | 96.5 |
| Quang Tri | 474700 | X | X | 205638 | 250080 | 18981 | 599200 |  |  | 165400 | 433800 | 25.9 | 135.0 | 85.8 | 107.3 | 83.4 |
| Soc Trang | 331200 |  | X | 331200 | 0 | 0 | 1293200 |  |  | 252100 | 1041100 | 17.9 | 1.4 | 9.1 | 55.6 | 41.4 |
| Son La | 1417400 | X |  | 0 | 709910 | 707490 | 1083800 |  |  | 150700 | 933100 | 36.3 | 562.8 | 24.1 | 230.0 | 48.4 |
| Tay Ninh | 404900 | X |  | 403389 | 1438 | 72 | 1067700 |  |  | 168600 | 899100 | 6.0 | 34.7 | 11.6 | 153.4 | 60.0 |
| Thai Binh | 156700 |  |  | 156700 | 0 | 0 | 1784000 |  |  | 175700 | 1608300 | 9.8 | 0.0 | 7.7 | 10.5 | 3.9 |
| Thai Nguyen | 352600 |  |  | 164232 | 185047 | 3321 | 1127400 |  |  | 288900 | 838500 | 16.5 | 98.6 | 73.1 | 71.2 | 38.2 |
| Thanh Hoa | 1113300 | X | X | 484578 | 546480 | 82242 | 3405000 |  |  | 355400 | 3049600 | 24.9 | 386.4 | 148.3 | 377.6 | 54.3 |
| Thua Thien - Hue | 506300 | X | X | 195686 | 267541 | 43073 | 1088700 |  |  | 393000 | 695700 | 13.7 | 203.5 | 90.8 | 122.6 | 62.0 |
| Tien Giang | 248400 |  | X | 248400 | 0 | 0 | 1673900 |  |  | 230500 | 1443400 | 10.6 | 0.0 | 8.8 | 108.3 | 79.4 |
| Tra Vinh | 229500 |  | X | 229500 | 0 | 0 | 1004400 |  |  | 154000 | 850400 | 19.0 | 1.7 | 5.5 | 78.0 | 78.0 |
| Tuyen Quang | 587000 |  |  | 152927 | 402904 | 31169 | 727500 |  |  | 93800 | 633700 | 20.6 | 273.8 | 112.3 | 217.4 | 218.2 |
| Vinh Long | 147900 |  |  | 147900 | 0 | 0 | 1029800 |  |  | 158800 | 871000 | 9.8 | 0 | 0 | 34.2 | 18.2 |
| Vinh Phuc | 123200 |  |  | 104133 | 16443 | 2624 | 1003000 |  |  | 224900 | 778100 | 11.3 | 9.4 | 19.2 | 31.0 | 26.7 |
| Yen Bai | 689900 |   |   | 117123 | 339374 | 233403 | 743400 |   |   | 144600 | 598800 | 20.4 | 231.6 | 172.8 | 367.4 | 200.0 |
|  Sources: |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| (1) Statistical yearbook of Viet Nam 2009 |
| (2) GADM - Global Administrative Areas database |
| (3) SRTM - Shuttle Radar Topography Mission |

Distribution of eco-regions per province (ha)

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Province** | **Cardamom Mountains rain forests** | **Central Indochina dry forests** | **Indochina mangroves** | **Luang Prabang montane rain forests** | **Northern Annamites rain forests** | **Northern Indochina subtropical forests** | **Northern Viet Nam lowland rain forests** | **Red River freshwater swamp forests** | **South China-Viet Nam subtropical evergreen forests** | **Southeastern Indochina dry evergreen forests** | **Southern Annamites montane rain forests** | **Southern Viet Nam lowland dry forests** | **Tonle Sap freshwater swamp forests** | **Tonle Sap-Mekong peat swamp forests** | **Total** |
| **An Giang** |  -  |  63  |  -  |  -  |  -  |  -  |  -  |  -  |  -  |  -  |  -  |  -  |  235,809  |  117,828  |  353,700  |
| **Ba Ria-Vung Tau** |  -  |  -  |  21,659  |  -  |  -  |  -  |  -  |  -  |  -  |  82,891  |  -  |  94,149  |  -  |  -  |  198,699  |
| **Bac Giang** |  -  |  -  |  -  |  -  |  -  |  -  |  -  |  5,862  |  376,938  |  -  |  -  |  -  |  -  |  -  |  382,800  |
| **Bac Kan** |  -  |  -  |  -  |  -  |  -  |  -  |  -  |  -  |  485,900  |  -  |  -  |  -  |  -  |  -  |  485,900  |
| **Bac Lieu** |  -  |  -  |  138,892  |  -  |  -  |  -  |  -  |  -  |  -  |  -  |  -  |  -  |  -  |  111,308  |  250,200  |
| **Bac Ninh** |  -  |  -  |  -  |  -  |  -  |  -  |  -  |  48,906  |  33,394  |  -  |  -  |  -  |  -  |  -  |  82,300  |
| **Ben Tre** |  -  |  -  |  185,221  |  -  |  -  |  -  |  -  |  -  |  -  |  -  |  -  |  -  |  50,779  |  -  |  236,000  |
| **Binh Dinh** |  -  |  -  |  -  |  -  |  -  |  -  |  -  |  -  |  -  |  11,792  |  38,997  |  553,211  |  -  |  -  |  604,001  |
| **Binh Duong** |  -  |  -  |  42  |  -  |  -  |  -  |  -  |  -  |  -  |  269,458  |  -  |  -  |  -  |  -  |  269,500  |
| **Binh Phuoc** |  -  |  -  |  -  |  -  |  -  |  -  |  -  |  -  |  -  |  683,492  |  4,008  |  -  |  -  |  -  |  687,500  |
| **Binh Thuan** |  -  |  -  |  -  |  -  |  -  |  -  |  -  |  -  |  -  |  217,734  |  53,524  |  509,743  |  -  |  -  |  781,000  |
| **Ca Mau** |  -  |  -  |  383,246  |  -  |  -  |  -  |  -  |  -  |  -  |  -  |  -  |  -  |  -  |  149,954  |  533,199  |
| **Can Tho** |  -  |  -  |  -  |  -  |  -  |  -  |  -  |  -  |  -  |  -  |  -  |  -  |  118,693  |  21,507  |  140,200  |
| **Cao Bang** |  -  |  -  |  -  |  -  |  -  |  38,258  |  -  |  -  |  634,242  |  -  |  -  |  -  |  -  |  -  |  672,500  |
| **Da Nang** |  -  |  -  |  -  |  -  |  -  |  -  |  2,296  |  -  |  -  |  -  |  53,431  |  72,573  |  -  |  -  |  128,300  |
| **Dac Nong** |  -  |  120,586  |  -  |  -  |  -  |  -  |  -  |  -  |  -  |  169,832  |  361,182  |  -  |  -  |  -  |  651,600  |
| **Dak Lak** |  -  |  417,190  |  -  |  -  |  -  |  -  |  -  |  -  |  -  |  717,398  |  173,534  |  4,378  |  -  |  -  |  1,312,500  |
| **Dien Bien** |  -  |  -  |  -  |  -  |  -  |  956,300  |  -  |  -  |  -  |  -  |  -  |  -  |  -  |  -  |  956,300  |
| **Dong Nai** |  -  |  -  |  35,673  |  -  |  -  |  -  |  -  |  -  |  -  |  531,271  |  -  |  23,356  |  -  |  -  |  590,300  |
| **Dong Thap** |  -  |  -  |  -  |  -  |  -  |  -  |  -  |  -  |  -  |  -  |  -  |  -  |  198,455  |  139,045  |  337,500  |
| **Gia Lai** |  -  |  129,497  |  -  |  -  |  -  |  -  |  -  |  -  |  -  |  1,056,920  |  309,569  |  57,714  |  -  |  -  |  1,553,700  |
| **Ha Giang** |  -  |  -  |  -  |  -  |  -  |  739,683  |  -  |  -  |  54,917  |  -  |  -  |  -  |  -  |  -  |  794,600  |
| **Ha Nam** |  -  |  -  |  -  |  -  |  -  |  -  |  13,702  |  72,298  |  -  |  -  |  -  |  -  |  -  |  -  |  86,000  |
| **Ha Noi** |  -  |  -  |  -  |  -  |  -  |  19,910  |  8,266  |  266,246  |  40,078  |  -  |  -  |  -  |  -  |  -  |  334,500  |
| **Ha Tinh** |  -  |  -  |  -  |  -  |  315,996  |  -  |  286,603  |  -  |  -  |  -  |  -  |  -  |  -  |  -  |  602,600  |
| **Hai Duong** |  -  |  -  |  -  |  -  |  -  |  -  |  -  |  140,377  |  24,623  |  -  |  -  |  -  |  -  |  -  |  165,000  |
| **Hai Phong** |  -  |  -  |  44,153  |  -  |  -  |  -  |  -  |  90,335  |  17,712  |  -  |  -  |  -  |  -  |  -  |  152,200  |
| **Hau Giang** |  -  |  -  |  7,260  |  -  |  -  |  -  |  -  |  -  |  -  |  -  |  -  |  -  |  44,859  |  107,981  |  160,100  |
| **Ho Chi Minh** |  -  |  -  |  86,232  |  -  |  -  |  -  |  -  |  -  |  -  |  123,369  |  -  |  -  |  -  |  -  |  209,600  |
| **Hoa Binh** |  -  |  -  |  -  |  -  |  -  |  400,434  |  55,856  |  3,210  |  -  |  -  |  -  |  -  |  -  |  -  |  459,500  |
| **Hung Yen** |  -  |  -  |  -  |  -  |  -  |  -  |  -  |  92,300  |  -  |  -  |  -  |  -  |  -  |  -  |  92,300  |
| **Khanh Hoa** |  -  |  -  |  -  |  -  |  -  |  -  |  -  |  -  |  -  |  -  |  126,531  |  395,269  |  -  |  -  |  521,800  |
| **Kien Giang** |  55,202  |  78  |  59,001  |  -  |  -  |  -  |  -  |  -  |  -  |  -  |  -  |  -  |  75,771  |  444,547  |  634,599  |
| **Kon Tum** |  -  |  -  |  -  |  -  |  -  |  -  |  -  |  -  |  -  |  327,104  |  629,408  |  12,588  |  -  |  -  |  969,100  |
| **Lai Chau** |  -  |  -  |  -  |  -  |  -  |  911,200  |  -  |  -  |  -  |  -  |  -  |  -  |  -  |  -  |  911,200  |
| **Lam Dong** |  -  |  -  |  -  |  -  |  -  |  -  |  -  |  -  |  -  |  178,802  |  762,108  |  36,289  |  -  |  -  |  977,200  |
| **Lang Son** |  -  |  -  |  -  |  -  |  -  |  -  |  -  |  -  |  832,400  |  -  |  -  |  -  |  -  |  -  |  832,400  |
| **Lao Cai** |  -  |  -  |  -  |  -  |  -  |  638,400  |  -  |  -  |  -  |  -  |  -  |  -  |  -  |  -  |  638,400  |
| **Long An** |  -  |  -  |  99,315  |  -  |  -  |  -  |  -  |  -  |  -  |  85,719  |  -  |  -  |  5,057  |  259,309  |  449,400  |
| **Nam Dinh** |  -  |  -  |  73,375  |  -  |  -  |  -  |  7  |  91,918  |  -  |  -  |  -  |  -  |  -  |  -  |  165,300  |
| **Nghe An** |  -  |  -  |  -  |  136,483  |  147,585  |  757,175  |  607,857  |  -  |  -  |  -  |  -  |  -  |  -  |  -  |  1,649,100  |
| **Ninh Binh** |  -  |  -  |  25,333  |  -  |  -  |  2,403  |  93,435  |  17,729  |  -  |  -  |  -  |  -  |  -  |  -  |  138,900  |
| **Ninh Thuan** |  -  |  -  |  -  |  -  |  -  |  -  |  -  |  -  |  -  |  -  |  78,281  |  257,518  |  -  |  -  |  335,800  |
| **Phu Tho** |  -  |  -  |  -  |  -  |  -  |  229,611  |  -  |  109,185  |  14,404  |  -  |  -  |  -  |  -  |  -  |  353,200  |
| **Phu Yen** |  -  |  -  |  -  |  -  |  -  |  -  |  -  |  -  |  -  |  136,329  |  59,490  |  310,281  |  -  |  -  |  506,100  |
| **Quang Binh** |  -  |  -  |  -  |  -  |  590,260  |  -  |  216,240  |  -  |  -  |  -  |  -  |  -  |  -  |  -  |  806,500  |
| **Quang Nam** |  -  |  -  |  -  |  -  |  -  |  -  |  1,965  |  -  |  -  |  -  |  353,520  |  688,315  |  -  |  -  |  1,043,800  |
| **Quang Ngai** |  -  |  -  |  -  |  -  |  -  |  -  |  -  |  -  |  -  |  -  |  34,816  |  480,486  |  -  |  -  |  515,302  |
| **Quang Ninh** |  -  |  -  |  39,018  |  -  |  -  |  -  |  -  |  485  |  570,397  |  -  |  -  |  -  |  -  |  -  |  609,900  |
| **Quang Tri** |  -  |  -  |  -  |  -  |  144,228  |  -  |  238,514  |  -  |  -  |  -  |  91,959  |  -  |  -  |  -  |  474,701  |
| **Soc Trang** |  -  |  -  |  255,241  |  -  |  -  |  -  |  -  |  -  |  -  |  -  |  -  |  -  |  23,718  |  52,241  |  331,199  |
| **Son La** |  -  |  -  |  -  |  -  |  -  |  1,417,400  |  -  |  -  |  -  |  -  |  -  |  -  |  -  |  -  |  1,417,400  |
| **Tay Ninh** |  -  |  -  |  -  |  -  |  -  |  -  |  -  |  -  |  -  |  402,340  |  -  |  -  |  -  |  2,560  |  404,900  |
| **Thai Binh** |  -  |  -  |  29,216  |  -  |  -  |  -  |  -  |  127,484  |  -  |  -  |  -  |  -  |  -  |  -  |  156,700  |
| **Thai Nguyen** |  -  |  -  |  -  |  -  |  -  |  -  |  -  |  -  |  352,600  |  -  |  -  |  -  |  -  |  -  |  352,600  |
| **Thanh Hoa** |  -  |  -  |  10,059  |  -  |  -  |  750,662  |  352,578  |  -  |  -  |  -  |  -  |  -  |  -  |  -  |  1,113,300  |
| **Thua Thien - Hue** |  -  |  -  |  -  |  -  |  -  |  -  |  397,508  |  -  |  -  |  -  |  97,446  |  11,346  |  -  |  -  |  506,300  |
| **Tien Giang** |  -  |  -  |  80,693  |  -  |  -  |  -  |  -  |  -  |  -  |  -  |  -  |  -  |  111,443  |  56,265  |  248,400  |
| **Tra Vinh** |  -  |  -  |  205,361  |  -  |  -  |  -  |  -  |  -  |  -  |  -  |  -  |  -  |  24,139  |  -  |  229,500  |
| **Tuyen Quang** |  -  |  -  |  -  |  -  |  -  |  277,157  |  -  |  -  |  309,843  |  -  |  -  |  -  |  -  |  -  |  587,000  |
| **Vinh Long** |  -  |  -  |  27,831  |  -  |  -  |  -  |  -  |  -  |  -  |  -  |  -  |  -  |  120,069  |  -  |  147,900  |
| **Vinh Phuc** |  -  |  -  |  -  |  -  |  -  |  -  |  -  |  24,384  |  98,816  |  -  |  -  |  -  |  -  |  -  |  123,200  |
| **Yen Bai** |  -  |  -  |  -  |  -  |  -  |  689,675  |  -  |  225  |  -  |  -  |  -  |  -  |  -  |  -  |  689,900  |
| **Total** |  **55,202**  |  **667,414**  |  **1,806,820**  |  **136,483**  |  **1,198,070**  |  **7,828,269**  |  **2,274,827**  |  **1,090,943**  |  **3,846,264**  |  **4,994,452**  |  **3,227,805**  |  **3,507,217**  |  **1,008,791**  |  **1,462,544**  |  **33,105,102**  |

Source: Olsen et al., 2004 and Global Administrative Areas database

## Annex G: National REDD Programme and Fund management

VERY PRELIMINARY

4.0 The National REDD Programme needs to be embedded in the structures of MARD and other Ministries to secure its effectiveness and sustainability. During Phase I of the UN-REDD Viet Nam Programme the development of the National REDD Strategy is supported, which should ideally result in a decision by the Government to institute the National REDD Programme, possibly as an implementation program under the current 2006 – 2020 Forest Development Strategy.

4.0 While the National REDD Programme will follow the established Vietnamese custom of programme management to the extent possible, care has to be taken to effectively implement the requirements of a national REDD programme as defined by the UNFCCC. Pending the adoption of a Decision on the REDD+ mechanism by the Conference of the Parties to the UNFCCC there can be no certainty on what those requirements will be; there is, however, general consensus on a number of relevant issues:

* National sovereignty will be respected in the design of the national structures, implying that there will be no detailed guidelines on the design of those structures.
* The national structures have to be transparent, accountable and inclusive; stakeholders have to be engaged in all substantive aspects of the National REDD Programme and information has to be available to any interested party.
* The REDD mechanism can and should be integrated in other national policies and institutional arrangements wherever possible, in particular those related to sustainable development and poverty reduction.

4.0 The National REDD Fund will be an integral part of the National REDD Programme. It will be established as soon as possible, possibly before Phase II implementation starts. A budget allocation for the establishment of the Fund is made in this proposal to support initial awareness raising, training and establishment of infrastructure, etc (output 1.3 of the logical framework). The Benefit Distribution System study conducted during Phase I identified a number of options that need to be further investigated to arrive at a final design for the National REDD Fund. These options will be tested in the pilot provinces (output 2.2 of the logical framework). Should it prove impossible to establish the National REDD Fund prior to the implementation of Phase II, implementation of the Fund will take place under an Interim Arrangement.

### National REDD Programme and Fund management procedures

Management of the National REDD Programme and Fund will be through a number of bodies, each having a specific role and set of responsibilities:

* **Executive Board.** Responsible for overall management of the National REDD Programme and Fund.
* **Participants Board.** The Participants Board is an independent body composed of the various groups of participants in the National REDD Programme. Its prime function is to advise the Executive Board on policy issues. The Participants Board establishes the **Complaints Board**, which will receive complaints from participants and mediate a solution.
* **Internal Auditing Unit.** An internal auditing unit will verify that all payments are made according to the rules of the National REDD Fund and the direction of the Executive Board.
* **National Management Unit.** Responsible for day-to-day management of the National REDD Programme and Fund.
* **Provincial Management Unit.** Responsible for day-to-day management of the Provincial REDD Programme and Fund.

4.0 See the below figure for the relationship between the different bodies.

Figure 3: Organizational structure of the National REDD Programme.

#### Executive Board

The National REDD Programme and Fund will be governed by an Executive Board in order to ensure transparent, efficient and equitable operation of the Programme, distribution of funds in a REDD-compliant manner, integration with other government programmes and activities and compliance with national laws and regulations. The Executive Board is established by the Government of Viet Nam and will have members from MARD, MONRE, MPI and any other relevant Ministry or Agency. The Executive Board will have one representative of the Participants Board as full member.

The Executive Board will have the following specific responsibilities:

* Report to the Government of Viet Nam on the operation and operational result of the Programme and Fund.
* Ensure that the National REDD Programme is compliant with Government rules and regulations and that it aligns with other Government programmes and priorities.
* Establish policies to determine the level of payment for different eligible activities under the conditions prevalent in Viet Nam, taking the current policy context of the forestry sector in Viet Nam into consideration.

#### Participants Board

The Participants Board is the body representing the participants in the National REDD Programme. The Participants Board is composed of a number of constituencies representative of the participants, such as:

* Ethnic communities
* Community Forest Management groups
* Forest Companies
* Protected Area Management Boards
* Commercial forest owners
* Mass organizations, in particular the Farmer’s Union and the Women’s Union
* etc.

Each constituency has three representatives on the Board, chosen from their members for a term, the exact mechanism of which is to be established by the constituency. The Participants Board elects one of their members as representative on the Executive Board; this member cannot be a State employee.

The Participants Board advises the Executive Board on policy issues regarding the National REDD Programme and Fund. The Participants Board is an independent body that shall receive no direction from the Executive Board on its procedures or performance.

The Participants Board shall establish a Complaints Board where individual participants in the National REDD Programme can report a claim that remains unresolved after reporting at the provincial level. The Complaints Board is made up of member of the Participants Board. The Complaints Board will hear all parties involved in a complaint and decide upon a resolution. If the resolution is not implemented by the parties, the Complaints Board will report the case to the Participants Board who may decide on a further course of action. The Participants Board may refer the case to the Executive Board for final settlement. If the Executive Board does not come to a resolution that is agreeable to the parties involved in the dispute, the Participants Board has the right to forward the case to an external body for arbitration, if the UNFCCC establishes such a body.

#### Internal Auditing Unit

The Internal Auditing Unit will ensure that reporting by the MRV system and payments made by the National REDD Fund are compliant with national legislation and specific rules, regulations and directions as established by the Executive Board.

The Internal Auditing Unit is an independent body reporting directly to the Executive Board.

#### National Management Unit

The National Management Unit is responsible for day-to-day management of the National REDD Programme and Fund. It is established by the Executive Board.

The National Management Unit is responsible for:

* Ensuring the integrity of the National REDD Programme, in particular the information management systems and the National REDD Fund.
* Developing a national register of verified reductions and enhanced removals.
* Reporting to the Executive Board on the status of the Programme and Fund.
* Providing information to the Participants Board, upon request.
* Providing support to Provincial Management Boards on Programme management and implementation.
* Reviewing and approving of annual work plans provided by the provinces.
* Approving operational and transactional payments to Provincial REDD Funds, on the basis of annual work plans provided by the provinces.
* Organising international standard independent audits.
* Issuing annual reports, covering technical and financial performance of the National REDD Programme and Fund.
* Preparing estimates of anticipated payments in future years, on a three-year rolling basis.

#### Provincial Management Unit

In each participating province, the Provincial Peoples’ Committee will establish a Provincial REDD Management Unit. Similar to the structure and functioning of other Agencies in the province, the Provincial Management Unit falls under the authority of the PPC while it implements its program of work according to the instructions received from the National Management Unit of the National REDD Programme.

The Provincial Management Unit will be responsible for:

* Approving reports on verified reductions and enhanced removals from REDD+ activities in the province.
* Ensuring all Forest User Plans for new sites are fully compliant with established needs, fully respect guidelines on costs, and that the targets and payment schedules are fully integrated into district and provincial plans.
* Assuring payments are made to all participants in the approved manner, in particular performance payments in the form of services provided to a group of participants.
* Issuing annual reports on provincial fund performance.
* Annually, calculating the level of all transaction and operational costs at the provincial level.
* Preparing estimates of anticipated payments in future years, on a three-year rolling basis.

The Provincial Management Unit will be composed of members of the provincial forestry agencies, the Farmer’s Union, the Women’s Union and from organized ethnic communities.

### National REDD Fund structure and main functions

The National REDD Fund will receive proceeds from the sale of Certified Emission Reductions (CER) on the international market and apply these to operate the National REDD Programme.

The National REDD Fund will support four streams of financing:

1. Operational costs of government agencies at central and provincial level to manage the National REDD Programme.
2. Transaction costs of government agencies at provincial level to implement the National REDD Programme.
3. Participation payments to participants in the National REDD Programme, contingent upon their delivery of evidence of participation (e.g. submission of carbon assessment data, records of district authorities) into the MRV system.
4. Performance payments, contingent on reductions in emissions or enhanced removals, as determined by analysis of all available data in the MRV system. Performance payments can be direct to individual participants or in the form services delivered by the provincial authorities to groups of participants, in which case the payments will applied towards a goal that is acceptable to the group and contributing to improved forest management or reduced impact on the forest.

In order to streamline operations and achieve economies of scale all streams of finance will be managed from the central level. There are several advantages to this centralization:

* At the central level there will be professional computer infrastructure with all levels of security and operational management required of a system that manages and processes potentially hundreds of millions of dollars annually.
* The MRV system is located centrally and the National REDD Fund will integrate tightly with the MRV system on two levels:
	1. The MRV system will deliver the reports to the UNFCCC that will result in tradable CERs, yielding the international payments that feed into the National REDD Fund.
	2. The MRV system will provide evidence of the participation and performance of participants in the National REDD Programme and thus help determine the payments due to them[[19]](#footnote-20).
* Several criteria used in establishing levels of payments to participants depend on policy defined at the central level.
* Auditing of the payments made is easier in a single system than in 40 separate systems[[20]](#footnote-21).
* Demonstration of compliance with international rules on benefit distribution is easier with a single system.

### Provincial REDD Fund structure and main functions

The Provincial REDD Fund will manage those funds earmarked to the province. In particular this includes:

1. Operational costs of the province to manage the National REDD Programme.
2. Transaction costs of the province to implement the National REDD Programme.
3. Performance payments, contingent on reductions in emissions or enhanced removals, as determined by analysis of all available data in the MRV system, but only those that are in the form services delivered by the province to groups of participants, towards a goal that is acceptable to the group and contributing to improved forest management or reduced impact on the forest.

The body determining how performance payments will be made will have representatives from the mass organizations (in particular the Farmer’s Union and the Women’s Union) and the ethnic groups in the province.

### Interim REDD Fund

Given the legislative process in Viet Nam and the current issues to be investigated on Programme and Fund management before such legislation can be drafted, an interim arrangement may be necessary for the operation of Phase II. During this process payment on performance is not expected, but support must be provided for the following financial streams:

1. Operational costs of government agencies at central and provincial level to manage the National REDD Programme.
2. Transaction costs of government agencies at provincial level to implement the National REDD Programme.
3. Participation payments to participants in the National REDD Programme, contingent upon their delivery of evidence of participation (e.g. submission of carbon assessment data, records of district authorities) into the MRV system.

An Interim REDD Fund has to be established to administer these financial streams while the National REDD Fund is established formally. A number of modalities for interim fund management can be identified, each having their merits and drawbacks. Given the difficulties of comparing the options, their relative performance and consequences – e.g. accountability, overhead costs, legal status – these are not further developed here, but the three parties to an agreement based on this proposal – Government of Viet Nam, Government of Norway and the United Nations Agencies – are encouraged to seek a mutually agreeable solution.

1. The number in the margin of the paragraph indicates in which version of the proposal the paragraph was last updated. Paragraphs in red font require further updating. [↑](#footnote-ref-2)
2. Viet Nam’s Readiness Project Identification Note (R-PIN) was approved in July 2008. [↑](#footnote-ref-3)
3. Government of Viet Nam, 2003: ”Comprehensive Growth and Poverty Reduction Strategy”. Approved by the Prime Minister in Document No. 2685/VPCP-QHQT, dated 21 May 2002, and in Document No. 1649/CP-QHQT, dated 26 November, 2003. [↑](#footnote-ref-4)
4. “Promoting sustainable management of forests and woodlands”, online at http://www.fao.org/forestry/sfm/en/. [↑](#footnote-ref-5)
5. Add a reference [↑](#footnote-ref-6)
6. After Bao Huy, 2007: “Community Forest Management (CFM) in Viet Nam: Sustainable Forest Management and Benefit Sharing”, FAO, Bangkok. [↑](#footnote-ref-7)
7. Reference needed. The statistics on forest cover need updating. [↑](#footnote-ref-8)
8. Government of Viet Nam, “Policy for Payment for Forest Environmental Services”. Decree 99/2010/NĐ-CP, adopted 24 September 2010. [↑](#footnote-ref-9)
9. Add reference to ICRAF Dak Nong study [↑](#footnote-ref-10)
10. Include reference [↑](#footnote-ref-11)
11. Insert reference [↑](#footnote-ref-12)
12. Ministry of Agriculture and Rural Development, “Community forestry pilot program 2006-2007”. Decision No: 1461/QD -BNN- HTQT dated 5 June 2006. [↑](#footnote-ref-13)
13. This stratification must not be confused with the stratification which is considered *good practice* by the IPCC Good Practice Guidance from 2003. Stratification in eco-region applies to the *potential* forest cover in Viet Nam, while the IPCC refers to *actual* forest cover and management. Stratification in eco-regions is nonetheless very relevant because it will yield more homogeneous units in terms of response to interventions and options available for implementation. [↑](#footnote-ref-14)
14. In the current texts for REDD being discussed at the UNFCCC a number of “safeguards” is identified that countries are required to monitor and report upon. One of these safeguards refers to the displacement of emissions. Given that the Government of Viet Nam has indicated that the National REDD Programme will encompass the entire territory of Viet Nam, displacements automatically refer to displacements towards other land use categories and neighbouring countries. [↑](#footnote-ref-15)
15. It is not yet possible for Viet Nam to establish the fully compliant National REDD Fund – there are too many unknowns pending decisions to be taken by the Conference of the Parties to the UNFCCC. In addition, given the characteristics of the legislative and regulatory process in Viet Nam it may take more than two years to establish the appropriate legal environment of the National REDD Fund. [↑](#footnote-ref-16)
16. If there has not been sufficient international progress, it is expected that additional interim funding for REDD+ activities in Viet Nam will be available. [↑](#footnote-ref-17)
17. www.undg.org/archive\_docs/3642-Finalized\_Guidance\_Note\_on\_Joint\_Programming\_\_complete\_.doc [↑](#footnote-ref-18)
18. Inclusive of 3 International Experts for 48, 48 and 36 months [↑](#footnote-ref-19)
19. Participation should here be taken in a liberal sense. It may refer to natural persons (households holding leases to forest land), to groups (in community forest management) or legal entities (e.g. State Forest Companies). Participation may also be staged, e.g. households managing forest land on behalf of a State Forest Company. The National REDD Fund will include safeguards to ensure that payments do reach those people that actually participate in forest management and carbon assessment activities. [↑](#footnote-ref-20)
20. Of the 58 provinces and 5 urban authorities, about 40 provinces have appreciable forest cover and are thus likely to participate in the National REDD Programme. [↑](#footnote-ref-21)