

Annual Joint Programme Progress Report

Country/Global	Viet Nam
Title:	UN-REDD Viet Nam Programme
Reporting Period	01 Oct - 31 Dec 2009
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Submitted by/contact information	

I. PURPOSE

1.1. Programme's objectives:

The long-term objective of the UN-REDD Viet Nam Programme is to assist the Government of Viet Nam in developing an effective REDD regime in Viet Nam and to contribute to reduction of greenhouse gas emission and climate change.

The specific objective of the Programme is to strengthen institutional and technical capacity of relevant MARD's organizations at Central and local levels to ensure that by the end of 2012 Viet Nam is REDD-ready and able to contribute to reducing emissions from deforestation and forest degradation.

The success of UN-REDD Programme in Vietnam will contribute to the following One UN Plan Outcome and outputs:

Outcome 3: Economic growth takes into account environmental protection and rational use of natural resources for poverty reduction under the following specific outputs:

- Output 3.1: Capacities and systems for enhanced oversight by national and local legislative bodies on the implementation of the Strategic Orientation on Sustainable Development (SD), National Strategy on Environmental Protection and various other national environmental laws and policies

- Output 3.2: Sustainable development and environmental legal frameworks, strategies, policies and long-term plans developed with broad participation of local people and stakeholders and in line with international environmental conventions
- Output 3.3: Improved institutional mechanisms and capacities for action planning and implementation to ensure that environmental concerns are integrated with poverty reduction and economic growth.

1.2. Programme Component

The programme' interventions are designed in three components:

- Component 1: Improve technical and institutional capacity for national coordination to manage REDD activities in Viet Nam
- Component 2: Improve Capacity to manage REDD and provide other Payment for Ecological Services at district-level through sustainable development planning and implementation
- Component 3: Establish cooperation on information and experiences sharing on REDD implementation in the Lower Mekong Basin, especially among the four countries selected under the FCPF (Vietnam, Lao PDR, Cambodia and Thailand).

1.3. Implementation arrangements

National Implementing Partner: The Ministry of Agriculture and Rural Development (MARD) is selected as the National Implementing Partner of this Programme, following the Prime Minister's approval of the Programme Document in 20th July 2009. The MARD carries overall accountability for the programme to the GoV and to the UN agencies.

The UN partners: The MARD are partners with three UN Agencies namely: i) the Food and Agriculture Organization (FAO)); ii) the United Nations Environment Programme (UNEP)) and iii) the United Nations Development Programme (UNDP).

II. RESOURCES

Outcomes	FAO (\$)	UNDP (\$)	UNEP (\$)	Total
1. Improved institutional and technical capacity for national coordination to manage REDD activities	616,000	961,803	89,600	1,667,403
2. Improved capacity to manage REDD and provide other payment for	739,100	1,290,800	90,600	2,120,500

ecological services at district-level into sustainable development planning and implementation				
3. Improved knowledge of approaches to reduce regional displacement of leakage	225,100	84,900	-	310,000
Sub-total	1,580,200	2,337,503	180,200	4,097,903
Indirect Support Cost (7%)	110,614	163,625	12,614	286,853
Grand total (\$)	1,690,814	2,501,128	192,814	4,384,756

III. RESULTS

The following sections provide information on the Programme result in the reporting period from the 1 October to 31 December 2009.

3.1. Assessment of the Programme during the reporting period

3.1.1. Overall assessment

The programme's progress and achievement is satisfactory. This assessment is based on major achievements which are highlighted as below:

- There has been significant exposure of the Programme to international and national stakeholders. This has been achieved in part through two Inception workshops at the national and provincial levels, involving a wide range of stakeholders, from international donors and organizations, local and international NGOs, and state agencies. In addition, a short documentary on the REDD situation in Vietnam was also shown at the COP15 side event hosted by the Vietnamese Delegation to COP15.
- The Programme also completed the initial draft of a 190-page report on a REDD benefit distribution system. The Executive Summary Report, outlining priority policy recommendations for Vietnam, was circulated at CoP15.
- The programme was also able to make the National REDD network functional. Inputs from the Network members to the Vietnam National Report to COP15 were highly appreciated by the Government of Viet Nam.
- On operational aspects, the programme structure and management capacity were quickly established within a month or so. At present, the Vietnam UN REDD team are at nearly full capacity

The details of assessment are shown in the Annex I. Major reasons for the shortcomings are:

- The targets set (in the Programme Logical Framework) have not been adjusted and so were realistic by the time the programme actually started, in October.
- There was a need to adjust the timeframe for some activities in the 2009 Annual Work Plan (Activity 1.2; Activity, Activity 1.3, and Activity 3.1) based on a

judgment that it was more appropriate that the scope of these activities need to take into account the outcomes of the COP15 on REDD so that they would be better off to start in 2010.

3.1.2. Main activities undertaken and achievements

Component 1: Improve technical and institutional capacity for national coordination to manage REDD activities in Viet Nam

a. The national programme inception workshop:

The programme was officially launched in mid September 2009 with a 3-day national inception workshop in Hanoi involving 90 Participants representing government agencies, the UN agencies, local and international NGOs. Objectives of the workshop were (i) to ensure that all stakeholders are aware of the UN-REDD programme, its structure and objectives, and of arrangements for its implementation (ii) to review and, if necessary, revise the annual work plan and budget allocations. The outputs of the workshop were (i) harmonized implementation arrangements with a number of agreed principles including using Harmonized Approach to Cash Transfer (HACT) to allocate funding to PMU, simplified administration by single interlocutor, using common planning and reporting tools and agreed on timeframe and common arrangements for typical implementation activities including recruitment, procurement, travel and workshop (ii) agreed annual work plan for 2009.

During the 1st day of the workshop, representatives of the PMU and three participating UN Agencies discussed and agreed harmonized implementation arrangements for the Programme which have been fully reflected the inception report.

On the 2nd day, the PMU and representatives from Lam Dong province (the pilot province for UN-REDD), and of the three participating UN Agencies discussed in detail the development of a workplan and budget for the first quarter of implementation (2009/Q4), and advance planning for the annual workplan and budget for 2010.

The full session of the National Inception Workshop was held on the 3rd day with a broad range of stakeholders. The National REDD Network and Technical Working Group was also officially launched during the morning session. The overall approach to UN-REDD was discussed in the morning session, followed by a more detailed debate, in the afternoon, on plans for each of the three proposed Outcomes, focusing in particular on opportunities for collaboration with other partners, and appropriate timing of different activities.

b. Support to Operationalization of the National REDD Network and Technical Working Group.

The National REDD Network was established on the 16th September 2009. It is an open-ended and broad-based stakeholder forum chaired by Government, and co-

chaired by the donors' representative. Under the REDD Network, a Technical Working Group shares knowledge and information regarding REDD technical aspects.

To date, the Technical Working Group has conducted 2 meetings to consult and provide inputs to the Vietnam Report to COP 15 and establishment of an interim REL.

c. A study to develop the REDD Benefit Distribution System

The UN-REDD programme supported an analysis of:

- Elements of a REDD-compliant benefit distribution system;
- Constraints or barriers that currently prevent such a system being established in Viet Nam;
- Policy options to overcome existing constraints or barriers; and
- A work programme to implement policy options and to undertake additional analyses, where required.

As a result of field work, consultations and literature review over the period September-November, 2009, the key elements of a REDD-compliant benefit distribution system and policy actions required to establish such a system have been identified (see Box 1).

Box 1: Priority Policy Recommendations on REDD readiness

1. Development of a comprehensive legal framework for REDD in Vietnam, which should follow a period of piloting of critical elements in a number of provinces.
2. Creation of a dedicated REDD fund (or a REDD sub-fund of an existing fund) to receive REDD revenues from international sources.
3. Confirmation of sub-national levels at which REDD+ revenues should be managed.
4. Institutions to be involved in monitoring of REDD+ interventions and actions.
5. Principles guiding revenue retention by government.
6. Local payment levels and payment structuring.
7. The types of forestland owners eligible to receive REDD+ benefits.
8. Strengthened law enforcement for a performance-based distribution.
9. The principle of participatory monitoring.
10. Design of a socially acceptable recourse mechanism.

The report further recommends that piloting of various measures required to create a REDD-compliant Benefit Distribution System should be undertaken in a small number of provinces for a period of at least two years. Such piloting would examine, *inter-alia*, cost-effective approaches to participatory monitoring of emission reductions, REDD interventions, and benefit distribution; participatory approaches to payment structuring; and assessment of costs associated with implementing such a system. This would lead to a Decree, which would formally establish a REDD fund with a participatory governance structure; clarify rights and responsibilities of REDD stakeholders; and establish principles and guidance for local payment structuring arrangements.

The 10 main policy recommendations from the study were presented at the side event of Vietnam Government in COP 15, Copenhagen, Denmark.

d. Reference emission level (REL)

Tangible progress on REL establishment was not made during this quarter, due to the decision made by DoF and members of the sub-technical working group on REL establishment that further progress should await deliberations from the COP 15 meeting. Nevertheless, through the recruitment of a programme officer at FAO, the UN-REDD programme actively participated in meetings with the sub-technical working group on RELs to plan out coordination among other projects and studies, and also prepared for commencement of activities under this Output, by preparing for the hiring of an international consultant for review of methodologies for establishing RELs. The consultant's work has commenced, as of January 2010, for six weeks, on a "when-actually-employed" (WAE) basis.

Component 2: Improve Capacity to manage REDD and provide other Payment for Ecological Services at district-level through sustainable development planning and implementation

a. Conduct local Inception workshop in Lam Dong:

A local inception workshop and field visit of UN Head of Agencies (HoA) to the programme site was organized at the programme site in Lam Dong province. The objective of the workshop/site visit were (i) to ensure that local stakeholders are aware of the UN-REDD programme, its structure and objectives, and of arrangements for its implementation (ii) to ensure that local stakeholders are aware of activities to be undertaken in Lam Dong; and understand their role of involvement in the UNREDD programme activities; (iii) to visit field site and exchange views with local people; and (iv) to promote programme visibility by producing a documentary film of about 20 minutes; with a shorter 7 minute clip for COP 15 in Copenhagen December 2009 (side event).

Field visit in Lam Dong province

The HoA delegation consisting of UNDP Country Director, Norwegian Ambassador, FAO Representative, UNEP ROAP Coordinator and many other members paid a visit to field sites in Lam Ha district. The delegation had a working session with Lam Ha DPC; visited the sites; and exchanged information with communities in Phuc Tho and Tan Thanh communes. They were briefed about the status of the forest, forest activities and how local people are reacting on natural resources in the two communes.

The delegation have been met with two typical households and discussed their family activities, forest activities and point of view on respective government policies on forest protection, forest allocation and payment for forest protection; their expectations on payment; as well as recommendations on how to better protect the forest and help local people to sustain their livelihood so that deforestation is reduced.

The delegation also had chance to experience on site the situation of deforestation and

forest protection in these two communes.

Workshop

The inception workshop in Lam Dong took place with about 40 local participants from relevant agencies, local NGOs and mass organizations and mass media. During the plenary discussion, the following points were discussed: (i) criteria for selection of REDD pilot districts (ii) mainstreaming REDD into district land use planning (iii) benefit sharing from REDD income and (iv) discussion on a change of pilot district.

Criteria to be used in selection UN-REDD pilot districts are (i) high proportion of forest land (ii) significant areas of degraded and deforested land (iii) low opportunity costs for alternative land uses; and (iv) significant proportion of ethnic minorities.

Regarding mainstreaming REDD in district land use planning, the available district land use plans need to be reviewed and potential REDD benefits calculated to integrate REDD into planning.

The replacement of one pilot district (previously Lam Ha and Lac Duong districts were selected for pilot districts) has been made and Lam Ha and Di Linh districts are recommended by the representatives of Lam Dong province. The justification for replacing Lac Duong with Di Linh is that it contains a large area of forest and forests have been allocated and contracted to local people and communities.

As for benefits from REDD, communication with local people should also focus on the fact that their living standards need to be improved; but it should also be recognized that REDD payments might be low and not attractive enough for them to commit to action to reduce emissions. Here again opportunity costs should be carefully analyzed.

The central and local governments are absolutely willing to commit the programme implementation, however to get communities' commitment, their financial benefits should be carefully considered and taken into account.

Film on REDD

In cooperation with UN agencies and with special support from the UN communication unit and UNEP ROAP, a short video film on Vietnam REDD has been developed and shown at the side event of Vietnam in COP 15 in Denmark. The film reflected (i) the impact of climate change in Vietnam (ii) the role of forests and efforts of the forest sector to respond to climate change – key achievements and constraints (iii) the UN-REDD programme in Viet Nam; and (iv) the strong commitment of the Government, as well as UN counterparts in UN-REDD programme implementation. A longer version will also be finalized to share with public audiences and this will serve as a good communication tool to promote the visibility of the programme throughout the implementation process.

b. Free Prior Informed Consent

As UN Agencies are obliged to adhere to the provisions of the UN Declaration on the Rights of Indigenous Peoples, all UN-REDD activities on the ground in Lam Dong province need to be based on the principle of Free, Prior, Informed Consent. A proposal for securing FPIC (or otherwise) has been developed.

3.1.3. Implementation constraints, lessons learned

A critical issue that requires immediate attention for effective and timely implementation of the project is the completion of HACT assessments. Currently, the micro-assessment for DoF/MARD has not been completed, complicating money transfers from UN agencies to the PMU (in reality, UNDP has transferred cash using its National Execution scheme). According to the UNDP country office, the micro-assessment results will be made available by mid-January 2010.

3.1.4. Key partnerships and inter-agency collaboration

The programme is in discussion with various national and international partners such as SNV, GTZ, RECOFTC, JICA and Finland Embassy for collaboration in training/awareness raising activities as well as the development of interim REL.s/RLs.

IV. FUTURE WORK PLAN

4.1. Key activities in 2010

1. Strengthening national coordination mechanism.
2. Endorsement of methodology for interim RELs and establishment of sub-national REL. (Central-highlands)
3. Development of Framework National REDD Strategy.
4. Finalization of benefit distribution system.
5. Support local government in development of district-level forest land-use plan mainstreaming REDD potential (period 2010-2020).
6. Development of Participatory C-stock monitoring system.
7. Development of awareness raising strategy and action plan and conduct awareness activities at district and local levels.
8. Packaging lessons learned into information materials and development of communication materials.
9. Report of quantification of regional “displacement of emissions” risk and Regional Dialogue on “displacement of emissions” risk.

4.2. Estimated budget required for 2010

Outcomes	FAO (\$)	UNDP (\$)	UNEP (\$)	Total
1. Improved institutional and technical capacity for national coordination to manage REDD activities	458,450	794,000	34.700	1.358.700
2. Improved capacity to manage REDD and provide other payment for ecological services at district-level into sustainable development planning and implementation	152,640	472.000	78.000	807.580
3. Improved knowledge of approaches to reduce regional displacement of leakage	192,375	55.000		258.520
Programme Management		242.000		242.000
Total (\$)	803,465	1.563.000	112.700	2,666,800

V. FINANCIAL IMPLEMENTATION

Participating UN Org.	Total Transferred Up to 31 December 2009	Cumulative Up to 31 December 2009 ACTUALS	
		Commitments *	Disbursements **
FAO	314,580	99,000	26,879
UNDP	2,501,128	516,331	442,866
UNEP	192,814	22,000	9,597

Annex I: Assessment of the Programme Progress against the Targets

Result	Key activities in 2009	Selected Indicator	Baseline	Proposed target	Assessment of the progress
<p>Objective: To assist the Government of Viet Nam in developing an effective REDD regime in Viet Nam and to contribute to reduction of regional displacement of emissions</p>		<ul style="list-style-type: none"> • A national REDD Programme which is endorsed by the GoV and other REDD Network members • Regional dialogue to avoid displacement of emissions is started up 	<ul style="list-style-type: none"> • No system in place • No dialogue 	<ul style="list-style-type: none"> • By the time of COP-15, Viet Nam is able to demonstrate components of an effective and equitable national REDD regime 	<p>The project is on track toward its set of objectives.</p> <p>On the substantive dimension of the programme: UN REDD programme has presented initial results at the COP15</p> <p>On the Operational issues, the implementation structure is established, and PMU capacity is nearly complete.</p>
<p>Outcome 1: Improved institutional and technical capacity for national coordination to manage REDD activities in Viet Nam</p>					

Result	Key activities in 2009	Selected Indicator	Baseline	Proposed target	Assessment of the progress
Outputs:					
1.1. National coordination mechanism	<ul style="list-style-type: none"> - Support the REDD network /technical working group Support Vietnam Delegation to COP15 	<ul style="list-style-type: none"> • Establishment of system 	<ul style="list-style-type: none"> • Proposal for “interim working group” exists 	<ul style="list-style-type: none"> • By the end of April 2009 the interim working group is operational 	<p>Fully achieved. The REDD network was established and functional.</p> <p>The technical working group of REDD network meet regular and provided technical inputs for the Vietnam report to COP15 presented in Copenhagen in December 2009</p>
1.2. National reference scenario for REDD	Recruit international expert to conduct study	<ul style="list-style-type: none"> • National capacity for RELs establishment • Establishment of national and sub-national RELs (for Central-highlands) 	<ul style="list-style-type: none"> • REDD reference scenario team not yet identified • Methodology for an interim REL is not yet analyzed • No scenario exists 	<ul style="list-style-type: none"> • By Dec 2010 REDD reference scenario team is well-trained • By Dec 2010 Multi-stakeholder endorsed interim reference scenario developed 	<p>Partially achieved</p> <p>International expert was recruited and on board in December 2009.</p>

Result	Key activities in 2009	Selected Indicator	Baseline	Proposed target	Assessment of the progress
1.3. Framework National REDD Program (Strategy)		<ul style="list-style-type: none"> • Baseline analysis on governance and policy for REDD • Structure of national REDD programme • Information gap analysis 	<ul style="list-style-type: none"> • No integrated analysis • No structure exists • Gaps only known in general terms 	<ul style="list-style-type: none"> • By the end of September 2009, an analysis of governance and policy for REDD is completed • By the end of June 2009 a structure for the national REDD programme is endorsed by the coordinating mechanism • By the end of 2010 information gaps have been identified and a work plan to fill them prepared 	<p>Unachieved.</p> <p>It was agreed among all partners of the UN REDD programme that, as the REDD future will be clearer after COP15, thus, it is worth to wait until COP15 result. Implication of COP15 results on REDD will be carefully analysed and taken into account for development of the National REDD strategy</p>
1.4. Performance-based, transparent benefit sharing payment system from national to local levels	<ul style="list-style-type: none"> - Conduct Analysis of existing payment system - Organize workshop to secure 	<ul style="list-style-type: none"> • Stakeholder satisfaction with payment system, monetary or in-kind benefits in target communities of a magnitude that could influence on decision- 	<ul style="list-style-type: none"> • No REDD system, but Programme 661 system provides model 	<ul style="list-style-type: none"> • By the end of 2010, a payment system has been developed that meets the expectations of all stakeholders and 	<p>Achieved</p>

Result	Key activities in 2009	Selected Indicator	Baseline	Proposed target	Assessment of the progress
	stakeholders endorsement	making		beneficiaries	
1.5. Communications materials for sharing lessons internationally	- Develop a video clip for COP15 Presentation	• Production of communications materials	• No materials	• By the end of 2009, at least 2 knowledge products have been disseminated internationally (specifically during COP-15)	Fully Achieved. - A short documentary was prepared on REDD pilot site in Lam Dong. - A Consolidated Summary of the study on REDD benefit Distribution System was presented at COP15
Outcome 2: Improved Capacity to manage REDD and provide other Payment for Ecological Services at district-level through sustainable development planning and implementation					
Outputs:					
2.1. District-level forest land-use plan	None of activities are	• District socio-economic	• Local plans do not include REDD	• By the end of 2010 a multi-	Unachieved

Result	Key activities in 2009	Selected Indicator	Baseline	Proposed target	Assessment of the progress
mainstreaming REDD potential	implemented	development plan with REDD priorities identified		stakeholder endorsed socio-economic development plan has been developed that incorporates status and trends of forest cover and identifies economically-viable at risk areas	Local official in Lam Dong was sensitized about the need and importance of mainstreaming REDD into local land use plan.
2.2 Participatory C-stock monitoring	(not yet commenced)	<ul style="list-style-type: none"> • Establishment of a methodology • Training of local institutions 	<ul style="list-style-type: none"> • Several methodologies are being piloted • No local institutions trained in Lam Dong 	<ul style="list-style-type: none"> • By Sept 2010 - Methods for participatory C-stock monitoring are established and local institutions are able to carry out exercises 	N.A.
2.3. Equitable and transparent benefit sharing payment systems	Conduct analysis of strength and weakness of the existing	<ul style="list-style-type: none"> • Stakeholder satisfaction with payment system, monetary or in-kind benefits in target 	<ul style="list-style-type: none"> • No REDD payment system, but forest protection system provides a model 	<ul style="list-style-type: none"> • By the end of 2010, a payment system has been developed that meets the 	<p>Fully Achieved</p> <p>The analysis of the existing payment system was completed.</p>

Result	Key activities in 2009	Selected Indicator	Baseline	Proposed target	Assessment of the progress
	payment system (with IUCN)	communities of a magnitude that could influence on decision-making		expectations of all stakeholders and beneficiaries	As a result, two policies recommendations was shared with stakeholders and will be developed in full policy document.
2.4. Awareness raising at district and local levels		<ul style="list-style-type: none"> Level of awareness among local stakeholders (including ethnic minorities and forest dependent communities) 	<ul style="list-style-type: none"> Stakeholders unaware of REDD 	<ul style="list-style-type: none"> By the end of 2010, stakeholders in pilot districts are aware of REDD and potential benefits 	<p>Partially Achieved</p> <p>At least 30 local participants attended the inception workshop in Lam Dong</p>
Outcome 3: Improved knowledge of approaches to reduce regional displacement of emissions					
Outputs:					
3.1. Quantification of regional “displacement of emissions” risk	(not yet commenced)	<ul style="list-style-type: none"> Quantitative data and analysis is produced 	<ul style="list-style-type: none"> Magnitude of problem understood primarily in qualitative terms 	<ul style="list-style-type: none"> By the end of 2010 - an analysis providing quantitative estimates of 	<p>Not Applicable.</p> <p>However, the Report on Timber Movement cross Laos – Vietnam border was collected</p>

Result	Key activities in 2009	Selected Indicator	Baseline	Proposed target	Assessment of the progress
				regional displacement of emissions risk has been produced and increased understanding of cross-border commodity chains	and shared across
3.3 Analysis of opportunities for linkage with non-REDD initiatives to reduce cross-border flow of illegal timber	(not yet commenced)	<ul style="list-style-type: none"> • A work plan for linkages with non-REDD initiatives 	<ul style="list-style-type: none"> • Linkages are not yet established/identified 	<ul style="list-style-type: none"> • By Dec 2010 - Potential for collaboration between REDD and FLEG/T in reducing regional leakage identified 	N.A.