



Annual Report Viet Nam Programme

31 December 2011

1. National Programme Status

1.1 National Programme Identification

Country: Viet Nam

Title of programme: The UN-REDD Viet Nam Programme

Date of submission: 9 March 2009

Start date¹: 15 October 2009

End date: 31 December 2011

No-cost extension requested²: 30 June 2012

Implementing partners³:

The Ministry of Agriculture and Rural Development (MARD)

Viet Nam Administration of Forestry (VNFORD)

Financial Summary (USD)			
UN Agency	Approved Programme Budget ⁴	Amount transferred to date	Cummulative Expenditures up to 31 December 2011 ⁴
FAO	1,690,814	1,690,814	785,256
UNDP	2,501,128	2,501,128	2,230,666
UNEP	192,814	192,814	160,161
Total	4,384,756	US\$ 4,384,756	3,176,083

Electronic signatures by the designated UN organization focal points ⁵			Electronic signature by the Government Counterpart
FAO	UNDP	UNEP	
 Yuriko Shoji FAO Representative, Vietnam		Thomas Enters UN-REDD Regional Coordinator UNEP, ROAP	 Pham Minh Thoa National Project Director

¹ Date of signature on the National Programme Document

² If yes, please provide new end date

³ Those organizations either sub-contracted by the Project Management Unit or those organizations officially identified in the National Programme Document as responsible for implementing a defined aspect of the project

⁴ Disbursement and commitments combined

⁵ Each UN organisation is to nominate one or more focal points to sign the report. Please refer to the *UN-REDD Programme Planning, Monitoring and Reporting Framework* document for further guidance

1.2 Monitoring Framework

Expected Results (Outcomes)	Indicators	Baseline	Overall National Programme Expected Target	Achievement of Target to Date	Means of Verification	Responsibilities	Risks and Assumptions	Comments
Goal: By the end of 2012 Viet Nam is REDD-ready and able to contribute to reducing emissions from deforestation and forest degradation nationally and regionally								
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								
Outcome 1: Improved institutional and technical capacity for national coordination to manage REDD activities in Viet Nam								
1.1. National coordination mechanism established	- Establishment of system - Government staff in MARD, MONRE and MPI coordinate REDD+ activities and negotiations	- Proposal for "interim working group" exists - Limited knowledge in GoV on REDD+	- National REDD Network and Working Groups develop position papers for GoV on key issues of National REDD+ Program and UNFCCC and IPCC negotiations - Staff in MPI, MARD and MONRE hold regular joint meetings to coordinate activities and develop joint negotiation positions	Cumulative achievements: Supported by the UN-REDD Programme, the National REDD Network was established in 2009, and had two Sub-Technical Working Groups (STWG) - MRV and Local Implementation - quickly up and running. A website dedicated to serve the Network was launched in 2010. Achievements this reporting period: 2011 saw the establishment of three new STWGs (i.e. Benefit Distribution System, Private Sector Engagement and Governance on REDD+). The groups prepared and presented policy recommendations for the National REDD+ Programme and for REDD+ in two Network meetings, one 10 May and one 15 December. The National REDD Website was upgraded to a more user-friendly version. The website can be accessed at: vietnam-redd.org Due to increased attention to REDD+, among others caused by sensitization of VNFOREST staff as well as provincial staff through awareness rising activities organized by UN-REDD, the Prime Minister decided on 7 January through decree 39/QĐ-BNN-TCCB to set up a cross-ministerial Steering Committee on REDD+, with participation from key ministries and government agencies. The same decree also established a National REDD+ Office with permanent staff to support the coordination of REDD+ activities in Vietnam.	Reports; interviews with key government and development partner officials. All minutes of Network meetings and STWG meetings are on the REDD+ Viet Nam web-site	UNDP	Commitment from all partners Institutional relationships with other initiatives, especially the FSSP are resolved	Addressing risks and assumptions: The PMU has temporarily taken over the Secretariat role of the National REDD Network from the Forest Sector Support Partnership (FSSP). This has ensured more dedication to Network exchange and coordination. A joint GoV/UNDP monitoring mission underlined the importance of cross-ministerial coordination, and suggested follow-up actions to be addressed by the Government.

Expected Results (Outcomes)	Indicators	Baseline	Overall National Programme Expected Target	Achievement of Target to Date	Means of Verification	Responsibilities	Risks and Assumptions	Comments
1.2. Data and information for national REL/RL for REDD+ available	- Forest ecological classification and stratification system for Vietnam adopted. - National circumstances - Understanding of REDD+REL/RL development by staff at relevant national institutions - Stakeholder consultation of REL/RL methodology	8 “agro”-ecological zones are applied for forestry - No national circumstances have been identified - There is little knowledge on REL/RL development with staff of relevant national institutions - Consultation on data sources and methodologies conducted	- By March 2011 an ecological stratification mechanism has been proposed - By June 2012, a set of “National circumstances” have been identified - By June 2012, there is a core group of national technical staff trained on REDD+ REL/RL (based on collaborative engagement with JICA study etc.) and have acted as resource persons in the STWG- MRV - By June 2012, REL/RL methodologies will have been consulted with key national technical agencies.	Review of methodologies for establishing RELs/RLs and RS and selection of a suitable method for national circumstances has been conducted to identify options for the establishment of reference levels⁶ for reduced deforestation and forest degradation and enhanced carbon stocks under the REDD+ mechanism of the UNFCCC. Some applicable proposals in establishing reference levels in accordance with UNFCCC current status and available IPCC guidance, with emphasis on capacities, data and options, have been made available such that Viet Nam has collaborated with other partners (Finland and JICA) in REL development. With the support from the Embassy of Finland, all forest maps and field-measured data for 1990, 1995, 2000, 2005 and 2010 were digitized in 2010 for Lam Dong Province. An interim national REL was proposed. The JICA Study is now validating forest maps for 1995 and 2005, and then they will be used for improving the interim REL. The data validation is expected to be completed by the end of 2011. Vietnam with the assistance of JICA made a presentation at the SBSTA side meeting during COP17 in Durban, to introduce the developments on REL/RL developments and options for SBSTA consideration. A study on ecological stratification has been completed. The study would include three main results on forest eco-region research: classified eco-region system, from which Viet Nam's territory is divided into two areas, 8 regions and 40 sub-regions; set of criteria and indicators of forest ecological stratification; map of forest ecology. The stratification system, based on ecological regions, is particularly useful to develop REL and further implement MRV whereby forest strata need to be accounted for as initial input data. The report has been posted on website at : vietnam-redd.org	Reports Maps Surveys Staff records Financial reports Joint agreements and reports	FAO	Viet Nam prioritizes and resources for the process adequately Participating agencies in Viet Nam committed to developing the RS Methodological support from partners is available Sufficient data is available to develop an ecological stratification	Targets has been included those revised based on the Log frame revision carried out in August 2011. These targets to be attained beyond the reporting period

6. The term *reference level* is here used in its generic form. It includes all variants of it, in particular also *reference emission levels*, whether they are retrospective or prospective. Section **Error! Reference source not found.** gives an overview of the different contexts in which a reference level can be used.

Expected Results (Outcomes)	Indicators	Baseline	Overall National Programme Expected Target	Achievement of Target to Date	Means of Verification	Responsibilities	Risks and Assumptions	Comments
				Regarding National Circumstances, that there is no progress to date, as qualified international consultants could not be recruited, and that this may need to be revisited at later date (including in Phase 2).				
1.3. Framework National REDD+ Program (Strategy)	- Baseline analysis on governance and policy for REDD+ - Structure of National REDD+ Program - Information gap analysis - Draft Framework document	- No integrated analysis - No structure exists Gaps only known in general terms	- By March 2011 a structure for the National REDD+ Program is endorsed by MARD - By the end of June 2011 a draft document ready for presentation to the Government	Cumulative achievements: Drafting of the National REDD Programme started mid 2010 and is expected to be finalized in 2012. Achievements this reporting period: A report on the possible content of the NRP was submitted to VNForest in February. This was not intended to constitute a draft NRP, but served as background information for NRP development. Subsequently there were consultations on the NRP with the National REDD Network in May, and based on comments made by the stakeholders a draft was prepared by a team of national consultants. After internal consultations, the document was released in November to the Network. With continued support from UN-REDD in the drafting, nationwide consultations will follow in 2012, after which the NRP is expected to be ready for Prime Minister's signature. Draft framework and decision can be viewed at www.vietnam-redd.org.	Reports	UNDP	Coordination mechanism works effectively	It is critical that the document goes through consultations with stakeholders at all levels before being submitted for Government approval in 2012. Addressing risks and assumptions: Coordination between GoV agencies is critical. To solve coordination challenges both awareness raising on REDD+, targeting key staff for REDD+ related topics in other ministries as well as joint activities with UNDP projects in other ministries are helpful.
1.4. Performance-based, transparent benefit sharing payment system from national to local levels	Stakeholder satisfaction with payment system, monetary or in-kind benefits, in target communities of a magnitude	No REDD+ system, but Program 661 system provides model	By the end of 2011, a payment system has been developed that meets the expectations of all stakeholders and beneficiaries	Accumulative achievements: A comprehensive BDS study was completed in 2010 that presented 17 policy recommendations for consideration. Further follow-up studies have been completed to lay the basis for a legal decision. Achievements this reporting period:	Survey Operation of the MRV system for assessing perform	UNDP	Stakeholder views are not too divergent A mechanism can be designed	Output 1.4 and output 2.3 are very much interlinked. Funds under this output have also been merged with 2.3 to undertake BDS Consultations and BDS piloting. Much effort has been put

Expected Results (Outcomes)	Indicators	Baseline	Overall National Programme Expected Target	Achievement of Target to Date	Means of Verification	Responsibilities	Risks and Assumptions	Comments
	that could influence decision-making • Payment system based on performance indicators • Decision on the suitability of the FCPF to manage the National REDD+ Fund	• No system exists that objectively applies performance indicators Dfd	• By June 2011 an assessment has been made on making the National REDD+ Fund a sub-fund of the FPDF nationally and provincially	• Managed by UN-REDD, consultation activities with both local communities and provincial stakeholders in Lam Dong and Bac Kan provinces on the set-up of a BDS started in December. Simultaneously, a BDS Piloting exercise in which local communities participate in a simulation game of a future BDS, started in Lam Dong October 2011. A framework for the assessment of R-factors was also designed. The recommendations from these exercises are expected to inform a principal Decision to implement Decree 99 on Payments for Forest Ecosystem Services. • As part of the drafting process for the Phase 2 proposal, research has been done on the Forest Protection Development Fund and how it could be relevant for the set-up of the National REDD+ Fund.	ance Phase 2 proposal		that is relatively immune to corruption Addressing risks and assumptions: As was anticipated, some of the slow progress on the development on BDS is due to diverging views from many stakeholders. It's important get a broad consensus on a BDS, and through extensive consultations and involvement of stakeholders at all levels loopholes for corruption are more easily attached. A workshop on corruption in climate change was held in collaboration with Transparency International, and brought attention to REDD+ as well. UNDP's policy adviser on CC is working closely with the GoV in designing a clean BDS.	into the development of a BDS before the piloting activities were identified
1.5. Communications materials produced for sharing lessons nationally and	Communications materials	No materials	• By the end of 2011, lesson learned on FPIC, PCM, BDS, NRS are documented and share nationally	Recognized the importance of sharing information and lesson learned, the Programme has documented and updated the UN-REDD Viet Nam brochure, and fact sheet (NRP, FPIC, R-Coefficient, BDS, and MRV) to share nationally and internationally, e.g. Policy Board; Mexico; Ecuador; Oslo REDD+ exchange; World Environmental Day; COP 17; VNFOREST	Reports	UNEP	Programme is able to generate relevant lessons over a short time-	Both, the documentation of lessons learned and the review of the Programme's awareness raising have been delayed, due to lengthy administrative

Expected Results (Outcomes)	Indicators	Baseline	Overall National Programme Expected Target	Achievement of Target to Date	Means of Verification	Responsibilities	Risks and Assumptions	Comments
internationally			and internationally. • By the end of 2011, the effectiveness of the Programme awareness-raising activities has been assessed and results and recommendation have been produced in Vietnamese and English	training. The Programme is known for its FPIC implementation. Organizations like JICA, FFI came to learn about the FPIC implementation. Many organizations interested in learning about implementation of REDD in Viet Nam (e.g. Regional Environmental Center for Central Asia (CAREC), in Kyrgyzstan; National REDD+ Program of Vanuatu, the Laos Biodiversity Association. They are either planning for a visit or request information, reports, documents through email.			frame	procedures. Both contracts have been finalized. The contract for awareness raising has been signed. The other one is waiting to be signed.
1.6 National MRV system designed	- Comprehensive MRV design documents endorsed by stakeholders - Training and resulting national capacity on MRV - Allometric equations\ - MRV related institutions are equipped with necessary equipment	- Key components of the MRV system have been discussed - Historical forest inventory data is being reviewed and will become available early 2011 - Training on general concepts of MRV has been undertaken - Allometric equations	- By the end of 2011, comprehensive framework document of the national MRV system prepared, demonstrated and presented to stakeholders - Vietnamese technical staff have been trained on the MRV system and have acted as resources persons in the STWG-MRV \ - By June 2012 allometric equations are	The measurement, reporting and verification (MRV) framework document has been developed. The document focuses on description of the MRV System and its components, Safeguards, and monitoring of Policies and Measures (PaM). The draft version has been revised several times after numerous meetings of STWG-MRV, consulting with relevant stakeholders; and two technical workshops in July and August. The final document has been endorsed by the National REDD+ Office and uploaded on the website at: vietnam-redd.org Discussions on the development of the Land Monitoring System (LMS) in progress. Allometric equations: PMU and Vietnam REDD-plus Office have discussed with relevant technical agencies (VFU, FIPI, FSIV and Tay Nguyen University) on: Reviewing previous and current work on development of equations for forest timber volume and forest growth, biomass estimation and wood density;	Design documents Workshop reports Digital products on forest land stratification	FAO	Sufficient national staff available with required skills in IT and RS	The related agencies are now preparing technical proposals and Vietnam REDD+ Office will synthesize the proposals and make a common work plan by late July for implementation in Q3.

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		- have been developed for some forest types - Limitation in numbers of software, esp. for digital classification of RS images	- available for the ten most forested - By June 2012, key government agencies identified for MRV are equipped to for working on MRV; and the VN REDD+ Office to commence operations	Identifying the gaps and proposing activities need to be done in 2011 as well as for long term plan.				
Outcome 2: Improved Capacity to manage REDD+ and provide other Payment for Ecological Services at district-level into sustainable development planning and implementation								
2.1. District-level forest land-use plan mainstreaming REDD potential	- District socio-economic development plan with REDD+ priorities - Framework for the assessment of opportunity costs of REDD+ - Data on REDD+ activities and performance is available for inclusion in FPDP development	- Local plans do not include REDD+ - No methodology for opportunity cost analysis for REDD+ exists - No data management system is in place	- By end 2011 incorporation of status and trends of forest cover and identification of REDD+-eligible areas in SEDP demonstrated - By February 2011 a methodology for assessment of opportunity costs for REDD+ has been developed - By October 2011 REDD+ integration of forest land-use plans is using the provincial MRV	Cumulative achievements: Supported by the Programme, the provincial protection development master plan with REDD+ mainstreaming was initiated in 2010. Achievements this reporting period: Historical forest maps and reports on analysis of forest changes were developed and provincial consultations on how to integrate the maps and other tools to support REDD+ in the Social Economic Development Plans were completed. A methodology for assessment of opportunity cost for REDD+ was finalized in June. It was subsequently recommended to use opportunity cost analysis as a tool when integrating REDD+ into the Forest Protection and Development Plans (FPDP). REDD+ has been mainstreamed into the draft provincial forest protection development master plan 2011-2020, awaiting approval from the Lam Dong Provincial People's Council.	Reports/ maps are available at: vietnam-redd.org. Methodology for opportunity cost assessment available Data management system at provincial level	UNDP	Local authorities have the basic capacity for socio-economic planning Local authorities have technical skills to work with a data management system for REDD+	Addressing risks and assumptions: Monitoring missions from the PMU were conducted, and found delays in some of the activities. Follow-up on activities in the field are needed for the coming quarters to ensure scheduled implementation

Expected Results (Outcomes)	Indicators	Baseline	Overall National Programme Expected Target	Achievement of Target to Date	Means of Verification	Responsibilities	Risks and Assumptions	Comments
					district levels NFI design documents			
2.2. Participatory C-stock monitoring (PCM) system operational	- Manual/guidance on Participatory Monitoring methods developed - Engagement of stakeholders at the district and local levels (including ethnic minorities and forest dependent communities) - NFI design documents reference REDD+ approach to carbon assessment at forest owner level (in conjunction with NFA project)	- Local institutions have little capacity for forest monitoring - NFI is being newly designed with forest owner level assessments	- By June 2012, a manual/guidance on Participatory Monitoring methods is developed in conjunction with piloting done by SNV. - By the end of 2010, PCM has been tested with local institutions - By June 2012, NFI approach to forest owner level assessment made compatible with REDD+ assessment (in conjunction with NFA project)	PCM was planned to be tested on a larger scale in Di Linh and Lam Ha districts. This has been postponed, however, to allow for a review of the PCM approach and a discussion of PCM with stakeholders. A manual has been produced in English and Vietnamese. Current discussions in the country are looking to expand the concept of PCM to Participatory Monitoring, not to be restricted to obtaining carbon related data for reporting (MRV) through participatory means, but to engage communities (and other stakeholders) for wider monitoring of REDD+ implementation. The earlier request for assistance to piloting the National Forest Inventory (NFI) in two pilot districts from the Government, has been cancelled, as a relevant proposal could not be submitted to the Programme in time. Nevertheless, FIPI is now implementing piloting of the NFI in two pilot provinces to test methodologies and approaches for forest inventory and assessment and to explore how and to what extent local stakeholders could be involved in the forest monitoring activities before the GoV conducts the nation-wide forest inventory. Ground work is on-going.	Reports, maps, data files NFI design documents	FAO	Capital investments and training are delivered in a timely fashion Institutional coordination is effective Provincial and district staff are capable of engaging in district-level participatory C-stock assessment FIPI and FREC are flexible enough in adapting the NFI approach	

Expected Results (Outcomes)	Indicators	Baseline	Overall National Programme Expected Target	Achievement of Target to Date	Means of Verification	Responsibilities	Risks and Assumptions	Comments
2.3. Equitable and transparent benefit sharing payment systems defined	Stakeholder satisfaction with payment system, monetary or in-kind benefits in target communities of a magnitude that could influence on decision-making	No REDD+ payment system, but forest protection system provides a model	- By the end of 2011, a payment system has been developed that meets the expectations of all stakeholders and beneficiaries - By June 2011, FPDF option for Provincial REDD+ Fund investigated	See Output 1.4.	Survey; interviews with beneficiaries	UNDP	Stakeholder views are not too divergent A mechanism can be designed that is relatively immune to corruption	Addressing risks and assumptions: See comments under 1.4.
2.4. Awareness on REDD+ created at district and local levels	Level of awareness among local stakeholders (including ethnic minorities and forest - dependent communities)	Stakeholders unaware of REDD+	By end of 2011: - Messages on REDD+ and UN-REDD widely disseminated to government leaders - Local stakeholders' awareness on forest and climate change increased - Booklet on REDD for central & local GoV official - Manual for village REDD+ facilitators - Standees, flip chart, brochure, fact sheets, and other communication materials are published to help	Many awareness-raising events (ceremony to commemorate the International Year of Forests and the decade of UN Convention to Combat Desertification, World Environment Day, Vietnamese Forestry Day, Forest of Viet Nam Photos Contest), and workshops (5) were held at the national and local levels (e.g. in the central highland and in the north) to increase level of awareness of the local stakeholders on REDD+. Many articles on REDD+, UN-REDD Viet Nam; FPIC and PCM films were published to help local people to gain more knowledge on CC, REDD+ and UN-REDD implemented activities. The Programme also publishes a monthly newsletter in Vietnamese. Until the end of 2011, XX issues have been produced. The Programme has worked closely with a journalist to write and publish ten articles on REDD+, UN-REDD Viet Nam activities monthly on "Forest and Environment" Magazine. Finding out key gaps in knowledge concerning REDD+ among grassroots forest stakeholders is very important. Together with the RECOFTC Grassroots Capacity Building for REDD project (funded by NORAD), the Programme conducted a capacity building needs assessment in the pilot province. A proposal has been made to build up capacity for the forest sector grassroots	Survey of awareness of government leaders List of network members and 2 reports on network activities Stakeholder consultation minutes and survey	UNEP	Existing proposal for awareness raising on PES provide an effective vehicle for awareness raising on REDD+	Integrating REDD+ into social economic development plans is very important. The Programme support the Central Highlands Steering committee to have more knowledge on REDD+ and the need to integrate REDD+ into SEDP in the central highland region where keeps 50% of national forest.

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			people gain more knowledge about REDD and UNREDD Viet Nam.	stakeholders in REDD+ in Viet Nam. The Programme also designed a series of seven-standing posters: Impacts of Climate Change on Forestry; National Target Program to Respond to Climate Change; REDD Viet Nam; Free, Prior and Inform Consent; Participatory Carbon Monitoring; Benefits Distribution System; and Pilot Sites. The posters explain the impact of climate change on forest resources in Viet Nam, the need for REDD+ in Viet Nam, and the UN-REDD activities in the pilot province. The Programme in collaboration with local radio and television in Lam Ha and Di Linh district have broadcasted regularly about Climate Change, Forest, REDD+ and UN-REDD activities. The Programme is providing local radio and television station news on REDD+ and events and activities. The Programme has built a strong team of twenty village facilitators. They will help to convey the message on climate change, forests and REDD+ to local people through the regular activities and meetings at village and commune level.	about level			
Outcome 3: Improved knowledge of approaches to reduce regional displacement of emissions								
3.1. Drivers of regional emissions displacement and inter-sectoral leakage assessed	• Identification of cross-border issues and implications of/on REDD+ (including FLEGT- REDD+ linkage)	• Initial discussions on commonalities held	• By June 2012 National REDD+ Program and cross-border issues and implication of/on REDD+(including FLEGT-REDD+ linkage) identified and dialogue held	A workshop is being organized to be held in Kon Tum Province (bordering Cambodia and Lao PDR) in December 2011 with Vietnamese State-owned enterprises to discuss SFM and implications of REDD+ including cross-border timber flow issues. Discussions for organization of another workshop in Ha Tinh Province (bordering Lao PDR) on REDD+ linkages with the EU-funded FLEGT project on-going. The activities related to the establishment of a framework for assessment of international displacement of emissions are not progressing due to difficulty in identification of relevant international authorities to lead the study. It is being proposed that the activities be taken up by the Global Programme.	Reports Workshop reports Agreements	FAO	Other countries in the region are committed to a common approach on drivers and emissions displacement FLEGT process still in its early	The Programme has cooperated with FCPF-WB to complete a study on major driving forces of deforestation and forest degradation in Viet Nam. The key results were presented to Vice Minister Nhi. The study provided a valuable input for development of R-PP that was approved by the FCPF Participants' Committee in March 2011. However, no assessment on drivers of

Expected Results (Outcomes)	Indicators	Baseline	Overall National Programme Expected Target	Achievement of Target to Date	Means of Verification	Responsibilities	Risks and Assumptions	Comments
							stages	potential regional displacement has been conducted.
3.2. Regional synergies and collaboration on REDD+ enhanced	Emerging agreements on approaches to reduce regional displacement of emissions	Essentially no debate has taken place	By the end of 2011 elements of a work plan to address drivers of regional displacement of emissions cooperatively are documented	Cumulative achievements: A regional workshop held in Bangkok in 2010 ranked elements of where collaboration between countries on REDD+ would be of interest. Achievements this reporting period: Progress on regional cooperation between governments facilitated by UN-REDD specifically was slower than expected. While discussions have taken place with Government officials working on FLEGT VPA, and also with UN colleagues in Cambodia and Lao PDR, concrete actions have yet to be undertaken. A process was initiated in November to involve Cambodia (through the UN-REDD Programme), Lao PDR and Thailand (through UNDP-supported projects) in compiling the information required to complete a template for addressing law enforcement for trans-boundary movement of forest products. This is being done in close collaboration with UNODC, which is the lead organization within the UN system on the topic.	Minutes of meetings, workshops, etc.	UNDP	Influence of powerful entities engaged in movement of timber and wood products does not negate progress	Addressing risks and assumptions: The assumption noted has not posed a risk for delay. Instead, risks of implementation delays could be more referred to institutional inertia, and the parallel process of addressing timber trade within FLEGT/EFI The project is working with EFI to push both initiatives.

1.3 Financial Information *(expenditures as of 31 Dec need to be updated)*

PROGRAMME OUTCOMES	UN ORGANISATION	IMPLEMENTATION PROGRESS				
		BUDGET	CUMULATIVE EXPENDITURES			DELIVERY (%)
			Commitments	Disbursements	Total Expenditures	Expenditure as percentage of the budget
Outcome 1: Improved institutional and technical capacity for national coordination to manage REDD activities in Viet Nam	FAO	1,245,920	35,718	466,919	502,637	40
	UNEP	87,772	29,978	44,224	74,202	85
	UNDP	779,090	13,671	658,154	671,825	86
Outcome 2: Improved Capacity to manage REDD+ and provide other Payment for Ecological Services at district-level into sustainable development planning and implementation	FAO	221,730	51,087	127,178	178,265	80
	UNEP	92,428	6,690	66,655	73,345	79
	UNDP	643,767	15,000	543,608	558,608	87
Outcome 3: Improved knowledge of approaches to reduce regional displacement of emissions	FAO	112,550	2,013.06	54,870	56,883	51
	UNEP					
	UNDP	54,756		20,704	20,704	38
Programme management	FAO					
	UNEP					
	UNDP	859,890		815,904	815,904	95
Programme Indirect Support Cost (7%) ⁷	FAO	110,614	-33,705	81,175	47,470	43
	UNEP	12,614	12,614		12,614	100
	UNDP	163,625		163,625 ⁸	163,625	100
TOTAL		4,384,756	133,066	3,043,016	3,176,082	72

⁷ Any Direct Support Cost the UN agencies take are included under the specific Outcome disbursements.

2. National Programme Progress

2.1 Narrative on Progress, Difficulties and Contingency Measures

2.1.1 Please provide a brief overall assessment of the extent to which the National Programme is progressing in relation to expected outcomes and outputs. Please provide examples if relevant (600 words). [not more than 2 pages]

The overall progress of the Programme was slow the first quarter, but has since increased. Progress sorted by outcomes is as follows:

Outcome 1: Improved institutional and technical capacity for national coordination to manage REDD+ activities in Viet Nam

Structural coordination among Government agencies were enhanced by the set-up of a cross-ministerial National REDD+ Steering Committee with its supporting National REDD+ Office in January. Key challenges facing cross-ministerial coordination and involvement remain. Awareness raising and capacity building on REDD+ is still clearly needed and continues to be a main focus for the Programme. Coordination among stakeholders has been supported through three new sub-technical working groups, and receives good participation and contributions. Drafting of the National REDD Programme started in mid-2010, and is one of key Outputs under Outcome 1. The target date for finalizing the document has continuously been pushed forward. A draft was released in November 2011 to the National REDD Network, but there is no clear plan for further stakeholder consultations.

The MRV framework is a key document to be developed in Phase I. The framework has gone through a wide stakeholder consultation process and has been endorsed by the National REDD+ Office as the Ver.1 document (to be reviewed again after further deliberations from UNFCCC). The document is accessible from the VN REDD website. The document focuses on the mechanism through which GHG emissions and removals from the forestry sector will be monitored, reported and internally verified (i.e. the national MRV System). Safeguards and monitoring of PaMs are also discussed in the context of monitoring/collection and provision of information, their mutual linkages, and linkages to the MRV System.

The study on ecological stratification based on ecological regions will contribute to develop REL and further implement MRV whereby forest strata need to be accounted for as initial input data.

Lessons learned have been documented and shared widely with other countries and programmes, especially participants in PB6 meeting in March (their field visit to pilot district), with national and local partners through FPIC, PCM, NRP, BDS through leaflet, clip, brochures and website. More work is envisioned during 2012.

Outcome 2: Improved capacity to manage REDD+ through the sustainable development planning and implementation at the local level:

This outcome focuses specifically on integrating REDD+ into provincial and local development plans, involving local people in monitoring of carbon stocks, preparing for and piloting benefit distribution systems as well as awareness raising on REDD+. Activities such as opportunity cost analysis and development of historical land use maps have been finalized. Historical and current land-use maps have been handed over to local authorities for further use.

Progress on BDS has been slow and the targets originally set for the output are now unrealistic to achieve on time. Activities in Lam Dong to pilot and consultations with local communities on the options of a BDS system started in October 2011, and the findings will feed into the Network's discussion on the BDS. The Programme is assisting in the design of the BDS framework for REDD+ in a number of ways, including the design and testing of a payment coefficient for benefits, 'the R-coefficient'. The preliminary consultations and field testing of the R-coefficient have been initiated in the second half 2011. The outputs of all these activities will be used to design an initial BDS to be implemented in Phase 2, whereby further lesson will be learned about the practicalities of REDD+ BDS.

Outcome 3: Improved knowledge of approaches to reduce regional displacement of emissions

While progress overall on this Outcome has been proving difficult so far, a workshop is being organized in Kon Tum Province (bordering Cambodia and Lao PDR) to address SFM issues with forest companies, and implications of REDD+ including cross-border timber flow issues; other discussions are taking place with the

Vietnam Timber Association to organize another workshop in 2012 featuring cross-border timber flow issues in the context of REDD+.

FLEGT is being addressed in Viet Nam through the FLEGT government task-force, tasked to prepare the country for a VPA with the EU before 2013. Possible synergies between FLEGT and REDD+ include work on improving forest governance, which is being explored (including through a Forest Governance Monitoring workshop under FAO's NFA project).

2.1.2 Please provide a brief overall assessment of any measures taken to ensure the sustainability of the National Programme results during the reporting period. Please provide examples if relevant. (250 words)

Establishment of the National REDD+ Steering Committee and the National REDD+ Office at the national level is expected to significantly contribute to the sustainability of results in the long term. Also, the National REDD+ Programme will provide guidance for implementing REDD+ beyond the UN-REDD Programme. Although sustainable structures are in place or in the pipeline, the speed of coming into operation is slow.

The National REDD Network and its sub-technical working groups at the national level provide forums for information sharing and discussions, which is important for continuity. To ensure knowledge on REDD+ at the local level is sustained and enhanced, the Programme has built capacity of a provincial level REDD+ working group in Lam Dong consisting of representatives from key departments and district authorities.

REDD+ capacity building for some MARD, VNFOREST and local DARD officials was conducted, but also training of village facilitators for awareness raising among local people. The awareness trainings on REDD+ and Climate Change for more than one hundred local DARD officials from across the country have been organized. FPIC gives support to Viet Nam's own legal requirements for stakeholder consultations, most importantly the Grassroots Democracy Decree.

Weak capacity on REDD+ in line ministries such as MPI, MOF and MONRE will have to be addressed, if mainstreaming of REDD+ into development strategies is to be successful. Such actions and comprehensive awareness raising efforts of all related national agencies to enhance the sustainability of results still need to take place.

The extension of the phase I was approved by the Programme Executive Board in early November. The extension will support the implementation of activities that depend on the international negotiations such as MRV, REL development and the development of phase II.

2.1.3 If there are difficulties in the implementation of the National Programme, what are the main causes of these difficulties? Please check the most suitable option.

- ☐ UN agency Coordination
- ☐ Coordination with Government
- ☒ Coordination within the Government
- ☒ Administrative (Procurement, etc) /Financial (management of funds, availability, budget revision, etc)
- ☐ Management: 1. Activity and output management
- ☒ Management: 2. Governance/Decision making (PMC/NSC)
- ☐ Accountability
- ☐ Transparency
- ☒ National Programme design
- ☒ External to the National Programme (risks and assumptions, elections, natural disaster, social unrest)

2.1.4 If boxes are checked under 2.1.3, please briefly describe any current *internal* difficulties⁹ the National Programme is facing in relation to the implementation of the activities outlined in the National Programme Document. (200 words)

Although the UN agencies have come far in harmonizing management and implementation procedures, there are still internal differences among the three agencies. These differences are inherent by nature, and the

⁹ Difficulties confronted by the team directly involved in the implementation of the National Programme

challenges were mostly an issue at the outset of the Programme. The last quarter has seen more harmonization, and having three different UN agencies as partners is not an obstacle for implementation.

Technical capacity for implementation has been and still is a challenge. There are too few capable resources to meaningfully contribute to the Programme and in increasing Government's capacity. The PMU has attempted to recruit more resources since quarter 4 2010. PMU was strengthened with one more technical staff on GIS and Inventory since early September.

2.1.5 If boxes are checked under 2.1.3, please briefly describe any current external difficulties¹⁰ (not caused by the National Programme) that delay or impede the quality of implementation. (200 words)

Internal coordination within VNFOREST and MARD but also among other Government ministries and agencies remains a challenge, although for the future the National REDD+ Steering Committee will ease coordination and communication. However, increased participation of and contribution by other Government agencies and ministries in the UN-REDD National Programme and in REDD+ related meetings and discussions since quarter 2 makes the situation look more promising.

As reflected above, the capacity within VNFOREST is weaker than required, and the Programme is dependent on a few key people that are high in demand also from other partners.

The Programme has been affected by some other factors including the absence of international guidance on REDD+ (e.g. addressing regional leakage issues and national circumstances) and the national institutional arrangement for REDD+.

2.1.6 Please, briefly explain the actions that are or will be taken to eliminate or manage the difficulties (internal and external referred to in question 2.1.3 and 2.1.4) described in the previous sections. (250 words)

In addition to quarterly Programme Executive Board meetings, monthly meetings between the Programme and higher officials in VNFOREST were arranged for a few months, but now happen on a more ad hoc basis.

The Programme Management Unit and the UN agencies are continuously trying to harmonize operational procedures as well as technical inputs. FAO-VN has been authorized from FAO HQs to pilot HACT as of January 2011 (and employed since the second quarter of the same year) and staff in the PMU has been trained on HPPMG by UNDP.

2.2 Inter-Agency Coordination

The aim of the questions below is to collect relevant information on how the National Programme is contributing to inter-agency work and "Delivering as One".

2.2.1 Is the National Programme in coherence with the UN Country Programme or other donor assistance framework approved by the Government?

☒ Yes ☐ No

If not, does the National Programme fit into the national strategies?

☐ Yes ☐ No

If not, please explain:

2.2.2 What types of coordination mechanisms and decisions have been taken to ensure joint delivery? Please reflect on the questions above and add any other relevant comments and examples if you consider it necessary:

The three UN agencies and the PMU are normally meeting before and during the preparations of the Quarterly and Annual Work Plan.

Both the Paris Declaration and the Hanoi Core Statement laid out key guidelines for aid effectiveness the Programme tries to adhere to through the One UN initiative in Viet Nam. The production of communication materials and other advocacy have been supported by the One UN Communication Team and interagency coordination at higher levels is ensured through bi-weekly discussions between Heads of Agencies. With UNDP applying both HPPMG and HACT, and now also FAO applying the latter, streamlining reporting procedures is

¹⁰ Difficulties confronted by the team caused by factors outside of the National Programme

steadily improving.

2.2.3 Is HACT being applied in the implementation of the National Programme by the three participating UN organization?

☐ Yes ☒ No

If not, please explain:

HACT is being applied by UNDP and FAO. VNFOREST and UNEP has signed a small-scale funding agreement in 2010. HACT shall be applied by UNEP from 2012 onward.

2.3 Ownership¹¹ and Development Effectiveness

The questions below seeks to gather relevant information on how the National Programme is putting into practice the principles of aid effectiveness through strong national ownership, alignment and harmonization of procedures and mutual accountability.

2.3.1 Do government and other national implementation partners have ownership of the implementation of activities and the delivery of outputs?

☐ No ☒ Some ☐ Yes

Please explain:

The UN-REDD Programme works closely with partners at national and provincial levels. At the provincial level the Department of Agriculture and Rural Development of Lam Dong Province (pilot province) has actively co-implemented activities together with sub-contracted organizations. The coordination and inclusion with the wider group of partners is happening more specifically through the National REDD Network.

Other ministries are interested in getting involved in REDD+, and the appropriate forum to coordinate and harmonize procedures would have been the cross-ministerial Steering Committee on REDD+. Collaboration within the government is improving though. There has also been more involvement of private sector stakeholders, such as the wood-processing industry, not least after the formation of the Sub-technical Working Group on Private Sector Involvement.

2.3.2 Are the UN-REDD Programme's Guidelines for Stakeholder Engagement and Operational Guidance Engagement of Indigenous Peoples and Other Forest Dependent Communities been applied in the National Programme process?

☐ No ☐ Partially ☒ Fully

Please explain, including if level of consultation varies between non-government stakeholders:

So far, FPIC has been piloted in 78 villages in Lam Dong in 2010. There are specific plans for incorporating lessons learned from those activities and do further FPIC with forest owners/manager. *[update on FPIC after village meeting in end Dec]*. Consultations and piloting on BDS with stakeholders, including indigenous peoples and other forest dependent communities, started in late 2011. For consultations with the above-mentioned groups on the National REDD+ Programme, actions are still pending.

2.3.3 What kind of decisions and activities are non-government stakeholders involved in?

☒ Policy/decision making
☐ Management: ☐ Budget ☐ Procurement ☒ Service provision
☒ Other, please specify

Please explain, including if level of involvement varies between non-government stakeholders:

Non-government stakeholders have been engaged through the National REDD Network (and sub-technical working groups) in preliminary consultations on the development of the National REDD+ Programme, on a financing mechanism for REDD+, on a strategy for stakeholder consultations and on the MRV system. Many sub-technical working groups have also been consulted on topics within their expertise. Organizations such as ICRAF, CERDA, and SNV have all been contracted by the Programme to undertake different activities, such as the BDS Consultation and BDS Piloting.

2.3.4 Based on your previous answers, briefly describe the current situation of the government and non-government stakeholders in relation to ownership and accountability¹² of the National Programme.

¹¹ Ownership refers to countries exercising effective leadership over their REDD+ policies and strategies, and co-ordination of actions.

¹² Accountability: Acknowledgment and assumption of responsibility for actions, products, decisions, and policies and encompassing the obligation to report,

Please provide some examples.

The National REDD Network constitutes a key forum for the Government and other non-government stakeholders to show accountability on REDD+ activities. The Network is consulted more frequently on new initiatives, and inputs from non-government stakeholders are generally welcomed. As mentioned earlier, more involvement and participation from other key government agencies, such as Ministry of Natural Resources and Environment, Ministry of Planning and Investment, is important for the establishment, ownership and coordination of REDD+. Several co-chairs from VNFOREST have been appointed to the Sub-Technical Working Groups in 2011, which is very positive.

3. General Programme Indicators

This section aims to aggregate information on results for the six work areas of the UN-REDD Programme defined in the Programme's Strategy (2011-2015), delivered through the Global and National Programmes. Information is to be provided cumulatively. If the information requested is not available at this stage of Programme implementation, check the "does not apply" box.

3.1.1 Number of MRV and monitoring related focal personnel with increased capacities: N/A

☐ Women Total No

☐ Men Total No

Comments:

3.1.2 Does the country have a functional MRV and monitoring system in place?

☐ Yes ☐ Partially ☒ No ☐ Not applicable at this stage

Comments:

3.1.3 Does the country have nationally owned governance indicators, developed through a participatory governance assessment?

☐ Yes ☒ Partially ☐ No ☐ Not applicable at this stage

Comments:

A monitoring framework system "Forestry Sector Monitoring and Information System" (FOMIS) has been established to monitor the progress of key national strategies mentioned in the National Forest Development Strategy (2006-2020), and is reviewed by the Forestry Sector Support Partnership (FSSP). This includes indicators relevant for REDD+. FAO in collaboration with VNFOREST is also exploring the Forest Governance Monitoring (FGM) initiative, to enhance data collection and indicators on forestry.

A Participatory Governance Assessment is also starting up. It will seek to define governance indicators agreed by REDD+ stakeholders. Although details are yet to be confirmed, a workshop gathering relevant stakeholders to decide on the approach will happen early 2012.

3.1.4 Was a participatory governance assessment supported by the UN-REDD Programme and incorporated into the National REDD+ Strategy?

☐ Yes ☐ Partially ☒ No ☐ Not applicable at this stage

Comments, including if the assessment was supported by another initiative:

The planned PGA has been incorporated into the work of the STWG on Governance, as of November 2011. The results of the PGA should be available during 2012 to feed into on-going consultations on the NRP

3.1.5 Does the National REDD+ Strategy include anti-corruption measures, such as a code of conduct, conflict of interest prohibitions, links to existing anti-corruption frameworks, protection for whistleblowers or application of social standards?

☐ Yes ☐ Partially ☐ No ☒ Not applicable at this stage

Comments:

explain and be answerable for resulting consequences.

The National REDD+ Programme is still in draft form, and has not been approved by the government.

3.1.6 Number of Indigenous Peoples/civil society stakeholders represented in REDD+ decision making, strategy development and implementation of REDD+ at the national level:

☒ Women Total No 12

☒ Men Total No.31

Comments:

3.1.7 Number of consultation processes (Meetings, workshops etc.) underway for national readiness and REDD+ activities:

Total No. 46

Comments:

3.1.8 Grievance mechanism established in order to address grievances of people alleging an adverse effect related to the implementation of the UN-REDD national programme:

☐ Yes ☐ Partially ☒ No ☐ Not applicable at this stage

Comments:

A grievance mechanism will be established under Phase 2, to cover the REDD+ planning process (including FPIC) and the BDS to be implemented during Phase 2

3.1.9 Country has undertaken to operationalize Free Prior and Informed Consent for the implementation of readiness or REDD+ activities that impact Indigenous Peoples' and local communities' territories, resources, livelihoods and cultural identity:

☒ Yes ☐ Partially ☐ No ☐ Not applicable at this stage

Comments:

3.1.10 Country applying safeguards for ecosystem services and livelihood risks and benefits:

☐ Yes ☐ Partially ☒ No ☐ Not applicable at this stage

Comments:

The FPIC process piloted during Phase 1 will be up-scaled and institutionalized during Phase 2

3.1.11 Application of the UN-REDD Programme social principles and criteria:

☐ Yes ☐ Partially ☒ No ☐ Not applicable at this stage

Comments:

Plans are currently being prepared to field test the UN-REDD social and environmental principles and criteria during 2012

3.1.12 REDD+ benefit distribution system contributes to inclusive development¹³, with specific reference to pro-poor¹⁴ policies and gender mainstreaming¹⁵:

¹³ Inclusive development is development that marginalized groups take part in and benefit from, regardless of their gender, ethnicity, age, sexual orientation, disability or poverty. Inclusive growth implies **participation** and **benefit-sharing**. On the one hand, it ensures that everyone can participate in the growth process, both in terms of decision-making for organizing the growth progression as well as in participating in the growth itself. On the other hand, it makes sure that everyone shares equitably the benefits of growth.

¹⁴ Pro-poor policies are those that directly target poor people (i.e. benefit the poor more than the non-poor), or that are more generally aimed at reducing poverty. There is also a general consensus that pro-poor policy processes are those that allow poor people to be directly involved in the policy process, or that by their nature and structure lead to pro-poor outcomes. For some, the aim of pro-poor policies is to improve the assets and capabilities of the poor.

¹⁵ The overall intention of gender mainstreaming with regard to environment and energy is to ensure the

☒ Yes ☐ Partially ☐ No ☒ Not applicable at this stage

Comments:

The Programme is assisting the design of the BDS framework for REDD+ in a number of ways, including the design and testing of a payment coefficient for benefits, 'the R-coefficient'. The R-coefficient is made up of a series of factors including income, ethnicity and gender. Each factor is weighted with a score depending on the different environmental, social and difficulty conditions of a given area.

3.1.13 Country adopting multiple benefit decision tool kit:

☐ Yes ☒ Partially ☐ No ☐ Not applicable at this stage

Comments:

Regarding multiple benefits, no work was proposed for Phase 1 of the Programme. However, the introduction of the concept of R-coefficients is designed to capture multiple benefits. Implementation of R-coefficients in Phase 2 will allow field testing of the concept as an operational means to ensure capture of multiple benefits.

3.1.14 National or sub-national development strategies incorporate REDD+ based investments as means of transformation of relevant sectors¹⁶:

☒ Yes ☐ Partially ☐ No ☒ Not applicable at this stage

Comments:

REDD+ has been mainstreaming into the 2011-2020 Forest Protection Development Master plan of the pilot province.

3.1.15 Investment agreements supported or influenced so that they take advantage of the REDD+ as a catalyst to a green economy:

☐ Yes ☐ Partially ☒ No ☐ Not applicable at this stage

Comments:

No achievement on this in 2011.

4. Government Counterpart Information

Comments by the Government Counterpart:

UN-REDD Vietnam has achieved most of the outputs/ results as planned in the Annual and Quarterly Work plan. The coordination within the Government has been much improved compared to the year 2010. The ownership of the country has also been strengthened via different features, for example the VNFOREST has taken the lead as the chair of all 5 STWGs on REDD+ and the number of Vietnamese trainees have been increased through a number of international, national, sub-national training courses. The Government has taken part in almost all decision making processes.

Though the coordination with the Government has been improved through informal and formal meetings, discussions among UN agencies' representatives and the VNFOREST staff, the actual coordination still needs to

inclusion of gender equality considerations in planning systems at all levels, and to expand both the access of women to finance mechanisms and the direction of that finance to areas that will benefit women. Gender mainstreaming tools include gender analysis, sex-disaggregated data and participatory approaches that explicitly consider women.

¹⁶ Relevant sectors denote those that are related to forests and land use, e.g. including energy, agriculture, mining, transport and land use planning.

be strengthen for reporting and information sharing. The coordination within UN agencies also still needs to be improved in term of procurement procedures, reporting and decision making modality.