



Government
of the Socialist Republic of Viet Nam



Food and Agriculture
Organization



United Nations
Development Programme

REVISED STANDARD JOINT PROGRAMME DOCUMENT

1. Cover Page

Country: **Viet Nam**

Programme Title: **UN-REDD Viet Nam Programme**

One-Plan Outcome(s): *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*

<p>Programme Duration: 20 months</p> <p>Anticipated start/end dates: September 2009</p> <p>Fund Management Option(s): Pass-through</p> <p>Managing or Administrative Agent: MDTF Office, Bureau of Management, UNDP</p>	<p>Total estimated budget*: USD 4,504,756</p> <p>Out of which:</p> <p>1. Funded Budget: USD 4,504,756</p> <p>2. Unfunded budget: _____</p> <p>* Total estimated budget includes both programme costs and indirect support costs</p>
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Sources of funded budget:	
• Government	USD 120,000
• UN Org....	_____
• UN Org...	_____
• UN-REDD MDTF	USD 4,384,756
• Donor ...	_____
• NGO...	_____

Names and signatures of (sub) national counterparts and participating UN organizations

UN Organizations	National Partners (incl. sub national partners.)
<p><i>Signature</i> <i>John Hendra, UN Resident Coordinator</i> <i>Date & Seal</i></p>	
<p><i>Signature</i> <i>Setsuko Yamazaki , UNDP Country Director</i> <i>Date & Seal</i></p>	
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ACRONYMS

AA	Administrative Agent
ADB	Asian Development Bank
CEMMA	Committee for Ethnic Minorities
DoF	Department of Forestry
DONRE	Provincial Department of Natural Resources and Environment
EU	European Union
FAO	Food and Agriculture Organization of the United Nations
FCPF	Forest Carbon Partnership Facility
FIPI	Forest Inventory and Planning Institute
FLEGT	Forest Law Enforcement, Governance and Trade
FLITCH	Forests and Livelihoods Improvement in the Central Highlands
FOMIS	Forest Monitoring and Information Systems
FPD	Forest Protection Department
FRA	Global Forest Resources Assessment Programme of the FAO
FSIV	Forest Science Institute of Vietnam
FSSP	Forest Sector Support Partnership
GEF	Global Environment Facility
GoV	Government of Viet Nam
GTZ	German Cooperation
ICRAF	World Agroforestry Centre
JICA	Japan International Cooperation Agency
JPD	Joint Programming Document
LMDG	Like-minded Donor Group
MARD	Ministry of Agriculture and Rural Development
MEAs	Multilateral Environmental Agreements
MOF	Ministry of Finance
MONRE	Ministry of Natural Resources and the Environment
MoU	Memorandum of Understanding
MPI	Ministry of Planning and Investment
NFIMAP	National Forest Inventory, Monitoring and. Assessment Program
NGOs	Non-governmental Organizations
NIP	National Implementing Partner(s)
NPD	National Programme Director
NOCCOP	Standing Office of Viet Nam National Steering Committee for United Nations Framework Convention on Climate Change and Kyoto Protocol
NTP-RCC	National Target Programme to Respond to Climate Change
NSTA	National Senior Technical Advisor
OCCA	Standing Committee for Climate Change Adaptation
PCG	Programme Coordination Group
PEB	Programme Executive Board
PES	Payment for Ecosystem Services
PM	Programme Manager
PMU	Programme Management Unit
QWP	Quarterly work plan
RECOFTC	Regional Community Forestry Training Centre
REDD	Reducing Emissions from Deforestation and Forest Degradation
REL	Reference Emission Level
R-PIN	Readiness Project Idea Note
R-PLAN	Readiness Plan (now is renamed as Readiness Project Proposal)
SBAA	Standard Basic Assistance Agreement
SD	Sustainable Development
SFE	State Forest Enterprise
SNV	Netherlands Development Organization

SSA	Special Services Agreement
STA	International Senior Technical Advisor
UN	United Nations
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNFCCC	United Nations Framework Convention on Climate Change
UN-REDD	United Nations REDD Programme
USAID	United States Agency for International Development
WB	World Bank

1. Executive Summary

The UNFCCC conference in Bali recognized Viet Nam as one of the top five most affected countries in the world as a result of climate change. Viet Nam is one of nine countries identified for country programming under UN-REDD Programme and was also one of the first countries to receive approval for an R-PIN under the World Bank's Forest Carbon Partnership Facility (FCPF).

Although not suffering from excessive levels of deforestation typical of some other countries in the region, deforestation is locally significant in Viet Nam, especially in the Central Highlands. Furthermore, forest degradation is significant in 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.

Fast economic growth within the country and the drive to export commodities is an underlying driver of the deforestation and forest degradation within Viet Nam. At present there is little information on the opportunity costs for different resource use practices in any part of Vietnam. Ultimately, REDD will work only if the benefits outweigh the opportunity costs of alternative land uses, and an efficient REDD programme needs to know where this is possible. This knowledge gap will be addressed through the programme.

The UN-REDD programme for Viet Nam seeks to address deforestation and forest degradation through capacity building at national and local levels. Firstly, it will build capacity at the national level to permit the Government of Viet Nam, and especially the REDD focal point in the Department of Forestry (DoF) of the Ministry of Agriculture and Rural Development (MARD), to coordinate and manage the process of establishing tools to implement a REDD programme. Secondly, it will build capacity at local levels (provincial, district and commune) through pilots in two districts in Lam Dong province that demonstrate effective approaches to planning and implementing measures to reduce emissions from deforestation and forest degradation. Regional displacement of emissions is known to be a significant problem in the lower Mekong Basin. If REDD is to be implemented effectively so as to reduce emissions from deforestation and forest degradation within the Lower Mekong Basin, as a contribution to global efforts in this regard, there will be a need for coordinated regional action. Outcome 3 will mobilize efforts in this direction.

The 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 regional displacement of emissions." This will contribute to the broader Goal of ensuring that "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."

In order to secure this Objective, three Outcomes and associated Outputs will be pursued:

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

- Output 1.1: National coordination mechanism in the REDD implementation
- Output 1.2: National reference scenario for REDD
- Output 1.3: Framework National REDD Program (Strategy)
- Output 1.4: Performance-based, transparent benefit sharing payment system from national to local levels
- Output 1.5: Communications materials for sharing lessons internationally

Outcome 2: Improved capacity to manage REDD and provide other Payment for Ecological Services at provincial and district levels through sustainable development planning and implementation

Output 2.1: REDD potential mainstreamed in provincial and district-level forest land-use plan

Output 2.2: Participatory C-stock (volumes of carbon in different forest stocks) monitoring system

Output 2.3: Equitable and transparent benefit sharing payment systems

Output 2.4: Awareness-raising at provincial, district and local levels

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

Output 3.1: Quantification of regional displacement of emissions risk

Output 3.2: Regional dialogue on displacement of emissions risk

Output 3.3: Analysis of opportunities for linkage with non-REDD initiatives to reduce cross-border flow of illegal timber

2. Situation Analysis

The UNFCCC conference in Bali recognized Viet Nam as one of the top five most-affected countries in the world as a result of climate change. Prior to this, reports by the World Bank brought to the attention of the authorities the potential devastation that could be caused by sea-level rise. Since the 2007 Climate Change Conference in Bali¹ that recognized forest's contribution to climate change mitigation and formally agreed to incorporate the REDD initiative into the post-2012 negotiations, the Government of Viet Nam (GoV) has been moving rapidly to formulate and implement the REDD Program Framework for the country. Climate change has received an increasing political interest and support. The National Target Programme (NTP) to Respond to Climate Change that was approved by the Prime Minister dated 2nd December 2008. The NTP anticipated that the Programme will cost about VND 1.965 billion (equivalent to USD 1.2 billion) and half of the required funding would come through international cooperation. The Action Plan Framework (APF) for Adaptation to Climate Change in the Agriculture and Rural Development Sector for the period 2008-2020 was also launched by MARD in 2008. The APF includes a five-year action plan and a MARD steering group on climate change and mitigation which will lead the development of a REDD strategy, the starting points of which have already been agreed. Viet Nam has also made clear its position on REDD through a submission to the UNFCCC Secretariat in February 2008. Viet Nam is one of nine countries identified for country programming under UN-REDD programme, and was also one of the first countries to receive approval for an R-PIN under the World Bank's Forest Carbon Partnership Facility (FCPF). The GoV, UN-REDD and the World Bank (WB) have agreed that programming through these two initiatives should be coordinated. In the context of the One UN Reform, Viet Nam has been identified as a pilot One UN country, facilitating the process of developing an integrated multi-UN agency programme.

This UN-REDD Programme is an integrated programme under the framework of the NTP, which has been developed in consultation with many relevant agencies, especially with the MARD – the government administration responsible for managing forestry and agricultural sectors and the MONRE – the national focal point agency in the implementation of the UNFCCC and the NTP. This UN-REDD programme represents part of the internationally-funded component of the NTP. The UN-REDD programme also contributes to achievement of the Action Plan Framework (APF) for Adaptation to Climate Change in the Agriculture and Rural Development Sector for the period 2008-2020 of MARD. The DoF within MARD is the lead agency with responsibility to develop and implement policies and programmes relevant to the REDD initiative. The Steering Committee for Climate Change Mitigation and Adaptation in Agriculture and Rural Development Sector was established and chaired by the MARD's Minister to develop and implement the APF. The MARD Minister seeks to establish an Ad Hoc REDD Working Group, which consists of experts from government agencies, private sector, NGOs, bilateral and multilateral development organizations, to support coordination of REDD development and provide technical advisory to the Committee.

Land use, forest policy and governance²

The State of Forests

According to government statistics, the total forest area in Viet Nam has increased to 12.6 million ha in 2006 (37% of land area) from 9.2 million ha in 1992.³ According to MARD, forests occupied 13.1 million ha (38.7% of land area) by end of 2008, comprising 10.3 million ha of

¹ 13th Conference of Parties (COP) to the United Nations Framework Convention on Climate Change (UNFCCC) and Third Meeting of Parties (MOP) to the Kyoto Protocol: 3-15 December 2007 in Bali, Indonesia endorsed the Bali Action Plan (Decision -/CP.13 1.b.iii).

² cf. Component 1 of the FCPF R-Plan template

³ The Forest Carbon Partnership Facility: Readiness Plan Idea Note (R-PIN) for Viet Nam (see <http://carbonfinance.org/Router.cfm?Page=FCPF&FID=34267&ItemID=34267&ft=DocLib&ht=42503&dl=1>)

natural forest and 2.8 million ha of plantation forests. This forest area is categorized into three types of forest, namely: Special-use Forest (2.1 million ha or 15.7% of total forest area), Protection Forest (4.7 million ha or 36.1% of total forest area) and Production Forest (6.2 million ha or 48.2% of total forest area).⁴

Despite an overall increase in forest area since 1992,⁵ various regions of Viet Nam – including the Central Highlands, the Central Coast and the East of southern region – still have high rates of deforestation. More prevalent is the occurrence of forest degradation and fragmentation throughout remaining natural forests.

Over two-thirds of Viet Nam's natural forests are considered poor quality or recovering quality, while rich and closed-canopy forest constitutes only 4.6 percent (in 2004) of the total and mostly located in the remote mountainous areas.⁶ Lowland forests (mangrove and Melaleuca) supporting their full natural biodiversity have been almost entirely lost. The chances of full forest regeneration are rapidly decreasing with the isolation of the rich natural forest patches. Reports by the National Forest Inventory, Monitoring and Assessment Program (NFIMAP) show that the quality and biodiversity of forest are continually deteriorating. Between 1999 and 2005 the area of natural forest classified as rich decreased by 10.2% and medium forest reduced by 13.4%.⁷ As shown in Map 1, below, the major areas of loss of natural forest during the period from 1991-2001 were the Central Highlands and the northwest.

Drivers of Forest Deforestation and Degradation

Results of several studies have indicated some key factors driving change to Viet Nam's forests include the following:

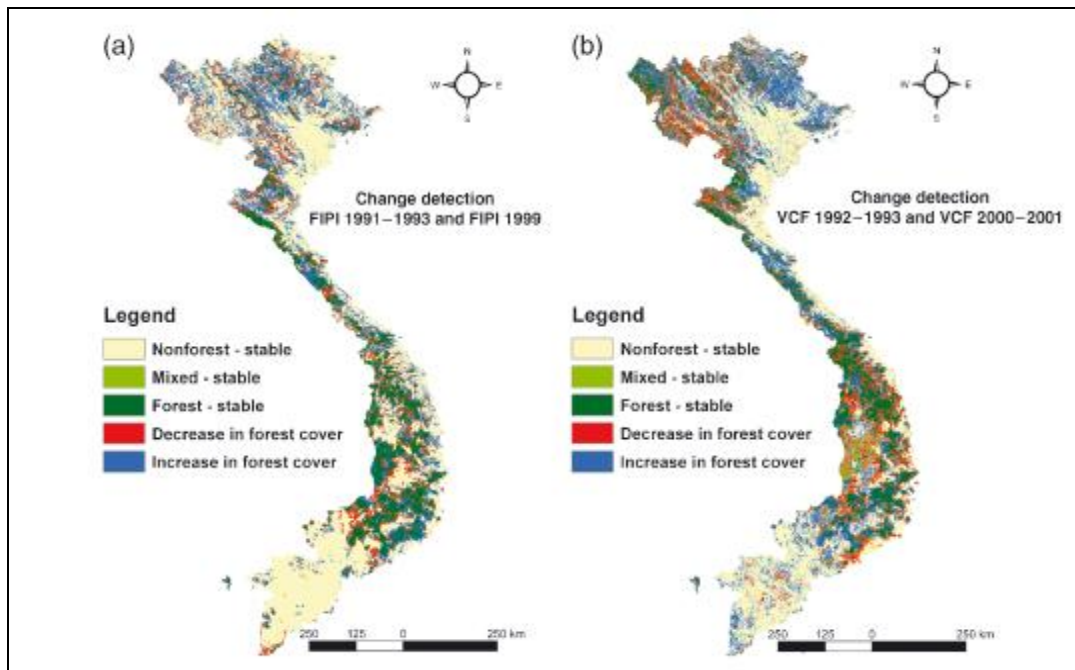
- (i) Over 72% of the Vietnamese population of 84 million is living in rural areas and their livelihoods are dependent upon agricultural crop cultivation with relatively low land productivity. Conversion of forests into agricultural land and other uses is therefore one of the most important factors driving deforestation and forest degradation in Viet Nam. In addition, Viet Nam is a world leader in the export of coffee, cashew, pepper and an important global player in other export crops. This focus on export of agricultural commodities is putting greater pressure on scarce land resources and leading to the conversion of forest lands particularly in the central highlands.
- (ii) Rapid economic development is fuelling the need for greater energy demands and improved infrastructure. Viet Nam has ambitious plans for hydropower and road development carving up parts of the countryside.

⁴ Decision No.2159/QĐ-BNN-KL dated 17/7/2008 of the MARD's Minister on the National Forest Data as of 31/12/2007.

⁵ Meyfroidt P, Lambin, EF. 2008. Forest transition in Viet Nam and its environmental impacts. *Global Change Biology*, 14 (6), 1319-1336.

⁶ World Bank (2005) Viet Nam Environmental Monitor – Biodiversity, World Bank, Washington DC.

⁷ The Forest Carbon Partnership Facility: Readiness Plan Idea Note (R-PIN) for Viet Nam (see <http://carbonfinance.org/Router.cfm?Page=FCPF&FID=34267&ItemID=34267&ft=DocLib&ht=42503&dl=1>)



Map 1: Land use cover change in Viet Nam; (a) FIPI stats; (b) VCF stats⁸

- (iii) The poorest communities, particularly in the mountainous areas, many of whom are from ethnic communities, continue to practice shifting cultivation and depend heavily on the forests for their needs. Furthermore, a flux of people has migrated from the lowland populated areas into the uplands and from the northern mountains to the Central Highlands. In addition to a high population growth rate, these continue to put pressure on the remaining forests.
- (iv) Inappropriate forest management and harvesting methods (e.g. excessive timber logging), especially the continuing problem of illegal logging. There are an estimated 30-50,000 forest violations per year, very few of which result in criminal prosecution.⁹ Incomplete legal systems, a lack of capacity to enforce rules, lack of coordination between enforcement agencies, and unclear tenure as well as corruption continue to drive this problem.
- (v) Viet Nam has become an important hub for wood processing and the sale of furniture in particular. The current demands for timber far outweigh the current supply in Viet Nam. This is placing pressure on the forests in Viet Nam and the neighbouring countries in the region.

It is clear that rapid economic growth within the country and the drive to export commodities is an underlying driver of deforestation and forest degradation within Viet Nam. In the current global economic environment, with falling prices for many commodities, continued economic growth is less certain. However, at the current time, while there are growing efforts by the authorities to combat these problems, the pressures are intensifying. There have been no analyses of the potential impacts of global economic trends on opportunity costs for forest land in Viet Nam. If the value of the forest is able to compare with that of the alternatives, then this could act as a strong incentive to arrest these trends. At present there is little information on the opportunity costs for different resource use practices in any part of Vietnam. Ultimately,

⁸ Meyfroidt, P and Lambin, E.F (2008), Forest transition in Viet Nam and its environmental impacts, *Global Change Biology* 14, 1-18,

⁹ The Forest Carbon Partnership Facility: Readiness Plan Idea Note (R-PIN) for Viet Nam (see <http://carbonfinance.org/Router.cfm?Page=FCPF&FID=34267&ItemID=34267&ft=DocLib&ht=42503&dl=1>)

REDD will work only if the benefits outweigh the opportunity costs of alternative land uses, and an efficient REDD programme needs to know where this is possible. This knowledge gap will be addressed through the programme.

Policies and Institutions

MARD has overall responsibility for the forest sector and is the designated focal point for REDD activities. The DoF takes the lead for overall forest management and development within the Ministry, whilst the Forest Protection Department (FPD) is responsible for forest law enforcement.

In terms of forest policies, the GoV has established policies, strategies and programs on forest development and protection, including the Forest Law and Governance Action Plan, National Forest Development Strategy, the Five Million Hectare Reforestation Program (so-called the Program 661), the Promotion of sustainable agricultural cultivation in sloping land and development of forest plantation, etc., The Forestry Development Strategy for the period from 2006-2020 defines the national strategy for the country's forests that has a target of 43% of land area covered in forests by 2015. Within the strategy, a number of operational programs were started in 2007 and one of them was the Sustainable Forest Management Program (so-called Component 1). The Law on Forest Protection and Development, Law on Environmental Protection and Law on Biodiversity establish the legal framework to combat deforestation. Furthermore, in order to improve the land tenure security and to promote sustainable forest management, the GoV has implemented the policies on forest and forestland allocation to organizations, households, individuals and other legal economic entities since 1994. According to statistical data of the Department of Survey and Mapping (DoSM) of MONRE, during last 10 year the GoV has invested more than USD50 million in establishment of detailed cadastral maps which were essentially used for the forest and forestland allocation. In the past, natural forests have largely been retained under the tenure and management of State Forest Enterprises (SFE) and local government agencies. Since 2004 GoV has reformed the SFEs to be independent and self-financed economic entities and allocated the ineffective-used forests and forestland of the SFEs to local communities and individual households. However, much of the forests and forestland remain unallocated despite continuing directives. In September 2007, MARD launched a USD 61 million program to facilitate the process of forests and forest land allocation and set an ambitious target by 2010, about 12.6 million ha of forests will be allocated to local communities, individual households and other economic entities with provision of the Land Use Rights Certificates.

Furthermore, in order to improve the land tenure security and to promote sustainable forest management, the GoV has implemented the policies on forest and forestland allocation to organizations, households, individuals and other legal economic entities. Since 1993, the transfer of long-term land use rights has occurred under a framework comprised of the following key policy documents:

- Land Law (1993) reviewed and amended in 1998-2000
- Government Resolution 01/CP (1995) on the allocation and contracting of land for agriculture, forestry, and aquaculture production to state enterprises
- Government Resolution 02/CP on the allocation of forest land to various sectoral economics for management and use for long-term and sustainable forestry development
- Prime Minister Decision 661/QD-TTg (1998) on the objectives, tasks, policies, and organizations for the establishment of five million hectares of new forest
- Government Decree No. 163/1999/ND-CP concerning allocation and lease of forest land to organizations, households, and individuals for long-term forestry purposes
- Ministry of Agriculture and Rural Development Circular No. 56/1999/TT/BNN-KL guiding the development of regulations on forest protection and development to village/hamlets and communities
- Prime Minister Decision No. 08/2001/QD-TTg issuing regulation on management rules of special-use forest, protection forest, and production forest

- Prime Minister Decision No. 178/2001/QD-TTg on the rights and obligations of households/individuals allocated and contracted forest and forest land for benefit-sharing

The Land Law, Forest Protection Law, and Resolutions 02/CP and 163/1999/ND-CP establish the following principles:

- Households, individuals, and organizations are allocated land for long-term use and management. They have the right to exchange, transfer, rent, inherit, or mortgage the right to use the land allocated to them, and also the right to contribute their land as capital for joint ventures with domestic and foreign organizations and individuals in order to boost production.
- Agencies, households, and individuals do not have to pay land-use fees for forest land areas allocated. Forest land allocation has an area limit of not over 30 hectares for households and individuals for a duration of 50 years. Upon expiry of the duration, if the land users wish to continue using the land and the land has been used for the correct purposes allocated, the State shall comply with that wish.
- The policy is to increase the benefits to households and individuals involved in protection, forest management, and re-forestation. Decisions No. 08/2001/QD-TTg and 178/2001/QD-TTg were issued to detail regulation of benefit-sharing and the obligations of the households and individuals allocated or contracted forest and forest land, including natural forests, production forests, and barren lands for reforestation, and maintenance for all three categories of protection, special-use, and production forests.
- Renovation of state forest enterprises to implement efficient production and business, and also to increase the function of their service to farmers (reducing forest area managed to make them suitable to their operating capacity).

Whereas previously only barren land and plantations could be allocated to households, under this new policy special-use forest less than 1,000 ha and protection forest less than 5,000 ha, or composed of scattered plots, and natural forest considered to be production forest can be allocated to households and individuals for management, protection, and development. Households, individuals, and village communities can also participate in the management of special-use, protection, and production forests under contract to forest owners (state forest enterprises, management boards of special-use and protection forests). As of 2008, of 10.3 million hectares of natural forest land, ownership was distributed as follows:

State Forest Enterprise	1.77m ha
Management boards of protection and special use forest	3.50m ha
Joint venture organizations	0.02m ha
Households	1.77m ha
Peoples Committees and other organizations	0.43m ha
Military	0.18m ha
Ownerless	2.46m ha

More than one million households have now been issued with certificates for land ownership, either in natural or plantation forest.

According to statistical data of the Department of Survey and Mapping (DoSM) of MONRE, during last 10 year the GoV has invested more than USD50 million in establishment of detailed cadastral maps which were essentially used for the forest and forestland allocation. In September 2007, MARD launched a USD 61 million programme to facilitate the process of forests and forest land allocation and set an ambitious target by 2010, all areas of forests and forestland will be allocated to local communities, individual households and other economic entities with provision of the Land Use Rights Certificates. Clear ownership of land is critical to implementation of REDD, and this land allocation programme clarifies rights under REDD – in

many cases the benefits need to be distributed in a transparent and equitable fashion down to the level of individual organizations, households, individuals and other legal economic entities.

One important policy decision related to the establishment of a payment distribution system is "Decision 661" on "Objectives, Tasks, Policies and Organization for the Establishment of Five Million Hectares Reforestation Program". This decision, in addition to paving the way for the establishment of five million hectares of new forest, also puts in place mechanisms to protect existing forests. People's Committees of provinces are to identify the location and extent of forests, and to supervise the allocation or lease of land and the issuance of Land Use Rights Certificates (the so-called Red Book) to organizations, households, individuals and other legal economic entities. Non-reimbursable State funds are then used for payments to households for protection of the forest, the current average payment being VND100,000/hectare per year.

There have also been important policy developments related to payments for ecosystem services (PES). Since April 2008, the policy on "Payment for Forest Environmental Services" has been approved by the Prime Minister and applied to five provinces and Ho Chi Minh City (HCMC). Three key environmental services of forests are piloted: i) water supplies and regulation, ii) soil erosion protection, and iii) ecotourism. Under this pilot policy, USAID is supporting the testing of PES in Lam Dong province (in the Central Highlands) through Winrock International, while GTZ is supporting the testing of PES in Son La province (in the Northwest). Under the scheme, hydro-electricity plants will pay VND 20 (0.125 US cents) per kilowatt; water companies VND 40 (0.25cents) per litre of water; and ecotourism companies between 0.5 and 2% of revenue. In addition, since October 2007 MARD has launched a program to promote sustainable agricultural cultivation on sloping land and to prevent the conversion of forests into agriculturally cultivated crops by providing 10kg of rice per person per month and preferential interest rate for planting forests and agricultural production. The intention is that lessons from these pilot interventions will be used in developing a national policy over the next few years.

Management of Readiness¹⁰

Climate change has received an increasing political interest and support in Viet Nam. This includes a five-year action plan and a MARD steering group on climate change and mitigation which will lead the development of a REDD strategy, the starting points of which have already been agreed. Viet Nam has also made clear its position on REDD through a submission to the UNFCCC Secretariat in February 2008.

Key institutions related to forests and REDD include the following.

The Ministry of Agriculture and Rural Development (MARD) performs state management functions in the fields of agriculture, forestry, and rural development. Its tasks include:

- The preparation of legal drafts ordinances and other legal documents within the Ministry's mandated areas.
- The development of master plans and strategies; annual, five-year and long term plans as well as key programs and projects within the Ministry's mandated areas.
- In the field of forestry, perform governance responsibilities for forestation, forest resource development, forest production and forest product preservation; and perform governance responsibilities for forest protection.
- In the field of rural development, integrate and submit proposals for plans, programs, and policies related to rural development; and unify the management of the building and development of the economies of households, farms, cooperative societies, farming co-ops and state-run agro-forest farms.

¹⁰ cf Component 2 of the FCPF R-Plan template

- Implement the regular tasks and duties on forest protection, forest-fire prevention and anti-desertification.

The Ministry of Natural Resources and Environment (MONRE) includes various functional departments with state management mandates, non-production units and state-owned enterprises. Its state management functions apply to the following main areas:

- Land
- Water resources
- Mineral resources
- The environment
- Hydro-meteorology

Another mandate of MONRE is to coordinate with ministries, Ministerial committees and Government agencies in providing guidance for implementation of resource use and environmental protection in the sector areas managed by these ministries and agencies.

The Ministry of Planning and Investment (MPI) is charged with the role of state management over the domain of planning and investment. This includes providing comprehensive advice on:

- Country-level socio-economic development strategies, programs and plans.
- Economic management mechanisms and policies for the national economy and for specific sectors.
- Domestic and foreign investments, industrial and export-processing zones.
- Management of official development assistance (ODA) sources, national-wide control of procurement, enterprises, business registration.

The Ministry of Finance (MoF) has the function of implementing the State management in finance (including: State budget, tax, fees and other revenues of the State budget, national reserve, State financial funds, financial investment, corporate finance and financial services). Its main tasks and duties include:

- Manage the collection of tax, fees and other revenues under the State budget.
- Manage the budget fund, the State reserve fund and other State financial funds.
- Undertake international cooperation and economic integration in the fields within the Ministry's authority.

The State Committee for Ethnic Minority and Mountainous Area Affairs (CEMMA) provides State management functions in the fields of ethnic minorities and mountainous areas nationwide, and at the same time acting as an advisory agency to the Central Committee of the Communist Party of Viet Nam on guidelines and policies towards the ethnic minority groups and mountainous areas. Among its responsibilities and authority are:

- To submit guidelines, policies, and laws on ethnic minorities and mountainous areas.
- To participate in the appraisal of the regional development strategies, science and technology, socio-economic plans, and foreign funded projects implemented in the ethnic minorities and mountainous areas.
- To direct, monitor, inspect the implementation of the Party's resolutions and directions, the State's policies and laws on ethnic minorities and mountainous areas nationwide.
- To carry out international cooperation in the ethnic minority field as regulated by laws.
- To direct the implementation of some pilot projects and programs delegated by the Government and located in the ethnic minorities and mountainous areas.

Until the early 1990's, a system of **State Forest Enterprises (SFE)** managed Viet Nam's forest resources. By the end of the 1990's there were about 400 SFEs. However, a number of problems, including conflict between local people and SFEs over control of forest resources and land, a lack of investment funds, and limited capacity to innovate led to recognition of the need

for reform. This reform has proceeded according to Decree 200 and "Circular Number 10/2005/TT-BNN. The key points are:

- The objectives are to (a) utilize land and forest resources more efficiently and sustainably; (b) enhance the business and production efficiency of SFEs; and (c) improve economic and social opportunities in the locality of SFEs.
- SFEs that carry out mainly business and production activities should operate under the market system.
- In the future, the state will fund only the investment required for special-use and protection forests. Other production natural forests will be assigned to business SFEs, households, and individuals.
- SFEs that are managing more than 5,000 ha of protection forest and/or special-use forests of more than 1,000 ha shall become Production Forest Management Boards with the capacity to generate income as non-production units.
- SFEs that are currently managing less than 1,000 ha shall be converted to non-production service units involved in seedling production and technology transfer.
- For SFEs with poor production forests, small protection, small special-use forests, and other land, the land shall be withdrawn and vested in local authorities, to be assigned according to land and forest protection laws.
- SFEs that have had business losses for more than three years, or those that do not warrant being turned into service units, shall be dissolved.

The **Forest Sector Support Partnership (FSSP)** was established in 2001 (as the Forest Sector Support Program and Partnership). The FSSP aims to create an effective Partnership among national and international forest sector stakeholders that contributes to increased dialogue and collaboration on important forest sector issues, and improved policy framework for the sector, focusing on implementation of the National Forest Strategy (2006-2020). The general objective of the Partnership is to maximize effectiveness and efficiency in the use of all resources applied to the sector, including those of government and donors, through better harmonization of policies and programs in the context of shared objectives for the sector. The Partnership actively encourages and promotes the involvement of the private sector, both domestic and Foreign Direct Investment, in the promotion of forest sector objectives. The Partnership activities are open to a wide range of stakeholders who take an interest in the forest sector in Vietnam. The main tasks of the Partnership are to:

- Promote information sharing and policy dialogue on key sectoral issues, focusing on implementation of the National Forest Strategy; and
- Promote collaboration on mobilization of resources and conducting activities to implement the NFS.

Coordination

Given the broad scope of REDD, which overlaps the mandate of numerous governmental and non-governmental organizations, there is a clear need to coordinate activities in building REDD readiness. Furthermore, numerous multilateral and bilateral development partners are also contributing the building capacity for REDD readiness. In response to the current situation and need for coordination, MARD is establishing an interim working group on REDD. This will be a subsidiary body to the Steering Committee for Climate Change Mitigation and Adaptation, and will include stakeholders from both Vietnamese and international agencies. The mandate of the interim working group will be to provide guidance and coordination on all activities building capacity for REDD. The UN-REDD Programme for Viet Nam represents a part of this larger picture, so the Programme Executive Board (PEB), which will be responsible for overseeing implementation of the UN-REDD Programme in Viet Nam, and which will include members of the interim working group, will also report to the interim working group.

Social impacts and potential additional benefits (cf Component 5 of the FCPF R-Plan template)

Poverty and Forests

Many of the poorest people in Viet Nam live in and around forested areas and the poor are often blamed for deforestation and forest degradation. Viet Nam has experienced some difficulties in successfully engaging local communities in forest dependent poverty alleviation activities. Some of the problems have been due to a lack of communication with the local groups on new laws and programs, the division of responsibilities between local government departments and cultural differences and interpretation of activities.¹¹ However, poverty alleviation continues to be a central tenet within the country's forest strategies.

Three key ongoing initiatives should be noted: first, since 2006 MARD has implemented the "Community Forest Management Pilot Programme 2006-2007" in 40 communes of 10 provinces, including some in the Tay Nguyen and Northern Central Region under support of the Trust Fund for Forest (TFF). This pilot project is aimed at developing and testing legal documents and regulations, appropriate technical and financial systems for Community Forest Management (CFM) in selected provinces to enable sustainable forest resource management and utilization, as a basis for future forestry programs. Second, ADB's "Forest for Livelihood Improvement in the Central Highlands" (FLITCH) Project which is currently being piloted in 60 communes in 6 provinces. This project is expected to provide sufficient guidance to develop a future legal framework, technical guidance and benefit sharing system for community forest management of at least 75 community groups for 3 million hectares for over 3 million ha of natural forests and plantations on bare land and support for livelihoods improvement.¹² Third, the GoV issued the Resolution No. 30a/2008/NQ-CP dated 27/12/2008 to promote rapid and sustainable poverty alleviation in the 61 poorest districts (most of them are located in the mountainous areas). The Resolution mandates that the every poor household in these districts, which is contracted to protect protection, will annually receive VND200,000/hectare and 15kg of rice per person per month. Also, there are continuing efforts across the country in allocating forest land back to local communities. However, these initiatives have been hampered by insufficient funding and overlapping mandates between MARD and the Ministry of Natural Resources and the Environment.

Role for Ethnic Minorities in REDD

Ethnic minorities in Viet Nam are important stakeholders in REDD to the extent that they depend on natural forests for their livelihoods and their tenure rights on forests and forestland, and may make contributions to more sustainable forest management and monitoring of the state of forest ecosystems. This is probably more valid for minorities with a long history of association with particular forests than for migrant ethnic communities such as those migrating from the depleted forest regions of the north to the Central Highlands. Whether particular ethnic minorities in specific areas of interest for REDD interventions may add value to this effort is an empirical question to be established in each case. The GoV has paid great attention on land use rights of ethnic minorities on forests and forestland. In addition to the nation-wide policies on forests and forestland allocation, the Prime Minister has issued Decision 304/2005/QD-TTg on 23/11/2005 on forestland allocation to individual households and local communities of the ethnic minorities in the Central Highlands. The Resolution 30a/2008/NQ-CP also has some special articles to ensure the tenure rights of ethnic minorities on forests and forestland are respected and properly implemented.

¹¹ World Bank (2005) Viet Nam Environmental Monitor – Biodiversity, World Bank, Washington DC

¹² The Forest Carbon Partnership Facility: Readiness Plan Idea Note (R-PIN) for Viet Nam (see <http://carbonfinance.org/Router.cfm?Page=FCPF&FID=34267&ItemID=34267&ft=DocLib&ht=42503&dl=1>)

The GoV officially recognizes 54 “ethnic minority” groups, each with its own language, lifestyle and cultural heritage. Committee for Ethnic Minorities with branch offices at local levels, consisting of representatives from various ethnic groups, is responsible for providing consultation and advice to the Government on ethnic-related issues. Most if not all of these groups are forest dependent, particularly given that they prefer to remain isolated from lowland, Kinh-dominated agro-industrial communities. Some are migratory and relatively new to the forest lands they currently occupy. None of these groups have political autonomy, but rather are represented by official representatives and committees such as the Committee for Ethnic Minorities (equivalent to a ministry) and the Committee for ethnic minorities at the National Assembly. Up to date, no local non-governmental organizations have been registered to specifically advocate for the rights of indigenous peoples; however, several NGOs and international NGOs have mobilized efforts to promote sustainable development in these communities, which includes community-based development planning, improved community-based forest management and gender-specific activities. In the future implementation of the UN-REDD Programme in Viet Nam, the guidelines contained in “UN-REDD Programme Operational Guidance: Engagement of Indigenous Peoples & other forest dependent communities”¹³ will be followed.

A new generation of approaches to monitoring of natural resources including carbon emissions reduction makes use of locally based, participatory monitoring methods. This approach may involve monitoring of resources, pressures and resource use undertaken by local people who do not have a formal education in science. According to Nordeco (2008)¹⁴, the participatory approach to monitoring appears to be one of the most powerful land and resource monitoring tools, yet it does not seem to be fully included in the discussions on carbon emission reduction activities in developing countries.

In Viet Nam the approach may serve to ground-truth carbon stock data extracted from remote sensing or other data collection methods provided by the central agencies, reduce uncertainty and represent benefits in terms of incentives for participation, transparency and improved forest governance. Indigenous peoples and forest dependent communities often possess intimate knowledge of forest ecosystems they depend on for their livelihoods, which in turn may contribute to the monitoring of carbon emissions from forest degradation, which represent a challenge to current remote sensing methodology. A participatory role for ethnic minorities in forest monitoring may also provide a basis for stronger involvement in government sponsored schemes for Payment for Ecosystem Services. With appropriate benefit sharing arrangements from REDD and clarification of land tenure, ethnic minorities may also play a key role in efforts to tackle illegal logging and cross-border trade in tropical timber.

¹³ <http://www.un-redd.net/ProductsandPublications/1stPolicyBoardMeetingPanama/tabid/747/Default.aspx>

¹⁴ Nordeco (2008) *Participatory Climate Change Monitoring: Involving Local Stakeholders in Monitoring Climate Change and Mitigation*; <http://www.nordeco.dk/assets/338/Leaflet%2012%20June%20REDD%20LBM%20UNFCCC.pdf>

3. Strategies, including lessons learned and the proposed joint programme

Background/context

Viet Nam has signed and participated in the implementation of 12 multilateral agreements on forestry, including the Convention on Biodiversity (CBD), Convention to Combat Desertification (CCD) and ASEAN Agreement on Trans-boundary Haze Pollution. Viet Nam has played an important role in international organizations and forums, including the Non-permanent Member of the UN Security Council in 2008, UN Forum on Forests, FAO Committee on Forestry, APEC Forestry Commission, and is currently negotiating to be a member of the International Timber Organization (ITTO).

The ONE UN Plan, which is being piloted in Viet Nam, includes several relevant REDD programmatic themes. Undertaken by UNDP, FAO, UNEP regional office in Bangkok and other relevant UN agencies, these programmatic priority themes include:

- Support the National Target Program on poverty reduction
- Strengthen legal, policy and institutional frameworks for pro-poor local economic development
- Improve conformity of trade and productive sector policies with international norms
- Strategies, policies, plans and regulations and improvement of capacity for MEAs
- Promotion of sustainable use of natural resources
- Support sustainable forest management
- Develop participatory, needs-based, national resource management approaches
- Promote private investment in uplands areas
- Support pro-poor policy in rural development
- Enhancement of income levels of poor households
- Strengthen local government commune and village capacities
- Support the formulation of sustainable financial mechanisms related to climate change

The UN-REDD Programme scoping team undertook an institutional donor mapping to identify donors, implementing partners, NGOs and other groups who are currently supporting or are interested in supporting REDD. The following issues/priorities for REDD readiness have been identified and efforts to coordinate with current and future implementing partners has been made, including:

- Coordination/management of process: GoV and donor community, particularly UNDP
- Analysis of land use, forest policy and governance: ADB, GEF, GTZ, JICA, SNV, USAID/Winrock, WB, EU (REDD-ALERT)
- Role of minorities: GoV, GTZ, ADB, TFF
- Awareness raising/stakeholder dialogues on REDD: GTZ, ICRAF, SNV, USAID/Winrock, RECOFTC
- Design of payment scheme: GTZ, ICRAF, USAID/Winrock, WB FCPF
- Guidelines and tools for REDD: Australia, WB FCPF, JICA
- Forest law, governance and trade: EU and WB (FLEGT), the Netherlands
- Capacity building: Finland, Germany, JICA, the Netherlands, Swiss, Sweden, USAID, WB
- Develop field-based REDD pilot activities: Australia and GTZ in Mekong Delta; GEF to be determined; GTZ in northern and central Viet Nam; SNV in central Viet Nam; USAID in central Viet Nam with national pilot policy, WB FCPF
- Assessment of investment needs: Japan, SNV, USAID, WB FCPF
- Development of reference scenario/baseline: JICA, FAO, WB FCPF, GEF, USAID, AusAID
- Design of monitoring, verification and reporting system: Finland, FAO, GTZ, USAID
- Scoping and alliance building (linking to others): GoV/FSSP, UNDP, Australia regional; RECOFTC regional; SNV regional; FAO

Lessons Learned

The GoV submitted an R-PIN to the WB FCPF outlining a number of challenges to implement REDD strategies in Viet Nam, including:

- Effective law enforcement;
- Lack of capacity and investment in forest monitoring, evaluation and protection, especially at district and provincial levels;
- Lack of cooperation and coordination among the law enforcement agencies and forest management and protection institutions at both national and local levels;
- Lack of awareness of the implications of forest loss amongst both communities and local authorities;
- The continued economic marginalization of forest boundary communities;
- Centralized planning targets;
- Weakness of physical planning; and
- Challenges with inter-sectoral and inter-provincial planning.

For a country to be “REDD Ready,” a standardized system needs to be in place to track reduced emissions from deforestation and degradation over time – i.e., to monitor, assess and report changes. MARD’s Forest Inventory and Planning Institute (FIPI) implements a National Forest Inventory, Monitoring and Assessment Program (NFIMAP) every five years. Each period, a more advanced remote sensing technology has been employed. However, a number of problems with the current monitoring system remain, including:

- Poor integration and coordination between different sectors and mapping institutions;
- Lack of systematic approach to update the information from FIPI;
- Poor harmonization with ongoing regional and international initiatives; and,
- Inadequate staff capacity for mapping programs and no clear data management and data sharing policy among information providers and users.

Changing definitions and classifications, making it difficult to assess changes, compound these problems. Several donors including Finland and JICA are tackling this issue.

Although there exists the basis for forest monitoring there needs to be improvements in monitoring, data assessment and reporting in order to bring it up to international standards and thereby qualify to receive forest financial incentives for reduced emissions. Recognizing some of the deficiencies in the current system, MARD has developed a proposal for strengthening monitoring, assessment and reporting on sustainable forest management. Building on this, one of the critical first steps of the programme must be to assess the current forest monitoring system and to put in place the necessary changes to bring it up to an internationally recognized standard. Other priority areas identified by the GoV to move towards REDD Readiness include:

- Establishing a transparent stakeholder participation process on REDD (e.g., outreach, workshops, publications, etc.);
- Developing a reference case of deforestation trends: assessment of historical emissions from deforestation and/or forest degradation and projections into the future;
- Developing a national REDD Strategy: identification of programs to reduce deforestation and design of a system for providing targeted financial incentives for REDD to land users and organizations (e.g. delivery of payments, governance issues, etc.);
- Designing of a system to monitor emissions and emission reductions from deforestation and/or forest degradation;
- Designing of a system for providing targeted financial incentives for REDD.

Also, the current NFIMAP system does not adequately cover the issue of forest degradation; nor does it estimate total forest biomass and hence carbon stocks. Given the fact that forest quality, rather than forest quantity is one of the biggest issues facing the forestry sector in Viet Nam, implies that degradation should be addressed as part of any scheme in Viet Nam.

However, the structures in place appear better suited to assess deforestation – or quantities of forest cover. If the REDD mechanism covers both degradation and deforestation, then major investments and technical assistance to examine and analyze the current state of degradation are needed.

FAO has developed a project on “National Assessment of Forestry Resources and long-term Monitoring” (US\$2,500,000). In the past, FAO has also provided support through national programmes to various initiatives in the forest sector, including:

- Technical Support for the Five Million Hectare Reforestation Programme \$ 315,000
- Support to Forest Policy Formulation and Legislation \$ 377,000
- Building for Smallholder Forestry Development in Five Provinces in Northeast Viet Nam \$ 249,015 (implemented through UNDP)
- Participatory Watershed Management Project in Hoanh Bo
- Agroforestry marketing project in Quang Nam

Some regional FAO programmes are also relevant, including "Enhancing sustainable forest harvesting in Asia". Under this project, FAO supported Viet Nam in developing national guidelines for sustainable, environmentally sound forest harvesting through capacity building, awareness raising and demonstration. This work may be continued through a new project on "Community-based forest harvesting". FAO is also continuing efforts to strengthen monitoring and audit systems for forest harvesting through modest funds provided under the FAO-Norway Partnership Programme.

UNDP's work in Viet Nam is organized on the basis a number of focus areas. Three of these are particularly relevant for REDD. Under the Public administration reform focus area, UNDP is supporting the development of more accountable, transparent and participatory government systems and processes that contribute to the achievement of the national socio-economic development targets. This includes efforts to:

- Strengthen PAR planning, steering and overall management capacities, focusing on financial policy analysis, formulation and review from a human development perspective
- Develop and improve alternative mechanisms for public service delivery and orienting such mechanisms towards meeting local level needs
- Apply strategic performance management systems and quality standards in selected ministries and provinces

Under the Poverty alleviation focus area, UNDP has been assisting the Government of Viet Nam through regulatory reforms to develop businesses that create domestic employment and unleash the capacity of local entrepreneurs. UNDP also continues to support the Government on its national programmes to improve the lives of people living in ethnic and mountainous regions of Viet Nam. Finally, under the Environment and Energy focus area, UNDP supports the need for integration of environmental issues into education, investment planning and decision making.

The Proposed Joint Programme

The storage and conservation of carbon in forest biomass and soils can be considered an ecosystem service, analogous to soil and biodiversity conservation or hydrological regulation. Consequently, efforts to pilot “Payments for Ecosystem Services” (PES) in Viet Nam through Decision 380 of the Prime Minister dated April 10, 2008 will provide valuable lessons in designing an effective REDD programme for the country. However, there is a significant difference between payments for carbon and other ecosystem services. Whereas the purchasers of services such as soil conservation and hydrological regulation are typically located in the same watershed as the suppliers, or at least in relatively close proximity, the

purchasers of forest carbon may be located anywhere in the world. Payments for locally-consumed services are relatively simple, as the payment chains are short, and the purchasers are usually able to monitor the quality of the service directly and simply (e.g., in the case of downstream water consumers paying for regulated water supply, it is immediately apparent if the water supply fails). In contrast, international payments for forest carbon conservation will entail lengthy payment chains, involving national and sub-national government agencies, and the purchasers will need to rely on sophisticated and accurate monitoring information to be assured of the quality of the service.

The UN-REDD programme for Viet Nam seeks to address these complexities through capacity building at two levels. Firstly (Outcome 1), it will build capacity at the national level to permit the GoV, and especially the REDD focal point (i.e., MARD/DoF) to coordinate and manage the process of establishing tools to implement a REDD programme that provides an effective, transparent and equitable system of demonstrating real and measurable reductions in emissions from deforestation and forest degradation and transferring international payments for carbon conservation to local stakeholders in relation to performance standards. On the issue of carbon accounting UN-REDD Programme support will be based on the existing systems including the work done by especially FIPI and DoF.

Secondly (Outcome 2), it will build capacity at the local level (including provincial, district and commune) through pilots in two districts in Lam Dong province that demonstrate effective approaches to planning and implementing measures to reduce emissions, including participatory monitoring of C-stocks, and ensure fair and equitable distribution of benefits.

Although Viet Nam itself has a negative net deforestation rate because the area of new plantations exceeds the rate of loss of natural forests, Viet Nam's large forest industries sector, which is mainly dependent upon imported raw materials, may put pressure on existing natural forests in neighbouring countries. REDD offers a financial tool to reduce demand for unsustainably-produced timber which, along with other initiatives such as the EU's FLEGT, can help to reduce deforestation regionally in the lower Mekong Basin. Therefore Outcome 3), the UN-REDD programme will generate information to help identify what role REDD might play in this process and thereby addressing "displacement of emissions" risks.

Although REDD is new, most of the issues inherent in a REDD value chain have been subject to past and on-going partnerships among Vietnamese agencies, especially MARD, and development partners to build capacity in Viet Nam. Building capacity for REDD will therefore need to take account of the programmes of other development partners, especially the Forest Sector Support Partnership (FSSP), a collaborative programme of the government and 15 development partners that seeks to put in place arrangements for continued collaboration in support of the forest sector of Viet Nam on the basis of agreed policies, strategies, priorities and principles of implementation in the areas of sustainable forest management and biodiversity conservation.

In working at the sub-national level (under Outcome 2) the UN-REDD programme will mainly focus on building the capacity of local organizations to plan for and implement REDD actions. It is not anticipated that the programme will undertake any activities on land for which ethnic minority households hold Red Book certificates; however, if in the course of programme implementation it becomes apparent that such activities should take place, they will do so in conformity with UN-REDD Operational Guidance on Engagement of Indigenous Peoples & other forest dependent communities, and the principles of the United Nations Declaration of the Rights of Indigenous Peoples, and in particular applying the principle of prior informed consent. In building the capacity of local organizations to plan for and implement REDD actions, the programme will emphasize the importance of respect for the principles of the United Nations Declaration of the Rights of Indigenous Peoples.

Sustainability of results:

Feasibility of the Viet Nam UN-REDD programme is assured due to the careful positioning of the programme within the context of on-going initiatives supported by international development partners. Prior to and during the scoping mission (January 12-16, 2009), extensive analyses were undertaken of the development context within which the UN-REDD Programme will operate to ensure that elements of the programme complemented initiatives supported by other donors. Outputs retained in the programme were reduced from a larger number of eligible outputs to ensure that the results could be generated within the time-frame of the programme.

Given the extremely ambitious time-frame which the international community has given itself to assess the viability of REDD as an element of a post-Kyoto climate-change mitigation financial instrument, and the intended contribution of the UN-REDD Programme to negotiations on this issue, the greatest risk is related to administrative delays in approval and mobilization of funds, recruitment of personnel and related issues.

Measures to reduce this risk have included fast-tracking and parallel processing of documentation required for approval by the donor (through the UN-REDD Programme) and GoV, and advance identification of potential issues, undertaken with UNDP Trac funds.

A related risk is a lack of coordination and collaboration among potential partners. Because REDD has emerged so quickly as a potential source of major additional funding for SMF and forest conservation, there is inevitably a risk of institutional competition among agencies involved in on-going programmes. This is seen, for example, in the debate about the extent to which the Viet Nam UN-REDD programme should be embedded in the FSSP, or managed separately. Measures to reduce this risk include extensive consultations with development partners during the design phase, and the inclusion of Output 1.1, which will establish a coordination mechanism, and which explicitly calls for resolution of the relationship with the FSSP.

Regarding sustainability of results, the Viet Nam UN-REDD programme represents an initial step in a process leading up to 2012, when the GoV intends to be REDD-ready. As such, the results of the Viet Nam UN-REDD programme are only interim results, and are not intended to be sustainable *per se*. Therefore, a risk exists that funding to continue support to the GoV to become REDD-ready is not forthcoming. This risk is rated low for two reasons. Firstly, Viet Nam may access an additional \$2.5M from the World Bank's Forest Carbon Partnership Facility (FCPF), upon submission of an "R-PLAN". Although the Viet Nam UN-REDD programme will not prepare the R-PLAN itself, its activities will facilitate the preparation of the R-PLAN by the DoF. Secondly, there is potential for additional funding from the UN-REDD donor, the Government of Norway, if it appears that Viet Nam is a valuable place to demonstrate elements of REDD-readiness.

4. Results Framework

The **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 the reduction of regional displacement of emissions*”. This will contribute to the broader **Goal** of ensuring that “*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*”.

In order to secure this Objective, three Outcomes will be pursued:

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

As mentioned in Section 4 (Strategy), this Outcome will contribute to the development of capacity at the national level to design and implement the necessary measures to establish a national REDD programme which is capable of generating and monitoring measurable and sustainable reductions in rates of deforestation and forest degradation; managing financial incentives for reduced emissions; receiving market or fund-based payments related to performance, and distributing these down to provincial and district levels in a transparent and equitable manner reflecting sub-national performance measures.

Given the goal of ensuring that Viet Nam is REDD-ready by the end of 2012, and the time-frame over which the UN-REDD programme will be implemented (20 months), only those elements of a REDD regime which can be addressed within the time-frame and which are not already being addressed by other partners are included under this Outcome. These are:

Output 1.1: National coordination mechanism (cf Component 4 of the FCPF R-Plan template)

The government’s REDD focal point (DoF) is responsible for ensuring that the development of capacity to implement REDD occurs through a coordinated, effective and efficient process. This process needs to be inclusive of all stakeholders, particularly those who are often marginalized, but who are critical to the success of REDD (ethnic minorities and the rural poor).

MARD (with assistance from UNDP) has prepared a proposal, including draft ToR (see Annex D), for an “interim working group” on REDD, under the auspices of the Standing Office of the Steering Committee for Climate Change (OCCA), which will include both Vietnamese and international partners (including the UN). The formation of a working group dedicated to REDD was considered necessary in order to ensure rapid progress in coordination and management of the process of building capacity for REDD-readiness. However, it is recognized that the potential exists for imperfect coordination with other forest sector coordination mechanisms, especially the FSSP. Therefore, while the interim working group will be formed under OCCA, one of the tasks of the group, supported by the UN-REDD programme, will be to identify appropriate long-term arrangements to ensure harmonization among activities to support REDD and those supported through the FSSP.

Important tasks of the working group, as reflected in its ToR, will be to:

- Prepare an action plan for the design and implementation of all elements of an effective national REDD system for Viet Nam
- Assign responsibilities to departments and organizations of the Government of Viet Nam (such as MARD, FIPI, and PPCs) and other legal entities for implementation of specific components of the action plan
- Establish milestones and deadlines for delivery of each component of the action plan
- Review the current and planned programmes of international development partners related to the action plan

- Co-ordinate the inputs of international development partners, and ensure that bilateral and multilateral funding is directed to support implementation of specific components of the action plan in a way that is consistent with the comparative advantages of the international partners and meets the financial needs of each component
- Undertake regular reviews and assessment of the status of implementation of the action plan, and design and implement measures to address any shortcomings in implementation
- Ensure that all activities in support of the development and implementation of REDD measures in Viet Nam fall under, and are consistent with the action plan

Indicative activities contributing to this output will include:

- Organization and convening of regular (nominally monthly) meetings of the working group
- Provision of technical support and advice to the working group secretariat (DoF)
- Organization of workshops to review lessons learned through the UN-REDD and related programmes
- Organization of study-tours for stakeholders to field sites, especially THE UN-REDD Programme district pilots (Output 2.1)

1.2. Reference emission level (REL) (cf Component 7 of the FCPF R-Plan template)

Led by the Government of Viet Nam, UN REDD will provide support for the development of an interim REL, including analyses of different technical options for definition of the REL (possibly supported by sub-national scenarios based on administrative and/or ecological divisions). The REL and reference scenario are necessary in order to measure and demonstrate progress in mitigation actions e.g. reduce emissions from deforestation and forest degradation and increasing carbon stock through sustainable forest management to justify possible performance-related market or fund-based payments. Consequently, the final reference scenario needs to be comprehensive and rigorous, as the magnitude of payments will be related to the quality of data available. The final reference scenario will require significant quantities of data, some of which might not yet be available. However, an interim reference scenario (or even a series of interim scenarios) can be developed based on currently available data. The benefits of generating an interim reference scenario are to build the technical capacity and understanding required to calculate the final scenario, and to provide the basis for assessment of the need for future adjustments. Nominally it is expected that this output will generate an interim national scenario, but depending on the quality and complexity of data available, an interim reference scenario may first be developed for one or more of the seven agro-ecological zones of Viet Nam.

Indicative activities contributing to this output will include:

- Review of methodologies for establishing REL
- Collection, manipulation and compilation of data required for generating RELs
- Analysis of national circumstances, including the impacts of the global economic crisis on commodity prices, and development of interim scenarios
- Training of government officials in analysis of data and formulation of reference scenario
- Organization of workshops or other events to promote stakeholder buy-in, especially those stakeholders who are often marginalized (ethnic minorities and the rural poor)
- Analysis of current and future causes and drivers of deforestation/ degradation at the national level
- Analysis of opportunity costs of land use
- Identification of additional data needs

1.3. Framework National REDD Program (Strategy) (cf Component 3 of the FCPF R-Plan template)

While the generation of an interim reference scenario has didactic value, formulation of the National REDD Programme (often referred to as a national REDD strategy in some

documentation, including the World Bank's R-PLAN template) requires all information to be available, as activities identified as viable in preliminary versions of the programme may prove less viable as more information become available, thereby possibly confusing stakeholders or endangering their commitment to the programme. Thus, the National REDD Programme can only be completed shortly before the 2012 deadline established by the government to be REDD-ready. However, the government has placed high priority on formulating a National REDD Programme, so the UN-REDD programme will support the government by developing a framework programme, in which those elements for which adequate information is already available will be completed, and a roadmap established to generate the information required for completion of other elements. The UN-REDD programme in Viet Nam is committed to supporting the development of a single National REDD Program and avoiding the preparation of parallel National REDD Programs

Indicative activities contributing to this output will include:

- Review of existing international proposals and national policies for the structure of a National REDD Programme document
- Formulation of draft programme structure (to be reviewed and endorsed by the national coordination mechanism, Output 1.1)
- Identification of information requirements to complete each element of the draft programme structure
- Drafting of those elements for which information requirements are already met
- Preparation of a plan to generate additional information required for drafting of those elements for which adequate information does not yet exist
- Organization of consultation workshops on development of the National REDD Programme

1.4. Performance-based, transparent benefit sharing payment system from national to local levels

As mentioned in Section 4 (Strategy), an important distinction between payments for carbon storage and payments for other types of ecosystem services is that in the case of carbon, purchasers are not local. One of the roles of the national government will be to organize and manage financial incentives for reduced emissions. Such payments will then need to be distributed according to a clear, transparent and stakeholder-endorsed system. Some portions of the payments will be used for management of the system, and some portions may also be used to support related initiatives to reduce deforestation and forest degradation (such as the improvement of forest law enforcement systems). However, the bulk of the payments will need to be distributed to provincial and district authorities according to their performance in meeting local targets established to support the national target. These authorities will be responsible for local benefit sharing systems down to organizations, households, individuals and other legal economic entities (see Output 2.3).

Such a system of payment distribution will need to ensure transparency and to avoid the risk of corrupt diversion of funds, as future payments will depend on the confidence of purchasers that their funds are truly being used to reduce deforestation and forest degradation. If this is not clear, purchasers may seek to finance emission reductions in other countries, and/or will be willing to pay a lower price.

Viet Nam already has experience with distribution of payments from the national government to provincial and district level, for example under the 661 programme. Although payments in the past were not performance-related and were often subject to corrupt diversion, MPI has developed a new system that reflects performance. Therefore, the UN-REDD programme will review the structure of the new 661 payment distribution system, analyze modifications that might be required to make it effective for REDD (likely to include improved monitoring), and identify activities required to implement those modifications.

Note that under this Output the issue is simply to distribute payments to provincial and district levels. Distribution to local beneficiaries will be addressed through Output 2.3

Indicative activities contributing to this output will include:

- Analysis of experiences with existing payment systems (e.g., the 661 Program and PES) for relevance to REDD
- Identification of modifications required to establish a transparent and effective REDD payment distribution system
- Development and (where possible within the time-frame of the programme) implementation of activities required to achieve the required modifications (especially related to monitoring of the system)
- Organization of workshops or other events to secure stakeholder endorsement of the system

1.5. Communications materials for sharing lessons internationally

One of the expected results of the global UN-REDD programme is the development and dissemination of lessons regarding the feasibility of REDD to inform the international process under the UNFCCC. Many of those lessons will be generated through UN-REDD country programmes. Therefore the Viet Nam UN-REDD programme will generate knowledge materials valuable for international learning on REDD, for dissemination through the global component of the UN-REDD Programme.

Indicative activities contributing to this output will include:

- Identification of lessons likely to be of relevance internationally
- Preparation of appropriate learning materials (based on advice and support provided through the global component of the UN-REDD Programme)
- Organization of study tours to district pilot sites for knowledge dissemination

Outcome 2: Improved Capacity to manage REDD and provide other Payment for Ecological Services at district-level through sustainable development planning and implementation (cf Component 6 of the FCPF R-Plan template)

This Outcome will build capacity at the sub-national (provincial and district) levels and demonstrate practical approaches to effect reductions in deforestation and forest degradation through district pilots in two districts in Lam Dong province (nominally Lac Duong and Lam Ha districts).

REDD represents a new option for local stakeholders for revenue generation from forests, to complement existing options such as:

- Conversion to alternative, usually agricultural land uses
- Generation of domestically sold ecosystem services, such as water and soil conservation
- Production of forest products (in production forest)
- Protection contracts

The fate of any unit of forestland is determined by the relative value of retaining it as forest, compared with conversion to an alternative land-use (also affected by issues such as legal status and effectiveness of forest management and protection activities). The fact that deforestation of natural forest areas occurs reflects the fact that alternative land uses generate greater value and, where conversion is illegal, the risk of punishment is considered sufficiently low. Some deforestation will continue to occur, where the opportunity costs of alternatives are greater than the values that can be generated from intact forest, including the value of financial incentives for reduced emissions secured through REDD. However, the value of REDD is that the values of financial incentives for reduced emissions, which promise to be substantial

compared with the existing forest values, will alter the equation so as to make forest conservation more attractive.

REDD therefore needs to be mainstreamed into socio-economic and land-use planning at local levels, and in Viet Nam the district is the lowest level at which such planning can practically be applied.

2.1. District-level forest land-use plan mainstreaming REDD potential

In order for REDD to be mainstreamed into socio-economic and land-use planning, two issues are key:

First, the location and area of forest at risk of deforestation or degradation needs to be determined. As REDD financial incentives for reduced emissions can only be generated for areas where deforestation has been avoided, or forest degradation reduced, if a forest faces no threat of deforestation or degradation it is not eligible for REDD benefits. It is important to understand where deforestation and degradation are likely to occur. In other words, essentially it is necessary to construct a local baseline scenario. This means that past trends in local deforestation and forest degradation need to be established, using whatever data sources are available, but likely supplemented by observations of local stakeholders, including forest officials (from DARD/Forest Protection Office) and local farmers. Likely future trends in the absence of REDD need to be assessed by considering the alternative land uses available related to local and external markets and other factors

Secondly, the location and area of "REDD-priority" forest needs to be determined. Not all forest at risk of deforestation or degradation should be targeted with measures to reduce deforestation and forest degradation. In some areas, C-stocks will be so low that the potential value of REDD financial incentives for reduced emissions is unlikely to out-weigh opportunity costs of alternative land uses, so investments in measures to reduce deforestation and forest degradation in such areas are likely to be wasted. Such calculations need to take account of overlapping forest values. For example, an area of forest at risk with low C-stocks, but which can also earn payments for other ecosystem services such as hydrological regulation maybe worth investing in, whereas forest with similar C-characteristics but no potential to earn other forms of PES would not be.

The Viet Nam UN-REDD programme will therefore demonstrate mainstreaming of REDD through district-level pilots in two contrasting districts. Nominally the districts are Lac Duong, which is dominated by SUF, particularly the Bidoup-Nui Ba National Park, and Lam Ha, which is dominated by production forest.

Indicative activities contributing to this output will include:

- Training of staff of local authorities and other stakeholders in the planning and mapping processes
- Establishment of historical and current land-use maps
- Assessment of past causes and likely future trends in deforestation and forest degradation
- Mapping of at risk forest and "REDD-priority" forest areas
- Preparation of district socio-economic and land-use plans
- Organization of workshops or other events to secure stakeholder endorsement of district socio-economic and land-use plans
- Establishment of district REDD team (from staff of existing district and provincial institutions) to manage and monitor implementation of the district socio-economic and land-use plans

2.2. Participatory C-stock monitoring system (cf Component 8 of the FCPF R-Plan template)

Monitoring of progress in implementing REDD locally requires the capacity to monitor forest C-stocks. Since payments or other benefits for local stakeholders (frequently ethnic minorities and rural poor) are related to performance, in order to be assured of fair compensation for their inputs those stakeholders need to have the means of participating in the C-stock assessments. Such approaches to participatory C-stock assessments have been developed by organizations such as ICRAF and CIFOR. Therefore the Viet Nam UN-REDD programme will test such methodologies in the district pilot sites.

Indicative activities contributing to this output will include:

- Assessment of practicality of existing methodologies to local conditions
- Design and implementation of modifications, as necessary
- Training of local stakeholders (including district and provincial officials) in application of participatory C-stock monitoring methods
- Design of monitoring programme, including establishment of sample plots and sampling protocols
- Analysis of samples through more sophisticated methods to test accuracy of participatory monitoring methods

2.3. Equitable and transparent benefit sharing payment systems

REDD can only be effective if the planning supported through Output 2.1, and the measurement of performance, through Output 2.2, is linked to a fair and equitable payment distribution system. Note that this system will interface with the national-to-local system developed through Output 1.4. Viet Nam has extensive experience of local payment distribution systems. For example, some 11,000 households in Lam Dong province already receive payments in return for their services in protecting 320,000ha of forest in the province. As the existing systems seem to have a high level of stakeholder acceptance, it makes sense that a local REDD payment system should be modeled on the existing systems. However, it will likely be necessary to modify the existing systems to make them suitable for REDD. For example, there is currently little monitoring of the effectiveness of protection offered by the 11,000 households participating in the forest protection programme, but for REDD such monitoring will be essential. Therefore the Viet Nam UN-REDD programme will support the design of a modified payment distribution system suitable for REDD.

Indicative activities contributing to this output will include:

- Analysis of strengths and weaknesses of existing payment system(s)
- Identification and implementation of modifications necessary for REDD
- Organization of workshops or other events to educate local (district and provincial) officials and stakeholders regarding the modifications
- Testing of system

2.4. Awareness-raising at district and local levels

Preceding Outputs include measures to train and raise awareness on specific REDD measures such as participatory monitoring, and land-use planning. However, in support of these activities, there also needs to be general REDD awareness-raising efforts that target a broader audience and build support for REDD.

Indicative activities contributing to this output will include:

- Assessment of awareness-raising needs and opportunities
- Preparation of awareness-raising materials such as posters, pamphlets, radio programmes, etc.)
- Organization of awareness-raising events
- Re-assessment of level of awareness and additional awareness-raising needs

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

Regional displacement of emissions is known to be a significant problem in the lower Mekong Basin. Recent studies indicated that increased deforestation rates in Cambodia and Lao PDR (as well as Myanmar and other countries) increased dramatically following the introduction of a nation-wide logging ban in Thailand and reductions in forest harvesting in Viet Nam. Cambodia and Lao PDR are classed as Least Developed Countries, and their capacity to deal with issues like deforestation and forest degradation is limited, especially as much of the deforestation and forest degradation within their borders is driven by powerful forces in other countries. If REDD is to be implemented effectively so as to reduce emissions from deforestation and forest degradation within the Lower Mekong Basin, as a contribution to global efforts in this regard, there will be a need for coordinated regional action.

As a regional leader in relation to REDD, Viet Nam has an opportunity to demonstrate how cross-border cooperation to reduce regional displacement of emissions can be promoted. As noted already, powerful forces drive regional displacement of emissions, so results in terms of reduced displacement of emissions within the time frame of the Viet Nam UN-REDD programme are unrealistic. However, the programme can initiate a process to quantify and assess the problem.

3.1. Quantification of regional "displacement of emissions" risk

Although the problem is known to be significant, the magnitude of regional displacement of emissions is unclear. Some efforts are underway to rectify this situation, for example the ADB's regional timber supply and demand analysis, but supplemental efforts are required to clarify the situation.

Indicative activities contributing to this output will include:

- Compilation of existing data, including that being generated by on-going initiatives
- Analysis of status and trends
- Identification of areas of uncertainty
- Pilot surveys of significant localities of cross-border timber and wood products movement

3.2. Regional dialogue on "displacement of emissions" risk

Numerous actors, including national governments, international development partners, and NGOs are engaged in efforts to control and reduce cross-border movements of illegal and quasi-legal timber and wood products, and to introduce control mechanisms such as certification. REDD offers a new mechanism to reduce the problem, but regional cooperation requires an active dialogue on the issues. The Viet Nam UN-REDD programme will initiate such a process. The fact that Lao PDR has had their R-PIN accepted by the FCPF and Cambodia is about to submit one adds to the validity of a regional perspective, in the form of a regional R-Plan.

Indicative activities contributing to this output will include:

- Engagement with partners working on cross-border movement of timber and wood products
- Organization of workshops or other events to discuss problems and possible solutions
- Analysis of drivers, including both national-level and local drivers
- Preparation of a work-plan for further development of regional cooperation

3.3 Analysis of opportunities for linkage with non-REDD initiatives to reduce cross-border flow of illegal timber

Existing initiatives such as the EU's FLEGT, the World Bank's FLEG and the recent amendments to the US Lacey Act seek to control illegal movement of timber and forest products. Such initiatives focus on governance and building capacity for effective control measures. The focus of REDD is different, being on reducing emissions (which are obviously related to timber and forest products), and the mechanisms under which REDD will work are different, being largely economic. There would appear to be an opportunity for mutual support among these initiatives (and others), but the precise opportunities and requirements to capitalize on them have not yet been analyzed.

Indicative activities contributing to this output will include:

- Review of progress in FLEGT/FLEG and identification of gaps
- Analysis of strengths and weaknesses of REDD in addressing regional displacement of emissions
- Organization of workshops or other events to identify opportunities for mutual support among REDD, FLEG/FLEGT and other initiatives
- Preparation of a work-plan to implement collaborative measures

These Outcomes and Outputs, together with indicators are presented in the logical framework matrix in Table 1.

Because of the complexity of issues related to REDD, and the efforts of multiple development partners in building capacity of Viet Nam in the forest sector, there is a significant risk of duplication of effort, or a lack of harmonization in approaches. Preparatory work for the Viet Nam UN-REDD programme included a partner mapping exercise, which sought to identify for which issues the UN system has a comparative advantage, and among those, which other partners were active or were considering new initiatives. This analysis, supported by stakeholder consultations held before and during the UN-REDD Programme scoping mission (January 12-16, 2009) helped to avoid duplication at the design phase. However, the programme coordinator (see Section 6) will need to maintain close contact with all key partners in order to ensure future partner activities are consistent with the programme.

Annual reviews: The implementing partners and the participating UN Organizations 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 joint programme. This will include an assessment of the risks and assumptions to determine whether they are still holding. A new work plan and budget will be produced with the necessary adjustments made based on the lessons learned from a review of the risks and assumptions and implementation progress achieved. The new work-plan is approved in writing by the Programme Executive Board. The JPD need not be signed every year. However, any substantive change in the joint programme scope will require revision of the JPD. The amendments will need to be signed by all parties.

Table 2: Logical framework matrix

Result	Implementing Partner	Related activities	Indicator	Baseline	Proposed target	Means of verification	Risks and assumptions
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	<ul style="list-style-type: none"> Government Bilateral donors Other multilateral agencies NGOs Civil Society 	<ul style="list-style-type: none"> Programmes of multiple donors 	<ul style="list-style-type: none"> Recognition of REDD-VN as a state-of-the-art national system 	<ul style="list-style-type: none"> No system in place 	<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 	<ul style="list-style-type: none"> Government policy briefs for COP-15; observations by other Parties to the UNFCC 	<ul style="list-style-type: none"> Donor support is coordinated Government commitment is firm
			<ul style="list-style-type: none"> Preliminary programme to reduce emissions from deforestation and forest degradation 	<ul style="list-style-type: none"> No programme 	<ul style="list-style-type: none"> By the end of 2010, Viet Nam has in place a preliminary programme to generate independently measurable and verifiable REDD financial incentives for reduced emissions 	<ul style="list-style-type: none"> REDD-VN reporting system 	<ul style="list-style-type: none"> REDD is endorsed as a component of a post-Kyoto instrument WB FCPF provides funds to address complementary issues
Outcome 1: Improved technical and institutional capacity for national coordination to manage REDD activities in Viet Nam	<ul style="list-style-type: none"> MARD FCPF Other government agencies 	<ul style="list-style-type: none"> Programmes of multiple donors 	<ul style="list-style-type: none"> Components of REDD architecture in place 	<ul style="list-style-type: none"> Support to SFM has established partial elements, but none are REDD-ready 	<ul style="list-style-type: none"> By the end of 2010 key components of REDD architecture (coordinating mechanism, reference scenario, payment distribution system) are completed 	<ul style="list-style-type: none"> Reports; interviews with key government and development partner officials 	<ul style="list-style-type: none"> Government and partner agencies cooperate effectively Funds are mobilized in a timely fashion
Outputs:							
1.1. National coordination mechanism	<ul style="list-style-type: none"> DoF/MARD FSSP MONRE 		<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 By the end of 2010 all partners have endorsed a roadmap generated by the working group 	<ul style="list-style-type: none"> Reports; interviews with key government and development partner officials 	<ul style="list-style-type: none"> Commitment from all partners Institutional relationships with other initiatives, especially the FSSP are resolved

1.2. National reference scenario for REDD	<ul style="list-style-type: none"> • DoF • FIPI • FSIV 	<ul style="list-style-type: none"> • FCPF • FAO NFMA project • FOMIS • ADB/FLITCH • Japan-funded project to screen REDD potential land in Viet Nam 	<ul style="list-style-type: none"> • Data/analysis on deforestation and degradation using FRA RSS and other robust methodology 	<ul style="list-style-type: none"> • Some data/analysis exist 	<ul style="list-style-type: none"> • By the end of 2009, preliminary analyses of available data completed 	<ul style="list-style-type: none"> • Reports • Maps • Surveys 	Viet Nam prioritises and resources the process adequately
			<ul style="list-style-type: none"> • Historical data on forest resources (volumes, carbon stock, forest classes etc.) for historical emission levels 	<ul style="list-style-type: none"> • Not covering the whole country, existing NFI data not calculated 	<ul style="list-style-type: none"> • By the end of June 2010, NFI data analyzed 	<ul style="list-style-type: none"> • Reports • Maps • Surveys 	Participating agencies in Viet Nam committed to developing the RS
			<ul style="list-style-type: none"> • Trained staff for REDD REL development 	<ul style="list-style-type: none"> • Some staff trained, but not specifically on REDD 	<ul style="list-style-type: none"> • By the end of August 2010, a REDD REL/reference scenario team is fully trained 	<ul style="list-style-type: none"> • Staff records • Financial reports 	Methodological support from Partners is available
			<ul style="list-style-type: none"> • Stakeholder-endorsed interim reference scenario of forest C-stocks 	<ul style="list-style-type: none"> • No scenario exists 	<ul style="list-style-type: none"> • By the end of 2010 a multi-stakeholder endorsed interim REL/reference scenario has been developed 	<ul style="list-style-type: none"> • Joint agreements and reports 	Methodology for monitoring degradation adequate
1.3. Framework National REDD Program (Strategy)	<ul style="list-style-type: none"> • DoF • MONRE and other government agencies • NGOs 	<ul style="list-style-type: none"> • FCPF • FSSP 	<ul style="list-style-type: none"> • Baseline analysis on governance and policy for REDD 	<ul style="list-style-type: none"> • No integrated analysis 	<ul style="list-style-type: none"> • By the end of September 2009, an analysis of governance and policy for REDD is completed 	<ul style="list-style-type: none"> • Reports 	Coordination mechanism works effectively
			<ul style="list-style-type: none"> • Structure of national REDD programme 	<ul style="list-style-type: none"> • No structure exists 	<ul style="list-style-type: none"> • By the end of June 2009 a structure for the national REDD programme is endorsed by the coordinating mechanism 	<ul style="list-style-type: none"> • Reports 	
			<ul style="list-style-type: none"> • Information gap analysis 	<ul style="list-style-type: none"> • Gaps only known in general terms 	<ul style="list-style-type: none"> • By the end of 2010 information gaps have been identified and a workplan to fill them prepared 	<ul style="list-style-type: none"> • Reports 	
1.4. Performance-based, transparent benefit sharing payment system from national to local levels	<ul style="list-style-type: none"> • DoF/MARD • MoF • NGOs 	<ul style="list-style-type: none"> • KfW/MPI 	<ul style="list-style-type: none"> • Stakeholder satisfaction with payment system, monetary or in-kind benefits in target communities 	<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 	<ul style="list-style-type: none"> • Survey 	<ul style="list-style-type: none"> • Stakeholder views are not too divergent • A mechanism can be

			of a magnitude that could influence on decision-making		beneficiaries		designed that is relatively immune to corruption
1.5. Communications materials for sharing lessons internationally	<ul style="list-style-type: none"> • DoF • UNEP • NGOs 	•	• Production of communications materials	• No materials	• By the end of 2009, at least 2 knowledge products have been disseminated internationally (specifically during COP-15)	Reports	Programme is able to generate internationally-relevant lessons over a short time-frame
Outcome 2: Improved Capacity to manage REDD and provide other Payment for Ecological Services at district-level through sustainable development planning and implementation	<ul style="list-style-type: none"> • DoF • Provincial and district authorities • NGOs 	• UNDP/MPI Mainstreaming SD and Climate into provincial planning project	• Operational district pilots in at least 2 districts	• No pilots underway	• By the end of 2010 pilots in at least 2 districts in Lam Dong have demonstrated a viable approach to planning for REDD, participatory monitoring, and a system for distribution of benefits	Reports, field survey with interviews of local stakeholders	<p>District authorities embrace demonstration of REDD</p> <p>Funds flow in a timely fashion</p>
Outputs:							
2.1. District-level forest land-use plan mainstreaming REDD potential	<ul style="list-style-type: none"> • Provincial and District authorities 	<ul style="list-style-type: none"> • Japan-funded project to screen at risk forest areas 	• District socio-economic development plan with REDD priorities identified	• Local plans do not include REDD	• By the end of 2010 a multi-stakeholder endorsed socio-economic development plan has been developed that incorporates status and trends of forest cover and identifies economically-viable at risk areas	Reports/maps	Local authorities have the basic capacity for socio-economic planning
2.2. Participatory C-stock monitoring system	<ul style="list-style-type: none"> • Provincial and District governments in Lam Dong • FAO • NGOs 	<ul style="list-style-type: none"> • CIFOR (methodology developed) • Winrock team 	• Engaged stakeholders at the district and local levels (including ethnic minorities and forest dependent communities) involved in participatory monitoring	• Local institutions have little capacity for forest monitoring	• By the end of September 2010 local institutions are able to conduct participatory monitoring	Reports, maps, data files	<p>Capital investments and training are delivered in a timely fashion</p> <p>Institutional coordination is effective</p>

			<ul style="list-style-type: none"> • Sample plot system for ground-truthing 	<ul style="list-style-type: none"> • No sample plots exist 	<ul style="list-style-type: none"> • By the end of June 2009, a sample plot system has been established 	<ul style="list-style-type: none"> • Reports, maps, data files 	
			<ul style="list-style-type: none"> • Preliminary C-stock estimates 	<ul style="list-style-type: none"> • Existing processes are non-participatory 	<ul style="list-style-type: none"> • By the end of 2010 responsible organizations have produced C-stock survey data 	<ul style="list-style-type: none"> • Reports, maps, data files 	
2.3. Equitable and transparent benefit sharing payment systems	<ul style="list-style-type: none"> • District and provincial authorities • NGOs 	<ul style="list-style-type: none"> • RECOFTC • SNV • WWF • CIFOR 	<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-making 	<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 expectations of all stakeholders and beneficiaries 	<ul style="list-style-type: none"> • Survey; interviews with beneficiaries 	<ul style="list-style-type: none"> • Stakeholder views are not too divergent • A mechanism can be designed that is relatively immune to corruption
2.4. Awareness raising at district and local levels	<ul style="list-style-type: none"> • District and provincial authorities • NGOs 	<ul style="list-style-type: none"> • Winrock • RECOFTC 	<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 	<ul style="list-style-type: none"> • Stakeholder consultation minutes 	<ul style="list-style-type: none"> • Existing proposal for awareness raising on PES provide an effective vehicle for awareness raising on REDD
Outcome 3: Improved knowledge of approaches to reduce regional displacement of emissions	<ul style="list-style-type: none"> • Regional governments 	<ul style="list-style-type: none"> • WB • ADB • EU • RECOFTC 	<ul style="list-style-type: none"> • Roadmap for reducing regional displacement of emissions 	<ul style="list-style-type: none"> • Regional "R-PIN" drafted but not funded; no roadmap exists 	<ul style="list-style-type: none"> • By the end of 2010, a roadmap to address regional displacement of emissions has been endorsed by the GoV and at least one other regional government 	<ul style="list-style-type: none"> • Documentation, reports 	<ul style="list-style-type: none"> • Cooperation with regional governments is feasible • Funds flow in a timely fashion
Outputs:							
3.1. Quantification of regional "displacement of emissions" risk	<ul style="list-style-type: none"> • MARD (DoF and ICD to secure involvement of other governments) 	<ul style="list-style-type: none"> • ADB 	<ul style="list-style-type: none"> • Completion of analysis 	<ul style="list-style-type: none"> • Magnitude of problem understood only in qualitative terms 	<ul style="list-style-type: none"> • By the end of 2010 an analysis providing quantitative estimates of regional displacement of emissions risk has been produced 	<ul style="list-style-type: none"> • Report 	<ul style="list-style-type: none"> • Data on illegal and quasi-legal movement of timber and wood products can be collected or inferred
3.2. Regional dialogue on "displacement of	<ul style="list-style-type: none"> • MARD (DoF and ICD to secure involvement of 	<ul style="list-style-type: none"> • RECOFTC 	<ul style="list-style-type: none"> • Emerging agreements on approaches to 	<ul style="list-style-type: none"> • Essentially no debate has taken place 	<ul style="list-style-type: none"> • By the end of 2010 elements of a workplan to address 	<ul style="list-style-type: none"> • Minutes of meetings, workshops, etc. 	<ul style="list-style-type: none"> • Influence of powerful entities

emissions" risk	other governments)		reduce regional displacement of emissions		drivers of regional displacement of emissions cooperatively are documented		engaged in movement of timber and wood products does not negate progress
3.3 Analysis of opportunities for linkage with non-REDD initiatives to reduce cross-border flow of illegal timber	• DoF	<ul style="list-style-type: none"> • CIFOR • EU FLEGT • WB FLEG 	• Completion of analysis	• No analysis exists	• By the end of 2010 the potential for collaboration between REDD and FLEG(T) in reducing regional displacement of emissions has been identified	Report	Differences in focus of REDD and FLEG(T) are not sufficient to negate potential for colabration

5. Management and Coordination Arrangements

The “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.

Fund management will use the pass-through modality¹⁵. UNDP’s Multi-donor Trust Fund Office has been designated as Administrative Agent for UN-REDD. The funds from UN-REDD will be passed through from the Administrative Agent to the Participating UN Organisations in accordance with the MOU between UN-REDD and the Multi-donor Trust Fund Office.¹⁶

The programme will be managed in accordance the 2003 UNDG Guidance Note on Joint Programming and executed by several “National Implementing Partners”, including MARD, Provincial and District agencies, through the participating UN organizations, UNEP, FAO, and UNDP. Each of those Implementing Agencies is accountable to the participating UN organization relating to the funds released for the delivery of a specific set of outputs and for management of inputs. Specialized service delivery costs for programme and project implementation may be charged directly to the joint programme, in accordance with the respective Participating UN Organizations’ policies, but such costs will amount to no more than 7% of the Participating UN Agency’s budget allocation.

The Participating UN Organizations may enter into a formal agreement with a national agency, provincial authorities, or a Mass Organisation, or procure services from other parties for the implementation of certain activities or sub-activities, in accordance to their regulations, rules, policies and procedures. They will retain the primary accountability for management of inputs and the specifically agreed outputs. National partners will use the UN-EU cost norms in accordance with the standard MoU between Participating UN Organisations and the United Nations Resident Coordinator.

a) Programme Executive Board (PEB)

A Programme Executive Board will be established. The PEB will be jointly-chaired 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 leader of: MPI, MOF, MONRE, CEMMA; and National Programme Director (Secretary). A representative of the Embassy of Norway 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. 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:

- a. Reviewing and adopting the Terms of Reference and Rules of Procedures of the PCG and/or modify them, as necessary (Generic Terms of Reference can be found on the MDTF website)
- b. Approving the Joint Programme Document before submission to the UN-REDD Policy Board
- c. Approving the strategic direction for the implementation of the Joint Programme within the approval by the UN-REDD Policy Board

¹⁵ [www.undg.org/archive_docs/3642-Finalized Guidance Note on Joint Programming complete .doc](http://www.undg.org/archive_docs/3642-Finalized_Guidance_Note_on_Joint_Programming_complete_doc)

¹⁶ <http://www.undp.org/mdtf/UN-REDD/docs/UN-REDD-MOU.pdf>

- d. Aligning UN-REDD funded activities with the UN Strategic Framework or One-Plan approved strategic priorities;
- e. Approving the documented arrangements for management and coordination
- f. Approving the annual work plans and budgets as well as making necessary adjustments to attain the anticipated outcomes.
- g. Reviewing the Consolidated Joint Programme Report from the Administrative Agent and provide strategic comments and decisions and communicate this to the Participating UN Organizations.
- h. Suggesting corrective action to emerging strategic and implementation problems.
- i. Creating synergies and seeking agreement on similar programmes and projects by other donors.
- j. Approving the communication and public information plans prepared by the PCG.

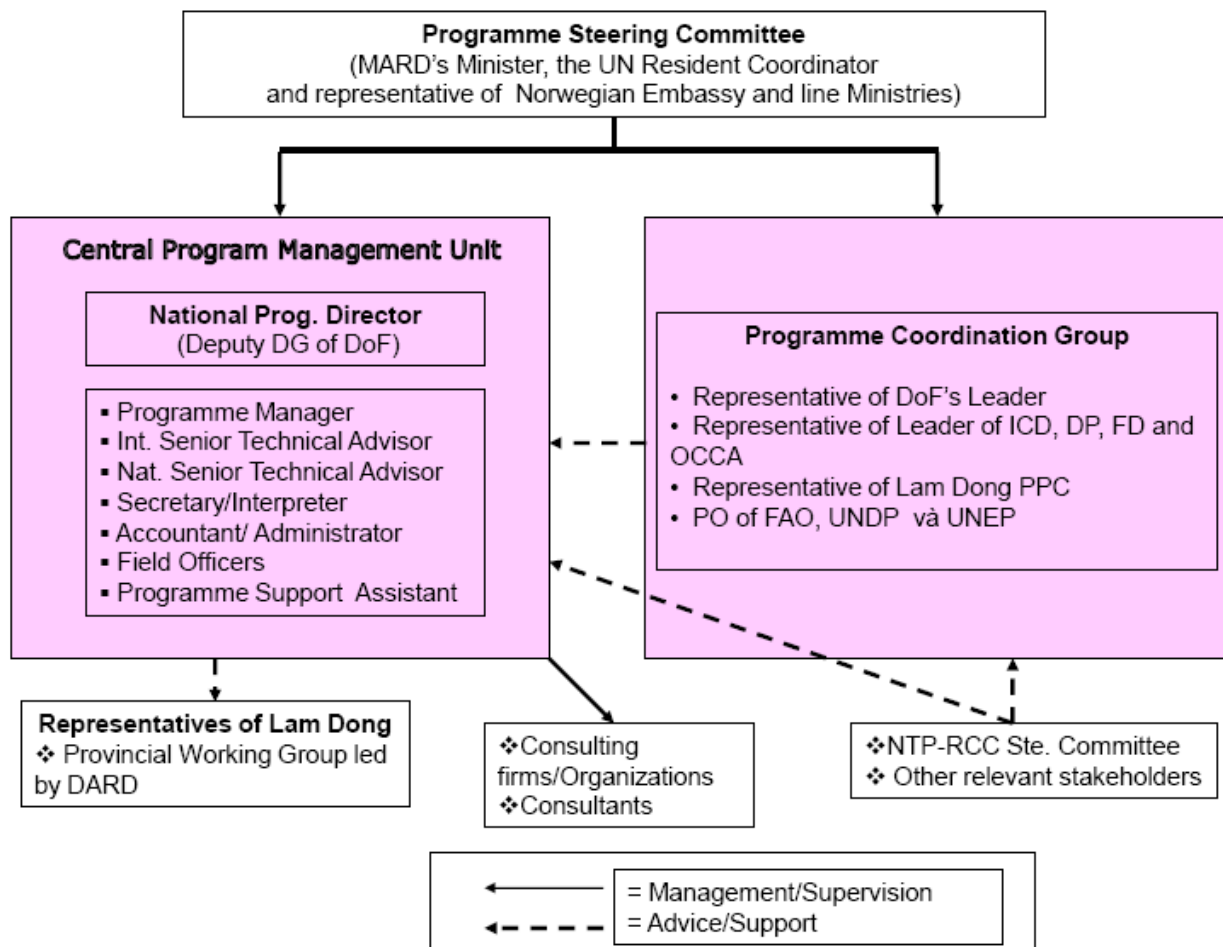


Diagram of the Programme Implementation Structure

b) Programme Coordination Group (PCG)

A Program Coordination Group (PMG) will also be formed, comprised of people at working level from the three UN agencies and the REDD focal point in MARD. This PCG will meet once a quarter to share/update each other on the progress and find solutions for common issues.

The responsibilities of the PMG will include:

- a. Ensuring operational coordination

- b. Appointing a Programme Manager or equivalent thereof;
- c. Managing programme resources to achieve the outcomes and output defined in the programme;
- d. Establishing adequate reporting mechanisms in the programme;
- e. Integrating work plans, budgets, reports and other programme related documents; and ensures that budget overlaps or gaps are addressed;
- f. Providing technical and substantive leadership regarding the activities envisaged in the Annual Work Plan;
- g. Agreeing on re-allocations and budget revisions and make recommendations to the NSC as appropriate;
- h. Addressing management and implementation problems;
- i. Identifying emerging lessons learned; and
- j. Establishing communication and public information plans.

c) Programme Management Unit (PMU)

A programme management unit (PMU) will be responsible for day-to-day management of the programme, including the preparation of annual and three-monthly workplans, and financial and programmatic reports. The PMU is based in Hanoi and consists of following key staff:

- 01 National Programme Coordinator (NDP)
- 01 National Senior Programme Technical Advisor
- 01 International Senior Programme Technical Advisor
- 01 Programme Manager
- 01 Secretary/Interpreter
- 01 Accountant/Administrator
- Programme support Assistants (may be recruited and/or mobilized from existing staff of agencies in MARD and in Lam Dong Province depending on the needs of the programme implementation and will be decided by the NPD)
- Field Officers

d) National Programme Director (NPD)

The Ministry of Agriculture and Rural Development will assign a leader of DOF as part time National Programme Director. 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 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.

e) Programme Manager (PM)

Project Manager will be delegated by the NPD to ensure smooth implementation on daily basis. PM will be accountable for operational activities of the project. Therefore this is full time position with strong management experiences and excellent English. He/she responsible for the progress reports, annual workplans and budget for approval.

f) International Programme Technical Advisor

An internationally-recruited Programme Technical Advisor will be recruited for the duration of the Viet Nam UN-REDD programme. The technical advisor will provide on-going technical advice to the National Programme Director so as to ensure effective and timely delivery of programme results. The programme technical advisor will also assist in the identification of required technical inputs and mobilization of appropriate technical specialists to deliver those inputs. The programme technical advisor 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.

g) National Senior Programme Technical Advisor

An nationally-recruited Programme Technical Advisor will be recruited for the duration of the Viet Nam UN-REDD programme. The technical advisor will provide on-going technical advice to the National Programme Director so as to ensure effective and timely delivery of programme results. The programme technical advisor will also assist in the identification of required technical inputs and mobilization of appropriate technical specialists to deliver those inputs. The programme technical advisor 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.

h) Secretary/Interpreter

The Provide Secretary/Interpreter 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 (see Annex 4).

i) Accountant/Programme administrator

The Accountant will be responsible for financial planning, accounting and reporting, control of expenditures, bank reconciliation, maintaining an inventory register, and general administration (see Annex 4).

Cash Transfer Arrangements and work planning and budgeting

In the Case of all three UN Agencies, cash transfers will be according to the UN Harmonized Approach to Cash Transfers. The specific modality of cash transfers will be determined on the basis of a joint micro-assessment to be conducted by ExComm agencies. Based on past experience over several decades, it is anticipated that the conclusion of the micro-assessment will be that cash transfers should be effected by direct cash transfer on a quarterly basis.

The PMU will be responsible for preparing a quarterly workplan (QWP) using a unified workplan 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, as specified in Table 1, above, 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 will be transferred by each responsible agency. The legal basis for fund transfer will be in accordance with agency financial rules and regulations.

As agreed, the GoV will provide in-kind contribution to the Program Implementation while the Ministry of Agriculture and Rural Development has very limited working space for its line Departments and could not be able to arrange the office for the PMU. Therefore, *all expenses for renting office and management and operation (O & M) of the PMU will be covered by the ODA Fund.*

Recruitment

Recruitment of national project personnel, whether they are in the professional or administrative support category, will follow the existing procedures and regulation of Vietnam or UN. Recruitment of personnel with value of over USD 1,000 is regulated at Section 5. The following principles must be followed with respect to the recruitment process:

- (a) **Competitiveness:** The recruitment must be made on the basis of a wide search for the most qualified candidates and selection of the best suited individual according to the job description and the project document.
- (b) **Openness and transparency:** The recruitment process must be open and transparent, giving full and equal information to all candidates, with clear criteria for selection, and with the participation of several individuals in the decision-making process, through the Project Recruitment Panel (PRP).
- (c) **National recruitment:** National personnel will be recruited to provide technical inputs to the maximum extent possible; international personnel will be recruited only when the necessary technical expertise is not available in Viet Nam.

Both national and international personnel anticipated to be recruited under the programme are identified in Annex E.

Steps in Recruiting National Project Personnel

Recruitment of national project personnel, whether they are in the professional or administrative support category, will follow the procedures of the responsible Participating UN Agency. However, the following steps will be followed for all recruitment of national project personnel.

1. Prepare Terms of Reference/Job Description for the Post

The PM finalizes the ToR for the assignment or post in accordance with standard Participating UN Agency formats.

2. Identify Candidates for the Post

The PM identifies candidates and obtains their curriculum vitae (CVs) and references. Candidates can be identified using consultant rosters, through referrals from professional colleagues and institutions, or by public advertisement. Identified candidates should include a mix of both men and women.

3. Select the Best Candidate

The selection is made on a competitive basis from a pool of at least three (3) screened applicants according to the procedures of the responsible Participating UN Agency. The following criteria should be used in identifying the best candidate:

- (a) Matching of the candidate's qualifications with the TOR;
- (b) Cost in terms of the candidate's likely salary;
- (c) Timeliness of availability; and
- (d) Performance appraisals and references on the candidate's work.

Recruitment of National Personnel for *Ad Hoc* Services

In the course of project implementation, there sometimes arises the need for short, specialized and often urgent services that were not foreseen and therefore may not have been described in the project document. Examples are services for translation of small documents, or delivering one to a few hours of lecture in a training course. *Provided that such small ad hoc services cost less than an equivalent of \$1,000 in the Vietnamese Dong, the NPD has the authority to expeditiously hire qualified national consultants as soon as s/he or the PM identifies and selects them.* This is done by issuing a **Special Services Agreement or SSA** to the consultant.

In principles, payment for salary and other legal expenditures (if any) for the programme personnel and national consultants shall follow the existing agreements between the Government of Vietnam and UN. In case, it is required to have qualified professional personnel/consultants in a short notice and urgent needs, payment level shall be jointly decided by the UN participating organizations and the NPD on the basis of the job requirements, qualification, working experiences and payment level applicable to the applicant's previous contracted job, which is similar to the current post.

Recruitment of International Project Personnel

The recruitment and administration of international consultants follow the existing regulations of the 3 UN participating organizations. The recruitment and administration of international consultants could be conducted by FAO, UNDP and UNEP provided with NPD's agreement. After having common consensus on the TOR of the required 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

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

- (a) The PMU/STA/NTA cooperates with the responsible Participating UN Agencies (UNDP, FAO and UNEP) to develop 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/NTA 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 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 FAO, UNDP, UNEP in recruitments of International Project Personnel

International 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 consultant, as described in the preceding section.

Sub-Contracting

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. 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.

A contractor/sub-contractor is defined as an entity providing services or goods in exchange for payments or other considerations. The specific subcontracts anticipated for the project are identified in Annex G. Contractors/sub-contractors are chosen through competitive bidding. International subcontracting is normally assigned to the responsible Participating UN Agency. Local subcontracting follows the rules and procedures of the responsible Participating UN Agency.

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

Travel Expenses and Daily Allowances

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.

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 the DoF 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 travelers is responsible for preparing the mission report, while individual reporting is not required for the traveler's participation in programme/project monitoring related meetings. *DSA and legally related expenses of the national members and the Programme consultants to abroad (the travel plan must be in the working plan and approved by the NPD) are paid according to the current UN rates.*

Provisions for procurement

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

International procurement is assigned to the responsible Participating UN Agency, following their standard rules and procedures. Responsibility for local procurement of items having a value of less than \$1000 is assigned to the NIP. Local procurement of items having a value greater than \$1000 follows the rules and procedures of the responsible Participating UN Agency. Technical equipments and tools (measurement tools, data processing computer, GPS, remote sensing software and GIS, etc.) could be directly purchased from producers or official distribution agents without organising bidding.

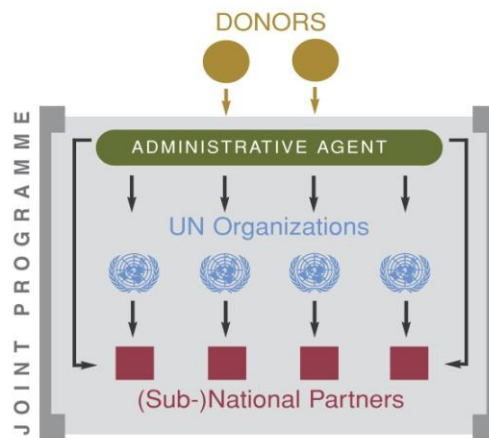
It is a must to have a written requirement and approval of the NPD for any national or international purchasing packages and recruitments.

7. Fund Management Arrangements

The joint programme budget management shall comply the existing international agreements that have been signed by the Government of Vietnam and the Donors and the existing regulations of the Government of Vietnam (Circular no. 82/2007/TT-BTC dated 12/7/2007 of Ministry of Finance guiding state management regulations applicable to grant that is belonged to the state budget income source).

The UN-REDD Collaborative Programme utilizes the 'pass-through' modality for fund management (see below graphic illustration). Participating UN organizations, in this case FAO, UNDP and UNEP, assume full programmatic and financial accountability for the funds received from the Administrative Agent.

Graphic illustration of fund management for a Joint Programme with Pass-Through Funding



Each Participating UN Organization shall decide on the execution process with its partners and counterparts following the organization's own regulation and rules. National government agencies and NGOs can receive funding through a Participating UN Organization and act as National Implementing Partners. Participating UN Organizations shall be entitled to deduct their indirect costs on contributions received according to their own regulations and rules, taking into account the size and complexity of the particular programme. Any indirect costs will be reflected in the Joint Programme submitted to the UN-REDD Secretariat. Indirect costs will not exceed 7 per cent of the joint programme budget. These costs cover general oversight, management, and quality control, in accordance with its financial regulations and rules. Specialized service delivery costs for programme and project implementation may be charged directly to the joint programme, in accordance with the respective Participating UN Organizations' policies.

Each Participating UN Organization will use the funds disbursed to it by the Administrative Agent from the UN-REDD Programme MDTF to carry out the activities for which it is responsible as set out in this document as well as for its indirect costs. The Participating UN Organizations will commence and continue to conduct operations for the UN-REDD Programme as set out in the UN-REDD MOU and as instructed by the UN-REDD Policy Board. The Participating UN Organizations will not make any commitments above the approved budgets, as amended from time to time by the Policy Board. If there is a need to exceed the budgeted amounts, the

Participating UN Organization concerned will submit a supplementary budget request to the UN-REDD Policy Board, through the UN-REDD Secretariat.

The Administrative Agent will ensure consistency of the approved Joint Programme with the applicable provisions of the Standard Administrative Arrangements (SAA) entered between donors and the Administrative Agent, and the MOU between the Participating UN Organizations and the Administrative Agent.

The UN Resident Coordinator provides on-going oversight to the Joint Programme, ensuring the participating UN organizations are meeting their obligations. The Resident Coordinator is entrusted with leadership of on-going programmatic oversight of the Programme activities and UN Coordination with the National REDD Office. He/she also facilitates ongoing monitoring and evaluation of UN-REDD Programme activities in conformity with UN standards.

Fund Management

Funds will be released in accordance with the UN-REDD Programme Rules of Procedure. These procedures require the UN-REDD Secretariat to submit the following to the Administrative Agent:

- Copy of the signed NJP document with the approved budget
- Submission Form, signed by the Chair of the UN-REDD Policy Board.

Upon receipt of the necessary documentation from the UN-REDD Policy Board, the Administrative Agent shall release funds to the Participating UN Organizations as set out in Section II of the Memorandum of Understanding for the Multi-Donor Trust Fund (available at www.undp.org/mdtf/UN-REDD/overview.shtml). The Administrative Agent shall notify the Participating UN Organizations and the UN Resident Coordinator when the funds have been transferred. Each Participating UN Organization shall establish a separate ledger account for the receipt and administration of the funds disbursed to it by the Administrative Agent.

8. Monitoring, Evaluation and Reporting¹⁷

The logical framework matrix (Table 1, above) provides the expected results (Objective, Outcomes and Outputs) of the Viet Nam UN-REDD 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 (Table 2, above) identifies the responsible UN agency for each Output and the implementing partner.

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

The Government, particularly the Executing Agency, or Lead Implementing Partner, and the Participating UN Organizations, 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 Joint Programme. This will include an assessment of the risks and assumptions to determine whether they are still holding.

Monitoring:

The Viet Nam UN-REDD programme is only expected to last 20 months, and represents an initial phase in the process of assisting Viet Nam to become REDD-ready by 2012. As such, no evaluation will be undertaken, and most indicators, which are mainly process indicator, will be measured only once. Table 3, below, re-organizes the indicators described in Table 1 sequentially, and thus constitutes a monitoring work-plan.

¹⁷ Cf. Component 9 of the FCPF R-Plan template

Table 3: Joint Programme Monitoring Framework (JPMF)

Result	Indicator	Means of Verification	Collection methods	Responsibilities	Risks & assumptions
September 2009					
1.1. National coordination mechanism	By the end of September 2009 the interim working group is operational	Reports	Collection of working groups minutes and reports	National Programme Director	Commitment from all partners Institutional relationships with other initiatives, especially the FSSP are resolved
November 2009					
1.3. Framework National REDD Program (Strategy)	By the end of December 2009 a structure for the national REDD programme is endorsed by the coordinating mechanism	Reports	Collection of reports and meeting minutes	National Programme Director	Coordination mechanism works effectively
2.2. Participatory C-stock monitoring system	By the end of December 2009, a sample plot system has been established in the pilot sites	Reports, maps, data files	Compilation of maps, data files and reports from implementing partners	National Programme Director	Capital investments and training are delivered in a timely fashion Institutional coordination is effective
December 2009					
1.3. Framework National REDD Program (Strategy)	By the end of 2009, an analysis of governance and policy for REDD is completed	Reports	Collection of reports and meeting minutes	National Programme Director	Coordination mechanism works effectively
March 2010					
1.5. Communications materials for sharing lessons internationally	By the end of 3/2010, at least 2 knowledge products have been disseminated internationally	Reports	Collection of reports and meeting minutes	National Programme Director	Programme is able to generate internationally-relevant lessons over a short time-frame
June 2010					
1.2. National reference scenario for REDD	By the end of June 2010, NFI data analyzed	Reports	Collection of reports from MARD and other partners	National Programme Director	Viet Nam prioritises and resources the process adequately Participating agencies in Viet Nam committed to developing the RS Methodological support from Partners is available Methodology for monitoring degradation adequate
August 2010					
1.2. National reference scenario for REDD	By the end of August 2010, a REDD reference scenario team is fully trained	Training reports	Collection of training reports, and preparation of summary	National Programme Director	Viet Nam prioritises and resources the process adequately Participating agencies in Viet Nam committed to developing the RS Methodological support from Partners is available Methodology for monitoring

					degradation adequate
September 2010					
2.2. Participatory C-stock monitoring system	By the end of September 2010 local institutions are able to conduct participatory monitoring	Reports, maps, data files	Compilation of maps, data files and reports from implementing partners	National Programme Director	Capital investments and training are delivered in a timely fashion Institutional coordination is effective
December 2010					
Objective: <i>To assist the Government of Viet Nam in developing an effective REDD regime in Viet Nam</i>	By the end of 2010, Viet Nam has in place a preliminary programme to generate measurable and verifiable REDD Financial incentives for reduced emissions By the time of COP-15, Viet Nam is able to demonstrate components of an effective and equitable national REDD regime	Government policy briefs for COP-15; observations by other Parties to the UNFCCC REDD-VN reporting system	Collection of government briefs	National Programme Director	Donor support is coordinated Government commitment is firm REDD is endorsed as a component of a post-Kyoto instrument WB FCPF provides funds to address complementary issues
Outcome 1: Improved institutional and technical capacity for national coordination to manage REDD activities in Viet Nam	By the end of 2010 key components of REDD architecture (coordinating mechanism, reference scenario, payment distribution system) are completed	Reports; interviews with key government and development partner officials	Collection of reports and meeting minutes; compilation of interview results and preparation of summary	National Programme Director	Government and partner agencies cooperate effectively Funds are mobilized in a timely fashion
1.1. National coordination mechanism	By the end of 2010 all partners have endorsed a roadmap generated by the working group	Reports; interviews with key government and development partner officials	Collection of reports and meeting minutes; compilation of interview results and preparation of summary	National Programme Director	Commitment from all partners Institutional relationships with other initiatives, especially the FSSP are resolved
1.2. National reference scenario for REDD	By the end of 2009, preliminary analyses of available data completed By the end of 2010 a multi-stakeholder endorsed interim reference scenario has been developed	Reports Maps Surveys Staff records Financial reports Joint agreements and reports	Collection of reports and meeting minutes; compilation of interview results and preparation of summary	National Programme Director	Viet Nam prioritises and resources the process adequately Participating agencies in Viet Nam committed to developing the RS Methodological support from Partners is available Methodology for monitoring degradation adequate
1.3. Framework National REDD Program (Strategy)	By the end of 2010 information gaps have been identified and a workplan to fill them prepared	Reports	Collection of reports and meeting minutes	National Programme Director	Coordination mechanism works effectively
1.4. Performance-based, transparent benefit sharing	By the end of 2010, a payment system has been developed that meets the expectations of all	Survey	Compilation of interview results and preparation of summary	National Programme Director	Stakeholder views are not too divergent A mechanism can be designed that is relatively

payment system from national to local levels	stakeholders and beneficiaries				immune to corruption
Outcome 2: Improved Capacity to manage REDD and provide other Payment for Ecological Services at district-level through sustainable development planning and implementation	By the end of 2010 pilots in at least 2 districts in Lam Dong have demonstrated a viable approach to planning for REDD, participatory monitoring, and a system for distribution of benefits	Reports, field survey with interviews of local stakeholders	Collection of reports and meeting minutes; compilation of interview results and preparation of summary	National Programme Director	District authorities embrace demonstration of REDD Funds flow in a timely fashion
2.1. District-level forest land-use plan mainstreaming REDD potential	By the end of 2010 a multi-stakeholder endorsed socio-economic development plan has been developed that incorporates status and trends of forest cover and identifies economically-high priority at risk areas	Reports/maps	Compilation of maps, data files and reports from implementing partners	National Programme Director	Local authorities have the basic capacity for socio-economic planning
2.2. Participatory C-stock monitoring system	By the end of 2010 responsible organizations have produced C-stock survey data that meet IPCC GPG standards	Reports, maps, data files	Compilation of maps, data files and reports from implementing partners	National Programme Director	Capital investments and training are delivered in a timely fashion Institutional coordination is effective
2.3. Equitable and transparent benefit sharing payment systems	By the end of 2010, a payment system has been developed that meets the expectations of all stakeholders and beneficiaries	Survey; interviews with beneficiaries	Compilation of interview results and preparation of summary	National Programme Director	Stakeholder views are not too divergent A mechanism can be designed that is relatively immune to corruption
2.4. Awareness raising at district and local levels	By the end of 2010, stakeholders in pilot districts are aware of REDD and potential benefits	Stakeholder consultation minutes	Collection of minutes of meetings	National Programme Director	Existing proposal for awareness raising on PES provide an effective vehicle for awareness raising on REDD
Outcome 3: Improved knowledge of approaches to reduce regional "displacement of emissions"	By the end of 2010, a roadmap to address regional leakage has been endorsed by the GoV and at least one other regional government	Documentation, reports	Collection of reports and meeting minutes	National Programme Director	Cooperation with regional governments is feasible Funds flow in a timely fashion
3.1. Quantification of regional "displacement of emissions" risk	By the end of 2010 an analysis providing quantitative estimates of regional leakage risk has been produced	Report	Collection of reports and meeting minutes	National Programme Director	Data on illegal and quasi-legal movement of timber and wood products can be collected or inferred
3.2. Regional dialogue on "displacement	By the end of 2010 elements of a workplan to address	Minutes of meetings, workshops,	Collection of workshop reports and	National Programme Director	Influence of powerful entities engaged in movement of timber and

of emissions" risk	drivers of regional leakage cooperatively are documented	etc.	meeting minutes		wood products does not negate progress
3.3 Analysis of opportunities for linkage with non-REDD initiatives to reduce cross-border flow of illegal timber	By the end of 2010 the potential for collaboration between REDD and FLEG(T) in reducing regional leakage has been identified	Report	Collection of reports and meeting minutes	National Programme Director	Differences in focus of REDD and FLEG(T) are not sufficient to negate potential for collaboration

Monitoring of risk

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

#	Description	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	Programme formulation	Political	Lacking high-level support, progress in programme implementation would be slow, REDD-readiness would not be achieved, and the viability of REDD as an approach to CC mitigation and forest conservation undermined $\begin{array}{c} \boxed{1} \\ P \end{array} \times \begin{array}{c} \boxed{4} \\ I \end{array} = \boxed{4}$	Linking the programme to the National Target Programme on CC, which has very strong political support, reduces this risk	UNDP CO will monitor	Scoping mission team leader	April 2009	Stable
2	Government agencies do not cooperate and coordinate activities effectively (cooperation with FSSP most important)	Programme formulation	Organizational	Failure of government agencies, including departments of MARD, to cooperate would slow, but would not prevent progress towards REDD-readiness. A perception of institutional competition would reduce overall commitment to REDD $\begin{array}{c} \boxed{2} \\ P \end{array} \times \begin{array}{c} \boxed{3} \\ I \end{array} = \boxed{6}$	Discussions with other agencies, especially the FSSP, took place during formulation. The specific relationship between the programme and FSSP will be finalized during inception	Programme manager will be responsible for reporting to UNDP CO on any early indications of lack of coordination	Scoping mission team leader	April 2009	Stable
3	Donor coordination (most importantly, with FCPF) is ineffective	Programme formulation	Organizational	Lack of donor coordination would restrict the flow of funds to assist in the progress towards REDD-readiness. As the UN-REDD programme was	The interim working group, which will include donor representatives, will promote coordination.	UN agencies in-country; UN agency regional coordinators/ advisors	Scoping mission team leader	April 2009	Stable

				<p>formulated as part of a larger partnership in developing REDD-readiness, this could limit the benefits of the programme</p> $\begin{array}{c} \boxed{3} \\ P \end{array} \times \begin{array}{c} \boxed{3} \\ I \end{array} = \boxed{9}$	Active exchange of information will be maintained with FCPF, including joint missions whenever possible				
4	Sub-national authorities do not share central government's commitment to REDD	Programme formulation	Political	<p>It is inevitable that there will be variation in the level of commitment among sub-national partners; where commitment is low, developing capacity to implement REDD will be slow. Ultimately, it is to be expected that national implementation of REDD will need to take account of poor progress in some provinces/districts</p> $\begin{array}{c} \boxed{3} \\ P \end{array} \times \begin{array}{c} \boxed{3} \\ I \end{array} = \boxed{9}$	Formulation of the programme took this risk into account by selecting a pilot province (Lam Dong) and pilot Districts where commitment is known to be high, as shown in their participation in the pilot PES policy development	Programme manager will be responsible for reporting to UNDP CO on any early indications of lack of commitment at pilot sites	Scoping mission team leader	April 2009	Stable
5	Programme inputs (funds, human resources, etc.) are not mobilized in a timely fashion	Programme formulation	Operational	<p>Most of the outputs in the programme logframe are inter-connected – for example, the development of an equitable benefit sharing mechanism (output 2.3) is dependent on local awareness raising (output 2.4); so slow mobilization of inputs to one component will slow down the whole programme</p>	The PMU includes both a programme manager and technical advisor, whose roles will include management of inputs. Regular communication among UN agencies will reduce probability of risk	Programme manager will be responsible for reporting to UN agencies on apparent or potential delays in mobilizing inputs	Scoping mission team leader	April 2009	Stable

				$\begin{array}{c} \boxed{2} \\ P \end{array} \times \begin{array}{c} \boxed{3} \\ I \end{array} = \boxed{6}$					
6	Influential stakeholders who benefit from forest (over)-exploitation undermine REDD	Programme formulation	Political	<p>It is recognized that some stakeholders will 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> $\begin{array}{c} \boxed{2} \\ P \end{array} \times \begin{array}{c} \boxed{4} \\ I \end{array} = \boxed{8}$	Engagement both with potential negatively-minded stakeholders and with high-level government officials, supported by awareness campaigns will reduce risk	National Implementing Partner and Programme Manager will be responsible for monitoring	Scoping mission team leader	April 2009	Stable
7	UN agency partners are unable to coordinate inputs and support to the programme		Strategic	<p>The three UN Agency partners in UN-REDD have limited experience in working on joint programmes, and have different approaches to project management, which could impact efficiency of programme implementation</p> $\begin{array}{c} \boxed{1} \\ P \end{array} \times \begin{array}{c} \boxed{3} \\ I \end{array} = \boxed{3}$	Viet Nam was selected as a programme country in part because it is also a pilot One-UN country, and so has some experience with joint programmes. Regular communication among UN agencies will reduce risk	UN Agency country offices and regional coordinators	Scoping mission team leader	April 2009	Stable

Evaluation, Annual/Regular reviews:

The UN-REDD Secretariat will establish an Evaluation Plan which ensures that all programmes supported by the UN-REDD Programme will undertake a final evaluation, which will assess the relevance and effectiveness of the intervention, and measure the development impact of the results achieved, on the basis of the initial analysis and indicators described at the time of programme formulation. Furthermore, the UN-REDD Secretariat will lead Mid-Term Reviews and thematic reviews for all programmes.

Reporting:

At the national level, the Participating UN Organizations are required to provide narrative reports on results achieved, lessons learned and the contributions made to the Joint 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 Joint Programme every 6 months, based on information received from the Programme Manager. The UN Resident Coordinator will assist in ensuring the Participating UN Organizations 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 Organizations.

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

Participating UN Organizations in receipt of UN-REDD resources will be required to provide the Administrative 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 Joint 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 Joint Programme activities financed from the UN-REDD MDTF, to be provided no later than 30 April of the year following the financial closing of Joint 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.

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

Subsequently, in accordance with the MOU and the SAA, the Administrative 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 Administrative Agent will also submit to donors a certified annual financial statement (Source and Use of Funds).

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.

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.

9. Legal Context or Basis of Relationship

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 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.

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

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.

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.

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.

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.

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.

Annex B: Institutional Donor Mapping for the REDD Implementation in Vietnam

Mapping out international donor support for developing a National REDD Program in the Socialist Republic of Viet Nam

Overview

Despite the occurrence of a forest transition in Viet Nam, with the turning point in 1991-1993 with 25-31 percent of land covered by forest,¹⁸ various regions of Viet Nam – including the central highlands and the northern mountains – still have high rates of deforestation. More prevalent is the occurrence of forest degradation throughout remaining natural forests. International efforts to support reduced emissions from deforestation and destruction (REDD) are underway, with the World Bank, UN-REDD and several NGOs including Winrock International, SVN and RECOTFC leading these efforts in Vietnam.

The Department of Forestry (DoF) of the Ministry of Agriculture and Rural Develop (MARD) is the key focal point within the Government of Viet Nam (GoV) to oversee the development and implementation of a national REDD program. The MARD/DoF is currently seeking to develop a *National REDD Program* to engage in international forest carbon markets and provide inputs to international talks regarding a future REDD international trading scheme at the UNFCCC COP-15 in Copenhagen in December 2009. The MARD/DoF National REDD Program is seeking donor support in two core areas, namely:

1. Establishing a legal framework for REDD in Viet Nam across various ministries; and,
2. Developing select REDD pilot projects at the provincial/regional level.

To support the GoV to coordinate REDD support, UN-REDD has undertaken an institutional donor mapping exercise that seeks to identify which donors, international organizations and NGOs are supporting or interested in supporting REDD, including the identification of potential overlaps and gaps, and mapping out how these efforts match with various REDD elements.

I. Multilateral Partners

The World Bank – The World Bank launched the Forest Carbon Partnership Facility (FCPF) at COP 13 in December 2007.¹⁹ By October 2008, Australia, Finland, France, Germany, Japan, Norway, Spain, Switzerland, the United Kingdom, the United States and other donors had pledged to contribute US\$100 million to the FCPF Readiness Fund. Other reports indicate that US\$165 million has been raised as of July 2008, including US\$91 million to the Readiness Fund and US\$74 million to the Carbon Fund.²⁰ More contributions from the public and private sector are expected in the coming months so the fund can close at a size of US\$300 million.²¹

The FCPF was established to support the enabling framework for competitively selected, key countries to engage and test pilot REDD methodologies that are currently under development. Priority was given to countries with substantial forest areas and forest carbon stocks as well as forests that are important for the livelihoods of forest dwelling populations. The FCPF

¹⁸ Meyfroidt P, Lambin, EF. 2008. Forest transition in Viet Nam and its environmental impacts. *Global Change Biology*, 14 (6), 1319-1336.

¹⁹ World Bank Forest Carbon Partnership Facility. www.carbonfinance.org

²⁰ Porter, G., Bird, N., Kaur, N., and Peskett, L. *New Finance for Climate Change and the Environment*. WWF and Heinrich Böll Foundation. Jul 2008, p. 34.

²¹ First Countries Named to Benefit from Forest Carbon Partnership Facility. A World Bank press release. <http://web.worldbank.org/WBSITE/EXTERNAL/NEWS/0,,contentMDK:21846447~menuPK:34463~pagePK:34370~piPK:34424~theSitePK:4607,00.html>.

Participants Committee selected countries based on the submission of a Readiness Plan Idea Note, or R-PIN, in accordance with technical criteria. The FCPF gave higher priority to countries that demonstrated in the R-PIN how the system could work, as opposed to simply selecting countries with the largest forest area and forest carbon stocks.²²

Fourteen nations were selected in July 2008 to receive FCPF support, including: six in Africa (the Democratic Republic of Congo, Gabon, Ghana, Kenya, Liberia, Madagascar); five in Latin America (Bolivia, Costa Rica, Guyana, Mexico, Panama) and three in Asia (Nepal, Lao PDR, and Vietnam). In the Participant Assembly Meeting in October 2008, twelve countries were additionally selected, including Cameroon, Colombia, Ethiopia, Papua New Guinea, Paraguay, Peru, Argentina, Nicaragua, Republic of Congo, Uganda, and Vanuatu. In accordance with Section 6.2(b) of the Charter, the Eligible REDD Countries will each have access to grants in the amount of up to US\$3.6 million, subject to terms and conditions specified in the Charter and the Grant Agreement(s) for the purpose of the preparing and implementing their Readiness Plans (R-Plans). However, due to short of funding, six countries (Argentina, Nicaragua, Republic of Congo, Uganda, and Vanuatu) will each have access to a grant in the amount of US\$200,000 for preparing the R-Plan, subject to the receipt of additional funding to provide such grants from Donor Country Participants (Norway and Switzerland having indicated that they are prepared to consider favorably providing such additional funding). Access to grants larger than US\$200,000 and associated service from the FCPF will be subject to availability of resources in the Readiness Fund.

The FCPF consists of two components: a US\$100 million Readiness Fund that will provide grants to help countries set up systems and processes to monitor and credibly govern their forests; and a US\$200 million Carbon Fund, which will provide some of these countries payment for the verified reductions in emissions. These funds will be dispensed as grants during 2008-2012.

As of November 2008, the GoV is still working to finalize the FCPF grant to begin its R-Plan work. A UN-REDD initiative in Viet Nam is already underway and moving forward on similar suite of "readiness" R-Plan activities.

Global Environment Facility (GEF) – The GEF is the officially designated funding mechanism of the UNFCCC and three other Rio conventions. Since 1991, the GEF has provided US\$7.4 billion in grants and generated over US\$28 billion in co-financing from other sources to support over 1,950 projects that produce global environmental benefits in 160 developing countries and countries with economies in transition.²³

GEF funds are contributed by donor countries and dispersed through grants administered by 10 multilateral development banks and agencies, including: the World Bank, UN Development Program (UNDP), UN Environment Program (UNEP), International Fund for Agricultural Development (IFAD), UN Food and Agriculture Organization (FAO), UN Industrial Development Organization (UNIDO), Inter-American Development Bank (IADB), African Development Bank (AfDB), Asian Development Bank (ADB) and European Bank for Reconstruction and Development (EBRD). In 2006, 32 donor countries pledged US\$3.13 billion to fund operations between 2006 and 2010.²⁴ As the financial mechanism of the UNFCCC, GEF allocates and disburses about US\$250 million dollars per year in projects in energy efficiency, renewable energies, and sustainable transportation. Moreover, it manages two special funds under the UNFCCC – the Least Developed Countries Fund and the Special Climate Change Fund.²⁵

²² Porter, G., Bird, N., Kaur, N., and Peskett, L. *New Finance for Climate Change and the Environment*. WWF and Heinrich Böll Foundation. Jul 2008, p. 28.

²³ About GEF. Global Environment Facility. Website. <http://www.gefweb.org/interior.aspx?id=44>.

²⁴ Ibid.

²⁵ Climate Change. Global Environment Facility. Website. <http://www.gefweb.org/interior.aspx?id=232>.

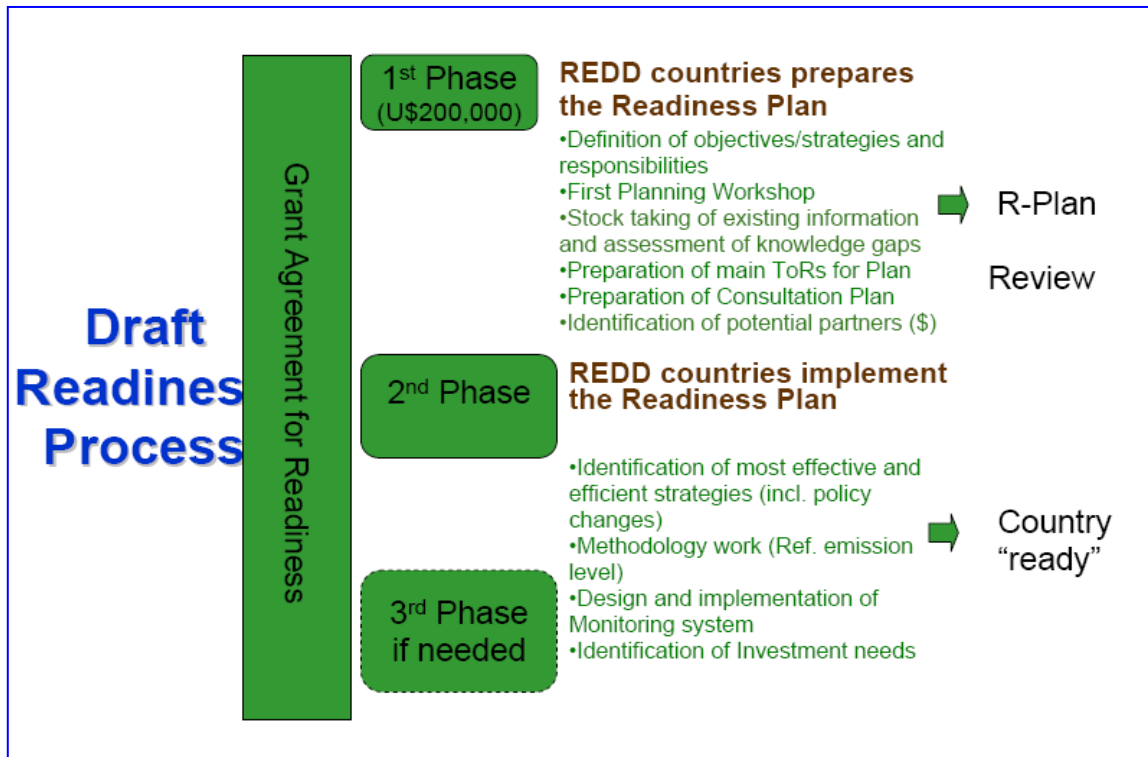


Figure 2: The steps for piloting REDD (adapted from presentation by the FCPF Management Team)

The GEF Tropical Forest Account (TFA) is a US\$60 million grant facility (through 2010) to support financial incentive mechanisms aimed at motivating tropical forest countries to invest country resources allocated through the GEF to projects dealing with sustainable forest management. It promotes the concept of payment for ecosystem services to mitigate climate change, protect biodiversity and ensure livelihoods and environmental services for millions who live in and depend on forests. The ultimate aim of the additional funding from the TFA is to focus more investments in three GEF focal areas – climate change, biodiversity and land degradation – on forests in regions where biodiversity and carbon stocks are high and forest conversion is taking place at a high rate.²⁶

The FCPF and the GEF TFA have adopted different approaches to the problem of reducing deforestation rates. The FCPF is clearly oriented toward future compliance markets. The GEF Sustainable Forest Management Program’s TFA, adopted by GEF Council in November 2007, is intended to focus GEF forest investments on the tropical forest regions and countries with the highest carbon stocks and biodiversity. Thus, the GEF is committed to focusing its limited resources on investments in Amazonia, the Congo Basin and Papua New Guinea/Indonesia, which together account for 68 percent of the world’s tropical forest carbon. Presently, however, the TFA is not intending to use carbon markets as a strategy to influence the rate of deforestation.²⁷ Whilst the TFA focuses on the large tropical forest basins, UNDP Viet Nam intends to tap the GEF for co-financing to the UN-REDD initiative currently underway to support the GoV/MARD coordinate donor support on REDD and help pilot REDD in the south-central region on Vietnam.

²⁶ Porter G., Bird, N., Kaur N., and Peskett, L. New Finance for Climate Change and the Environment. WWF and Heinrich Böll Foundation. Jul 2008, p. 29.

²⁷ Porter G., Bird, N., Kaur N., and Peskett, L. New Finance for Climate Change and the Environment. WWF and Heinrich Böll Foundation. Jul 2008, p. 42.

Asian Development Bank (ADB) – The Asia Pacific Carbon Fund (APCF) is a trust fund established and managed by ADB on behalf of fund participants to provide upfront co-financing to CDM projects in ADB’s for the future delivery of CERs. The APCF aims to increase the number of clean energy and energy efficiency projects in eligible countries to assist APCF participants in satisfying their legally binding emission reduction commitments under the Kyoto Protocol, and capitalize increased investments from developed countries to improve energy access in Asia and the Pacific region. APCF seeks to fund priority projects in the renewable energy, energy efficiency, and methane capture and utilization sectors. CER Pricing is subject to individual negotiations between APCF and project sponsors, and will be determined by reference to a range of criteria including: independent pricing assessments, advanced payment structures, and project-specific risks.²⁸ To our knowledge, the ADB does not have specific funds available for forest carbon initiatives, although it has funded a host of technical assistance projects in the forestry sector throughout the region. This situation may change.

II. National Governments & Bilateral Overseas Development Assistance

Government of Australia – Under the leadership of Prime Minister Kevin Rudd, Australia has embarked on a bold, new International Forest Carbon Initiative at global, regional and national levels. A central element is the initiative’s focus on developing practical demonstration activities, particularly in Indonesia and Papua New Guinea. Altogether, Australia’s support totals more than AUS\$85 million (US\$110.5 million), including its AUS\$11.7 million (US\$15.21 million) to the World Bank’s FCPF. The planning and delivery of the International Carbon Fund is to be coordinated by the Departments of Environment, Forestry and Foreign Affairs (and AusAid), including involvement of potential recipient countries through normal bilateral channels.²⁹

Through the International Forest Carbon Initiative, Australia will: 30

- 1) Increase international forest carbon monitoring and accounting capacity, particularly in Indonesia and Papua New Guinea, and partnering with a consortium led by the Clinton Climate Initiative to use Australia's National Carbon Accounting System as a platform for a global forest carbon monitoring system;
- 2) Undertake practical demonstration activities to show how reducing emissions from deforestation can be included in a future international climate change framework, which will include: piloting approaches in Indonesia and Papua New Guinea to demonstrate how investment in avoided deforestation can achieve emission reductions while providing forest-dependent communities with livelihoods and promoting sustainable resource management and assisting with the development of necessary underpinnings for sustainable forest management, governance, law enforcement and regulatory frameworks in these countries; and
- 3) Support international efforts to develop market-based approaches to reducing emissions from deforestation and forest degradation, including taking a lead role in the negotiations under the UNFCCC and the Kyoto Protocol on how REDD can be built into a future international climate change agreement; and supporting the World Bank in the further development and implementation of its FCPF and related initiatives.

The Commonwealth of Australia Department of Agriculture, Fisheries and Forestry will host in fall 2008 three events in Viet Nam as part of the Asia Pacific Forestry Skills and Capacity Building Program. These three events include a symposium and workshop entitled Managing

²⁸ Asian Development Bank. Carbon Market Initiative. www.adb.org/clean-energy.

²⁹ Porter G., Bird, N., Kaur N., and Peskett, L. New Finance for Climate Change and the Environment. WWF and Heinrich Böll Foundation. Jul 2008, p. 27.

³⁰ International Forest Carbon Initiative. Government of Australia Department of Climate Change. <http://www.climatechange.gov.au/international/publications/fs-ifci.html>.

Forests in Mekong Countries for Carbon Sequestration and REDD in Hanoi during 27-30 October 2008; a workshop on Preparing for the Technical Aspects of REDD in Hanoi 3-6 November 2008; and a Sustainable Forest Management for Carbon Sequestration and Payment for Environmental Services in Hue in January 2009. All three events were made possible by a grant from the Australian Department of Agriculture, Fisheries and Forestry and will serve to prepare the countries of Cambodia, Lao PDR and Viet Nam for participation in a REDD scheme. The first workshop will attempt to set priorities for the activities needed to start a National REDD or related carbon sequestration scheme; coordinate input to the Viet Nam and Lao PDR World Bank Forest Carbon Partnership Facility applications and provide stimulus for Cambodia to begin development of a REDD strategy and its application to the FCPF; and address how to coordinate the activities sponsored by different multilateral, bilateral and private funding sources.

Government of Finland – Finland provides development assistance in three areas – forestry, water supply and rural development. In addition to their financial support to the World Bank FCPF, Finland is one of the main donors to forest sector development in Vietnam. Denmark, Finland, Sweden and Switzerland have provided direct bilateral assistance to the GoV's Forest Sector Support Partnership (FSSP) and Trust Fund for Forest (TFF). Finland is committing approximately €10 million to the TFF for the period 2008-2011, nearly equal to the total contribution of the three other donors combined. Most of the Finish donor support to the TFF is anticipated to support existing proposals; any new proposals from MARD for climate change initiatives (including REDD) would likely need to come from another, possibly even new, donor to the TFF. In addition, Finland provides €2.2 million to Forest Management Information System (FOMIS) project as well as €0.5 million available for short-term technical assistance in the forestry sector. In total, the Government of Finland provides €12.7 million in bilateral technical assistance to the GoV during the four-year period of 2008-2011.

The Finish-funded Forest Management Information System (FOMIS) project is a €4 million project (€2.2 million direct plus €2 million grant from the TFF) to develop a more reliable forest inventory information platform and establish a more accurate forest stock baseline, which is a key element of developing national capacity for REDD. As of November 2008, two technical missions have visited Vietnam; the project is anticipated to begin in May 2009.

Notably, the Embassy of Finland can provide support for the procurement of short-term technical assistance in the forestry sector. To request this, MARD would need to send the Embassy of Finland a Terms of Reference, which would then be forwarded to three pre-selected Finish consulting companies. Provision of such technical assistance can be provided in a matter of weeks/months.

Government of Germany – Building off a strong foundation in forest sector support globally, Germany is one of the largest bilateral donors for REDD and is the single largest contributor to the World Bank FCPF, with US\$60 million divided into the FCPF Readiness and Carbon Funds.

German International Climate Initiative (GICI) provides €400 million per year (US\$634 million per year) led by the Ministry of Environment (BMU), in cooperation with the Ministry of International Cooperation, through till 2010. GTZ and KfW are responsible for planning and implementation. Recipient countries will be involved in the development and implementation of projects and through normal bilateral cooperation.³¹ The GICI funds were collected from proceeds of the German cap-and-trade regulatory system on GHG emissions and that a significant proportion of these funds will be allocated to address forest carbon activities globally.

³¹ Porter, G., Bird, N., Kaur, N., and Peskett, L. New Finance for Climate Change and the Environment. WWF and Heinrich Böll Foundation. Jul 2008, p. 27.

German Life Web Initiative objective is to support implementation of the UNCBD Program of work on Protected Areas (PAs) by developing partnerships that are enhanced by a clearinghouse mechanism guiding donors about partners' needs, and matching funds and co-financing to create new PAs and the improved management of existing PAs.³²

In Viet Nam, the German Government provides support to the forestry, rural development and conservation sectors, which consists of 10 projects and one program. Within the forestry sector, various German implementing agencies have activities concerning sustainable forest management, natural forest management, policy development and timber trade. In 2009, this portfolio will be consolidated with many activities winding down. By mid-2009, the German Government will be better positioned to program REDD support to the GoV.

Both GTZ and KfW have sent missions to Viet Nam to explore the potential for developing forest carbon and REDD initiatives. Both German agencies have deep experience and technical expertise working in the forestry sector in these countries. During a field mission scheduled for late November, German officials and technical leads will develop an initial strategy for how to program their support. The German Government has expressed concern over how existing and future donor support for REDD will be coordinated as well as how financial benefits and ODA from REDD will be shared with lower levels of local communities.

Beginning in 2008, GTZ began implementing a small pilot project on payment for environmental services of forests in two districts of Son La Province, which was built to meet the demand of the GoV (under Prime Minister Decision 380 dated April 2008); Decision 380 could be expanded to include payment for forest environmental services related to carbon sequestration. GTZ and AusAid currently support a mangrove protection and reforestation initiative in three provinces of the Mekong Delta in Viet Nam, which could be refocused as a site-based REDD activity.

Government of Japan – The Japanese Cool Earth Partnership is a US\$10 billion fund to be disbursed globally over five years starting from 2008; of this, US\$2 billion will address climate adaptation and US\$8 billion will address mitigation. In early 2008, the Governments of Japan and Viet Nam entered an agreement for JICA to support the development of and access to basic information on forest resources to encourage sustainable forest management. The MARD and JICA are now preparing a proposal of a study on potential forests and land related to "climate change and forests" in Vietnam. The Forest Agency of Japan has also funded a research project on testing the potential applications of the Japanese Advanced Land Observing Satellite (ALOS)/PALSAR data to establish forest cover maps and to estimate forest carbon stock in two provinces, implemented by a Japan-based consulting firm.

Government of The Netherlands - The Netherlands, being one of Vietnam's development partners engaged in supporting sustainable forest management, will consider support of activities related to REDD implementation within the framework of the national climate change agenda. These activities are under consideration and will respond in a complementary way to the demand expressed by the Vietnamese authorities.

Government of Norway – At COP-13 in Bali, the Norwegian Government declared its willingness to provide up to US\$600 million annually towards REDD efforts in developing countries. Included in this contribution is US\$35 million to UN-REDD, US\$10 million to the World Bank FCPF and US\$24 million for REDD initiatives in Brazil.³³

³² Porter, G., Bird, N., Kaur, N., and Peskett, L. New Finance for Climate Change and the Environment. WWF and Heinrich Böll Foundation. Jul 2008, p. 23.

³³ Dutschke, M. First Steps in REDD CBFORM – Capacity Building for Forestry. Presentation at Seminar on Capitalizing Forestry and Climate Change in Malaysia. 11 Aug 2008.

The Norwegian NORAD Rainforest Initiative is not a fund as such, but a pledge of earmarked funding to be allocated through Norway's national budget. The initiative is budgeted at US\$560 million, which will disperse US\$112 million annually starting 2008 to 2012. It will support the conservation of rainforests by promoting large-scale forest protection and the development of forest based carbon management. The focus of this initiative will be the Congo Basin, the Amazon Basin and South East Asia.³⁴

The Norwegian Climate and Forest Initiative will work to contribute to early action in the form of pilot projects, demonstrations and development of national strategies for REDD. These efforts will seek to develop national capacity for monitoring, reporting and verification of these emissions. In addition, experience from these early actions will feed into the negotiations on how REDD could become part of a more comprehensive international agreement on climate change after 2012. In 2008, Norway has allotted US\$100 million each for REDD action in Tanzania and the Congo Basin Forest Fund and have moved forward dialogues with Brazil, Papua New Guinea and Indonesia.³⁵ The Climate and Forest Initiative is a "results-based" initiative that will adaptively reallocate support to successful actions to achieve REDD.³⁶

Government of Switzerland – Switzerland is a key partner in supporting the GoV to with rural livelihood development, natural resource management and sustainable development. Switzerland has provided financial support to the World Bank FCPF, but has not to date committed direct bilateral assistance to "climate change" activities in Vietnam. However, this situation may change. Switzerland and the "Like-minded Donor Group" (LMDG) members of Denmark, Finland and Sweden have provided direct bilateral assistance to the GoV's Forest Sector Support Partnership (FSSP) and Trust Fund for Forest (TFF). In 2008, Switzerland switched from funding forestry and livelihood development projects to providing programmatic support to the FSSP and TFF, committing approximately €5 million to the TFF for the period 2008-2011. Notably, the Swiss Embassy/SDC seeks to avoid any duplication of creating "parallel forest funds" within MARD/DoF. Hence, the Swiss and other LMDG members are currently discussing if and how the TFF may be rolled into the MARD Forest Protection and Development Fund that is currently being established under Decision 380, signed April 2008, that relates to redistribution of forest carbon earnings to forest land owners. In addition to the international and national-level bilateral support, the Government of Switzerland is establishing a regional climate change program office in Beijing, China that will cover Viet Nam and other countries in the Asia region.

Government of United Kingdom – The International Window of the Environmental Transformation Fund (ETF-IW) of the United Kingdom is 800 million pounds (US\$1.6 billion) from 2008 to 2010. The objective of ETF-IW is to increase support for developing countries in adapting to the impacts of unavoidable climate change; to support mitigation, in particular through helping developing countries shift toward the global low-carbon economy; and to support efforts to halt unsustainable deforestation.³⁷ Details of this joint Department of Environment, Farm and Rural Affairs - Department for International Development initiative of the UK government remain unclear. In Viet Nam, DFID is working with the Like-Minded Donor Group to stimulate small-scale, pro-poor carbon market initiatives, which includes commissioning a country-specific study on Making Carbon Work for the Poor – a topic that attracted support from the Ford Foundation.

³⁴ Porter, G., Bird, N., Kaur, N., and Peskett, L. New Finance for Climate Change and the Environment. WWF and Heinrich Böll Foundation. Jul 2008, p. 21.

³⁵ Introduction to Norwegian Forest and Climate Initiative.

<http://www.norway.or.id/policy/environment/introforest1.htm>.

³⁶ Personal conversation with Ms. Thea Marine Ottman, First Secretary, Norwegian Embassy in Vietnam. 7 Oct 2008.

³⁷ Porter, G., Bird, N., Kaur, N., and Peskett, L. New Finance for Climate Change and the Environment. WWF and Heinrich Böll Foundation. Jul 2008, p. 23.

Government of United States of America – The USAID Regional Mission in Asia (RDM/A) Environment Office based in Bangkok supports the Asia Regional Biodiversity Conservation Program (ARBCP). In Viet Nam, USAID/RDMA funds a cooperative agreement with Winrock International (Wi) to implement the ARBCP Dong Nai River Basin Management Project in Lam Dong, Dong Nai and Binh Phuoc provinces. Program support includes US\$4 million phase I (2005-2008) and a commitment to fund an additional US\$2 million phase II. (See Winrock International below.) In addition, the US Forest Service of the Department of Agriculture provides technical assistance to the USAID/ARBCP/Winrock project. The Governments of the United States and Viet Nam have signed several agreements in 2008 related to deepening cooperation in climate change. It is anticipated that with the change in administration in January 2009, the USG will take a more active role in leading climate change and forest carbon initiatives in the future.

III. International Organizations

Institute for Global Environmental Strategies (IGES), established by an initiative of the Japanese Government in 1998, is a research institute that conducts pragmatic and innovative strategic policy research to support sustainable development in the Asia-Pacific region. IGES seeks to enhance collaborations with a broad range of stakeholders such as national governments, local authorities, businesses, non-governmental organizations, citizens and experts, to carry out strategic policy research from an Asia-Pacific perspective and to disseminate the results around the world, so that it can contribute to the transition towards a sustainable society.³⁸

In March 2008, the Japanese Forestry Agency and the Forest Conservation, Livelihoods and Rights Project hosted the Japan-Asia REDD Seminar at the IGES office in Hayama, Japan. Key personnel in the forest sector of the governments of selected Asian countries were invited and shared information on the current status of their forests and impediments for sustainable forest management (SFM) in order to identify appropriate strategies for active participation in the REDD agenda. Approximately 40 participants attended the seminar, including: Mitsubishi UFJ Research and Consulting, Forestry and Forest Products Research Institute (FFPRI), Japan Aerospace Exploration Agency (JAXA), National Institute for Environmental Studies (NIES), Waseda University, JICA, Vietnamese Ministry of Agriculture and Rural Development, Cambodian Ministry of Agriculture, Forestry and Fisheries, Lao PDR Department of Forestry, and Indonesian Ministry of Forestry.³⁹ After the event, delegates from Lao PDR and Viet Nam shared their draft R-PINS for the World Bank FCPF with their new Japanese counterparts, ultimately supporting the successful bid of these countries to receive World Bank FCPF grant support.

International Tropical Timber Organization (ITTO) – The ITTO, based out of its Secretariat in Yokohama, Japan, aims to promote sustainable development through trade, conservation and best-practice forest management. The ITTO comprises 60 members who together represent tropical timber producers and consumers for over 90% of world tropical timber trade, covering over 80% of the world's tropical forests. ITTO has provided over US\$300 million to more than 750 projects, including 150 projects currently underway. These activities support sustainable tropical forest management, including training the forest, industry and conservation workforces; develop conservation reserves; improve trade transparency; and promote a sustainable tropical timber trade.⁴⁰

³⁸ Institute for Global Environmental Strategies. Website. <http://www.iges.or.jp/en/outline/index.html>.

³⁹ Japan-Asia REDD Seminar. http://www.iges.or.jp/en/fc/activity_20080324reed.html.

⁴⁰ ITTO Workshop on methodological issues related to REDD - Tokyo, 25-27 June 2008. unfccc.int/files/methods_and_science/lulucf/application/pdf/080627_itto_japan.pdf.

ITTO believes it can play an important role in encouraging and assisting member countries to develop and implement forest-based climate change mitigation and adaptation initiatives. By leveraging technical expertise, the ITTO can support efforts to develop REDD, carbon sequestration through CDM A/R and forest restoration as well as reducing emissions by managing existing forests sustainably. In this way, REDD, forest restoration and sustainable forest management are important measures for mitigating climate change. The ITTO also addresses co-benefits (environmental services, positive socio-economic impacts) and believes that bioenergy production from forestry and the substitution of fossil-fuel intensive products by wood products can play an important strategy for mitigation climate change.

Several ITTO staff reviewed GoV's R-PIN successful application to the FCPF and the ITTO has co-sponsored several key regional technical meeting on REDD, including the UNFCCC REDD workshop on methodological issues held June 25-27 2008 in Tokyo, Japan. However, given that the GoV is not a member of the ITTO, it is anticipated that future support would be fairly limited in size and scope.

International Union for the Conservation of Nature (IUCN) – IUCN has been involved in international dialogues and discussions on REDD for many years. IUCN has a presence in Viet Nam and has experience developing capacity, providing technical assistance to developing legal frameworks and conducting training workshops. While IUCN has to-date provided limited country-level input on the REDD process, payment for environmental services is core element of the IUCN country strategy. IUCN is also mobilizing stakeholder consensus to develop a new international campaign entitled Mangroves for the Future, which has the potential to leverage new donor support and technical assistance for the reforestation of coastal mangrove forests.

IV. Non-governmental Organizations

Regional Community Forestry Training Center for Asia and the Pacific (RECOFTC) – RECOFTC draws on over 20 years of experience in community forestry in Asia in the development of local governance, benefit sharing and skills development packages. From its headquarters in Bangkok, RECOFTC seeks to strengthen REDD projects developed for the voluntary carbon markets as well as national REDD strategies. RECOFTC works to strengthen forest governance and skilled forest carbon administration systems, design efficient benefit sharing, distribution and communications systems to all stakeholders and particularly local communities; build community forestry models for REDD; push private sector investors to support participatory approaches; and strengthen regional networks linking governments, donors, international organizations, the private sector and individuals interested in participatory forest management. In partnership with SNV, RECOFTC aims to provide a location for swift, reliable access to information throughout the region. RECOFTC's regional focus is a bridge between global and national advocacy networks, enabling them to bring key actors together for constructive dialogue, through in face-to-face meetings, online social networks, policy discussions, training events and conferences.⁴¹

In partnership with SDC's international climate change office, RECOFTC has US\$160,000 available for capacity building for REDD. This will focus on awareness raising, facilitating multi-stakeholder consultation and field implementation (but not negotiating and measuring). This support is for the Asia-Pacific region, but presently limited to the Mekong countries. Roughly US\$50,000 will directly support capacity building of Vietnamese implementing partners. The funding will end in April 2009, but a new phase is anticipated with increased levels of funding for the following year.

RECOFTC also has a regional partnership with TNC and USAID that is focused on capacity building. In 2009, US\$150,000 is available for the Asia-Pacific region, of which roughly \$30,000

⁴¹ Forests and Climate Change. RECOFTC website. <http://www.recoftc.org/site/index.php?id=682>.

will be allocated for Vietnam. This will be split equally between the development of the role and skills of local communities within REDD and a series of workshops to facilitate negotiations.

SNV – Netherlands Development Organization: SNV has programs on Forest Products in Viet Nam, Laos, Bhutan and Nepal. Over the years it has built up a strong profile on forest governance (LUPLA in Viet Nam, CFM and CF in Nepal), resource management (timber in Viet Nam and Nepal and NTFPs in Laos and Bhutan) and forest carbon (AR-CDM in Vietnam). SNV's strategic focus from 2008 onwards is on linking poor forest dependant people to markets through the value chain approach. To be successful, this venture needs a supportive enabling governance environment, allowing poor and/or excluded communities access and user rights to resources and providing for favorable conditions to participate in the market (regulations, quota and taxes), which should promote the sustainable management of forest resources.

The key approaches and products of SNV are in the field of:

- Pro-poor value chains for timber and a selected number of NTFPs;
- Forest governance to create a supportive enabling environment, including cross-cutting issues as gender and social inclusion, leadership in change management and multiple stakeholder processes;
- Participative forest resources management, and
- Forests and carbon mechanisms with a special focus on REDD (support to governments of Viet Nam and Nepal in preparing their FCPF R-PINs).

An effective way for increasing the impact potential of SNV's investments is through partnerships with global and regional organizations. Currently partnerships in the forestry sector are with:

- WWF at a global level on small-holder certification and pro-poor biofuels strategies;
- RECOFTC in Asia on value chain development, forest governance and REDD, and
- Prosperity Initiative on the bamboo value chain in the Mekong.

Winrock International (WI) – With US\$4 million in phase I support (2005-2008), the USAID/Winrock International Asia Regional Biodiversity Program (ARBCP) Dong Nai River Basin Management Project works in Lam Dong Province to support the GoV/MARD to develop payment for ecosystem services for downstream water, electricity and tourism users to compensate upstream forest land owners. The project has successfully established a 2-year pilot policy for payment for forest environmental services, signed by the Prime Minister in April 2008, which is modeled in Dong Nai and Son La Provinces and anticipated to be scaled-up nationwide in 2010. During the US\$2 million phase II, which began in September 2008, the ARBCP will focus more on climate change and develop a forest carbon component, thereby developing the foundation for a "layered" payment scheme into and dispersed from provincial and district-level forest production and protection funds, but managed, contracted and dispersed by provincial authorities.

World Wildlife Fund (WWF) – WWF has been working since the early 1990s in Vietnam. Over the past decade, the WWF program focuses on protecting critical ecosystems, such as the Central Annamites of central Viet Nam and Lao PDR and dry forests of Cambodia, to address key drivers of biodiversity loss at the policy, provincial planning and site-based levels. In more recent years, climate change and the inter-relationships between forest protection and GHG emissions has taken a more prominent role in program planning, with a strong focus presently on developing REDD in all the major rainforest basins of the world.

WWF is engaged with the GoV and local communities in the ADB-funded Biodiversity Corridor Initiative (BCI). WWF is exploring a project-based REDD pilot initiative that may potentially be developed in the forested corridor area between Quang Tri, Thua-Thien Hue and Quang Nam provinces, with German BMU funding to WWF Germany. The area has undergone extensive land-use planning and delineated areas of protection forest and has more potential for seeking to offset forest degradation as opposed to deforestation.