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United Nations Development Programme
Country: SOCIALIST REPUBLIC OF VIET NAM
PROJECT DOCUMENT

Project Title: Capacity Building for the Ratification[1] and Implementation of the Nagoya Protocol on Access and Benefit Sharing in Viet Nam

UNDAF Outcome(s):

UNDP Strategic Plan Environment and Sustainable Development Primary Outcome: Growth and development are inclusive and sustainable, incorporating productive capacities that create employment and livelihoods for the poor and excluded.

Expected CP Outcome(s):*ONE UN PLAN:* Outcome 1.4: By 2016, key national and sub-national Agencies, in partnership with the private sector and communities, implement and monitor laws, policies and programmes for more efficient use of natural resources and environmental management, and implement commitments under international conventions

Expected CPAP Output: A set of coherent policies and plans are prepared or updated to strengthen (1) management of protected areas and biodiversity conservation, and (2) environment management at national and community levels.

Executing Entity/Implementing Partner: Ministry of Natural Resources and Environment (Vietnam Environment Administration)

Implementing Entity/Responsible Partners: Biodiversity Conservation Agency (BCA)

Brief Description

Viet Nam's specific geographical location and long history and complicated topographical, ecological and social features has resulted in it becoming one of the world's most prosperous, rich and diverse plant genetic resource countries. While diverse climatic conditions diversified the country's flora with both tropical and temperate plants, thousands of years of agricultural practice by 54 ethnic groups enriched its crop genetic resources with great numbers of local cultivars and land races. In terms of medicinal plants, the high level of genetic diversity makes Viet Nam a particularly attractive country for bio-prospecting, especially given that there are approximately 800 known medicinal and aromatic plants, 600 of which have associated traditional knowledge.

However, Viet Nam faces a wide range of issues that threaten its biological diversity and ecological security. These threats emanate from the transition from a subsistence-based agrarian economy to a consumption-based cash economy, competing land-use from urbanization and infrastructure development, poaching of wild plants and animals, localized overharvesting of timber, fuel wood and non-wood forest products, human-wildlife conflicts, and climate change. As a consequence of the threat to biological resources, the traditional knowledge of local communities that is associated with genetic resources is disappearing rapidly, due to the change of traditional lifestyles. A large volume of traditional knowledge, such as medicinal use of biological resources, is being replaced by modern technology.

To counter the various threats to biodiversity, the country has planned various strategies for the conservation and sustainable use of biological resources for socio-economic development. One of the recent biodiversity programs includes the promotion of bio-prospecting and of an access and benefit-sharing (ABS) national regime. However, the country currently does not have a fully functional regulatory and institutional framework for ABS, and the institutional and personnel capacity to carry out bio-prospecting beyond basic level and develop and manage ABS schemes that are compliant with Nagoya Protocol. The project is intended to strengthen national capacities on access and benefit sharing of genetic resources to facilitate the implementation of the Nagoya Protocol on Access and Benefit Sharing. The above objective would be achieved through four components, namely: (i) Creating an enabling national policy, legal and institutional framework for ABS; (ii) Developing administrative measures for implementation of national ABS legal framework; (iii) Increasing awareness and capacity of all relevant stakeholders for implementation of national ABS framework; and (iv) Demonstrating private-public-community partnerships on access and benefit sharing.

[1]Although Viet Nam ratified the Nagoya Protocol in 2014, the title is maintained to ensure consistency with the PIF

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Total Resources required:	**USD 12.546.369**
Total Resources allocated:	
o **GEF:**	**USD 2,000,000**
o Government	USD 9,696,369
o UNDP Vietnam	USD 500,000
o HELVITAS	USD 150,000
o Other (private)	USD 200,000

Agreed by (Government): 10/10/2016

Date/Month/Year

Mr. Vo Tuan Nhan
Deputy Minister
Ministry of Natural Resources and Environment (MONRE)

Agreed by (UNDP): 10/10/2016

Date/Month/Year

Ms. Louise Chamberlain
Country Director
UNDP Viet Nam

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ACRONYMS AND ABBREVIATIONS

ABS	Access and Benefit Sharing
AFDCO	Agro-Forestry Development Cooperative
AWP	Annual Work Plan
BCA	Biodiversity Conservation Agency
BTOR	Back to Office Report
CBD	Convention on Biodiversity Conservation
CHM	Clearing House Mechanism
CITES	Convention on International Trade in Endangered Species
COP	Conference of Parties
CREDEP	Centre for Research and Development of Ethno-Medicinal Plants
CSO	Civil Society Organizations
DARD	Department of Agriculture and Rural Development
DONRE	Department of Natural Resources and Environment
ESCO	Energy Service Company
FHR	Forest Herbs Research Ltd
FP	Focal Point
FUV	Forestry University of Viet Nam
GALP	Good Automated Laboratory Practices
GDP	Gross Domestic Product
GEB	Global Environment Benefits
GoV	Government of Viet Nam
GR	Genetic Resources
HPPMG	Harmonized Program and Project Management Guidelines
HUP	Hanoi University of Pharmacy
ILC	International Law Commission
IPR	Intellectual Property Rights
IUCN	International Union for the Conservation of Nature
MARD	Ministry of Agriculture and Rural Development
MAT	Mutually Agreed Terms
M&E	Monitoring and Evaluation
MOH	Ministry of Health
MOIT	Ministry of Industry and Trade
MONRE	Ministry of Natural Resources and Environment
MOST	Ministry of Science and Technology
NBS	National Biodiversity Strategy
NBSAP	National Biodiversity Strategy and Action Plan
NCA	National Competent Authority
NFP	National Focal Point
NGO	Non-Governmental Organization
NIMM	National Institute of Medicinal Materials
NIP	National Implementing Partner

NP	Nagoya Protocol
NPD	National Project Director
NPIF	Nagoya Protocol Implementation Fund
OFP	Operational Focal Point
PA	Protected Area
PC	Project Coordinator
PGC	Plant Genetic Center
PGFRA	Plant Genetic Resources for Food and Agriculture
PIC	Prior Informed Consent
PIR	Project Implementation Report
PMU	Project Management Unit
PPC	Provincial People's Committee
PPG	Project Preparation Grant
PPR	Project progress Report
PRC	Plant Resource Centre
PSC	Project Steering Committee
REDD	Reduced Emissions from Degradation and Deforestation
R&D	Research and Development
SIMPA	Sa Pa IndigenousMedicinal Plants Association
TK	Traditional Knowledge
UNDP	United Nations Development Program
UNDP CO	United Nations Development Program - Country Office
UNDP EEG	United Nations Development Program – Environment and Energy Group
UNDP RCU	United Nations Development Program – Regional Coordination Unit
UNDP RTA	United Nations Development Program –Region Based Technical Adviser
VAST	Viet Nam Academy of Science and Technology
VEA	Viet Nam Environment Administration
VND	Vietnamese Dong
VNUA	Viet Nam University of Agriculture

SECTION I: ELABORATION OF THE NARRATIVE

PART I: SITUATION ANALYSIS

INTRODUCTION

1. Viet Nam is situated in the east of the Indochina Peninsula, in a tropical region near the equator. Its territory stretches over 1,650 km. The total inland land area is around 329,241 km^2 with three-fourth of the land area being uplands. The marine territory is expansive and covers about 3,260 km of coastline and includes thousands of islands. The climate of the country is characterised by tropical monsoon weather that combines both sub-tropical and temperate montane climates. The inland area has three climate types and ten eco-regions. The diversity of terrain, soil types, landscapes and climate result in rich and unique diversity of ecosystems, species and genetic resources.

2. Because of the country's specific geographical location and due to its long history and complicated topographical, ecological and social features, Viet Nam is recognized as one of the world's most prosperous, rich and diverse countries in regards to plant genetic resources. While diverse climatic conditions diversified the country's flora with both tropical and temperate plants, thousands years of agricultural practice by fifty four ethnic groups enriched its crop genetic resources with great numbers of local cultivars and land races. The country's location is in the centerof origin of various crops, such as rice, taro, banana, jack fruit, mango, coconut, tea, and some citrus trees, resulting in richness and diversity in its crops relatives and wild plants of agricultural and social values.

CONTEXT AND GLOBAL SIGNIFICANCE

Biodiversity context

3. Viet Nam is one of the world's sixteen most biologically diverse countries. It contains about 10% of the world's species though covering less than 1 % of the global land area. Viet Nam hosts a diversity of marine, coastal, wetlands, forests and mountain ecosystems[2]. In the country's terrestrial ecosystems there are more than 11,400 plant species and 2,400 species of non-vascular plants (mosses and fungus), 310 species of mammals, 840 species of birds, 296 species of reptiles, 162 species of amphibians, 1,000 species of freshwater fish, and 7,750 species of insects. The tropical marine ecosystem is also home to more than 11,000 sea creatures that include 2,500 species of fish, 21 species of reptiles, 25 species of mammals, 650 species of algae and over 7,000 species of non-skeletal fauna. There are also around 94 species of mangrove plants. Viet Nam's biodiversity is relativelyunique as over 40% of the local plant species are endemic and believed to be found nowhere else in the world. In addition, many livestock species have been domesticated and selected in thiscountry since thousands of years.

4. Besides the advantage of unique natural ecosystems and diverse species composition, hundreds of terrestrial and inland freshwater species are new to science and have been described for the first time in Viet Nam, reflecting the high endemism in the country. From 2006 to 2011 alone, over 100 species

[2] Fourth Country Report to CBD (2008)

have been described for the first time in the country. Of particular significance is the description of 21 new species of reptiles, 6 species of frogs and one species of ferret..[3].In addition in the past 10 years, about 50 species of freshwater non-skeletal animals, fish, and tens of species of inland non-skeletal animal and insects have been described for sciences.The numbers described above, is evidence to the high biodiversity of species in Viet Nam. Viet Nam is also considered as the tenth most important country in the world for bird endemism[4].Scientists believe that many other wildlife species in Vietnam are still unknown and the number of such known species is much lower than the actual number of species in nature.

5. Viet Nam, with 16 cropping groups and more than 800 different plant species, is also considered one of the world's plant breeding centres, among eleven other centres. The national bank of plant genes is preserving 12,307 varieties of 115 species, many of which are indigenous varietieswith unique features. Among the diversified agro-systems throughout the country, the most popular are 41 starchy food, 95 non-starchy food, 105 fruit, 55 vegetable, 44 oil, 16 fiber, 12 beverage, 181 medicinal, 39 spice, 29 cover and bare hill re-greening, 50 ornamental, 49 woody and 5 shadingplant species. Regarding fruit plants, over 130 fruit species belonging to 39 families have been identified in the country, including tropical, sub-tropical and temperate ones. The most important tropical fruits are banana, pineapple, mango, papaya, jack fruit, guava, durian, mangosteen, coconut-palm, cashew, tamarind, carambola, pomelo, and annona. Tens of breeds of domestic livestock and poultry are also being conserved in Viet Nam. In terms of medicinal plants, the high level of genetic diversity makes Viet Nam a particularly attractive country for bio-prospecting, especially given that there are approximately 800 known medicinal and aromatic plants, 600 of which have associated traditional knowledge.

6. In Viet Nam, ecosystems and biological resources are a part of the country's economy and culture, reflected by their key values in environmental protection (ecological function value); direct use (economic value); and socio-culture. Biodiversity therefore makes a significant contribution to the national economy by ensuring food security, maintaining gene resources of livestock and plants, and providing materials for fuel, medicine and construction.

Legal and policy context

7. The Conservation of biological resources is enshrined in the Constitution of Viet Nam. Article 53 of the Constitution states that *"land, water resources, mineral resources, resources in the sea and airspace, other natural resources, and property managed or invested in by the State are public property, owned by all the people, and represented and uniformly managed by the State*" and Article 54.1 states that "*land is a special national resource and an important resource for national development, and is managed in accordance with law"*.Further Article 63.1 and 63.3 states that "*the State shall adopt environmental protection policies; manage and use natural resources in an efficient and sustainable manner; conserve nature and biodiversity; and take the initiative in preventing and controlling natural disasters and responding to climate change*" and that "*the Organisations and individuals that cause environmental pollution, natural resource exhaustion or biodiversity depletion shall be strictly punished and shall rectify and compensate for damage*".

[3]Updated information based on the National Biodiversity Report 2011

[4]Sattersfield, A.J., M.J. Crosby, A.J. Long and D.C. Wege. 1998. *Endemic Bird Areas of the World: Priorities for Biodiversity Conservation* Birdlife International.

8. The Law on Forest Protection and Development of 2004 recognizes the need "*to ensure the harmony between the State's and forest owners' interests; between the economic benefits of forests and the interests of protection, environmental protection and nature conservation; between the immediate and long-term interests*", Article 4 recognizes the role of the forest in protecting the water source, land, prevent erosion, restrict natural calamity, harmonize climate, and contribute to protecting the ecological environment

9. The Biodiversity Law was enacted in 2008to provide forbiodiversity conservation and sustainable development and for establishing the rights and obligations of organizations, households and individuals in biodiversity conservation and sustainable development. The Law makes specific reference to the management of access to genetic resources and sharing of benefits from genetic resources. This Law asserts the sovereignty of the country over its genetic resources and the need to promote conservation and sustainable use of biodiversity resources as well as equitable sharing of benefits arising from sustainable use, and the need to protect local people's knowledge and interests related to biodiversity. It stipulates the conditions for access to genetic resources and benefit-sharing from their utilization, and lays down the conditions and procedures for the protection of traditional knowledge on genetic resources and their uses.The Biodiversity Law established the regime on ABS and included the requirements for Prior Informed Consent (PIC) from different stakeholders, registration and licenses (permits) for access to genetic resources. The Biodiversity Law stipulates that the registration of genetic resources requires certification by the local People's Committee thereby ensuring PIC. In accordance to the CBD, Nagoya Protocol and international practice. the Biodiversity Law also requires the establisment of Mutually Agreed Terms between the users and providers of genetic resources and associated traditional knowledge and the negotiation and validation of an Benefit-Sharing Agreement.

10. The procedures for granting licences for access to genetic resources fall within the competence of MONRE, which acts as a focal point to the CBD. Among the tasks of MONRE, as specified in Decree no. 21/2013/ND-CP, are "*to guide the management and supervision of access to genetic resources and traditional knowledge associated with genetic resources, of utilization of benefits shared from access to genetic resources managed by the State and traditional knowledge on genetic resources; to perform the development and unified management of a national database on genetic resources*". Taken together, these laws and provisions are preliminary and very basic requirements for ABS and they do not provide a coherent framework for the regulation of access to genetic resources.

11. The experience since the adoption of the Nagoya Protocol in 2010 has given the impetus for the need for a comprehensive national policy on access to genetic resources and benefit-sharing (ABS) to guide the implementation of the Nagoya Protocol. Viet Nam has acceded to the Nagoya Protocol on April 23, 2014 and became a Party to this treaty. A primary study by MONRE on current legal framework and capacity shows that there is a strong need to develop national policy and legal framework on ABS, as well as build capacity for relevant stakeholders, focusing on national focal point (NFPs) on ABS and other potential National Competent Authorities (NCAs) for implementation of the Nagoya protocol as well as Law on Biodiversity.

Institutional Context

12. Responsibility for environmental management, including biodiversity, is divided amongseveral central government institutions, notably the Ministry of Natural Resources and Environment (MONRE), the Ministry of Agriculture and Rural Development (MARD), the Ministry of Science and Technology (MOST), and the Ministry of Planning and Investment (MPI). Under Viet Nam's decentralization

policies, Provincial People's Committees (PPCs) also play a major role in environmental management including biodiversity conservation. At the provincial and district levels, national line ministries usually have specialized departments that mirror their parent ministries in administrative structure and function. For example, the provincial agency of MARD, MONRE and MPI are, respectively, Department of Agriculture and Rural Development (DARD), Department of Natural Resources and Environment (DONRE) and Department of Planning and Investment (DPI). These departments receive technical instructions from their national line ministries, but are accountable to the Provincial People's Committees (PPCs). MONRE is the national focal point for various multilateral environmental agreements, including the Ramsar Convention, the Convention on Biological Diversity and the Nagoya Protocol on Access and Benefit Sharing.

13. Within MONRE, the Viet Nam Environment Agency (VEA) is mandated to advise and assist MONRE on all aspects of environmental management, including the development and promulgation of environmental laws and policies and overseeing their implementation. MONRE is a large ministry with wide-ranging responsibilities that include the management of air, land and water resources under the amended Law on Environmental Protection (2014) as well as of biodiversity under Viet Nam's Law on Biodiversity. Within MONRE, the Biodiversity Conservation Agency (BCA) which falls under VEA, has been given the mandate for state management of biodiversity. BCA is spearheading the effort for establishment of national mechanisms and programs for implementation of the ABS regime. It functions as the authorized agency for facilitation of agreements for ABS and material transfers in accordance with the Biodiversity Law and Decree 65 Detailing and Guiding a Number of Articles of the Biodiversity Law (2010). In terms of ABS activities, BCA is responsible for granting access to priority protected species, management of national biodiversity database, development and implementation of ABS regulations in light of the Nagoya Protocol, and for coordination of ABS related activities between the different institutions involved with ABS.

14. The Ministry of Agriculture and Rural Development (MARD) has long-standing responsibility for forest management (in addition to other sector responsibilities) through its Forest Protection Department (FPD). Historically MARD has been responsible for developing the national protected area (PA) system within forest, marine and inland water ecosystems and enforcing wildlife protection regulations. MARD, through its Plant Resources Center (PRC) serves as the focal point of the National Network on Plant Genetic Resources Conservation. The PRC is responsible for research, collection, preservation, documentation and exploitation of the use of plant genetic resources, including wild plant species. It maintains a master germplasm collection and a plant resource information system.

15. The Ministry of Science and Technology(MOST) is the government Ministry responsible for state administration of science and technology activities; development of science and technology potentials; intellectual property; standards, metrology and quality control; atomic energy, radiation and nuclear safety. MOST manages a national program for ex-situ conservation of genetic resources and coordinates genetic resources conservation activities within the country. It has also the responsibility of coordination with other entities in the country in guiding procedures for registration of traditional knowledge and copyright related issues on genetic resources.

16. The Ministry of Health (MOH) is the focal point to implement the National Plan on Development of Medicinal Plants to 2020 and vision towards 2030. The intent of such a plan is to ensure commodity production to meet market demand, material production, diversifying production of medicinal plant materials to ensure safety and quality, meeting domestic consumption and export needs and to encourage investments in the development of medicinal plant cultivation. The MOH operates this program through its National Institute for Medicinal Materials (NIMM).

17. At the subnational level, the different People's Committees also have important roles and responsibilities in relation to environmental management, including biodiversity conservation. One of the key principles of Viet Nam's national reform process is the decentralization of authority to the lowest appropriate level. Thus, in addition to national government, the State system of governance includes three further tiers: Provincial, District and Commune People's Committees. Viet Nam currently has 63 provinces and cities (under the central government) with approximately 698 districts and over 11,000 communes. The Provincial People's Committees (PPCs) are the executive organizations of the National People's Councils and are the state administrative organs with responsibility for leading and implementing administrative processes and government policy and programmes at the local level together with the District People's Committees (DPCs) and Commune People' Committees (CPCs), under the overall guidance of the Central Government in line with its directives. This includes preparing and implementing socio-economic development and conservation programmes. In relation to biodiversity, Article 35.3 of the Biodiversity Law assigns responsibility to the PPCs for the "*survey, statistical and inventory reviews and assessment of the current status of biodiversity*" and for determining "*sustainable development mechanisms for natural ecosystems and locations and areas of natural wetlands on land use maps or their sea coordinates*." Article 3 defines sustainable development of biodiversity as "*the rational exploitation and use of natural ecosystems, development of genetic resources and species and assurance of ecological balance in service of socio-economic development.*" In terms of ABS, the PPCs have a key role in institutionalizing the ABS framework, negotiating and monitoring ABS Agreements, granting permits to genetic resources which are not in the list of prioritized species.

ROOT CAUSES, THREATS AND IMPACTS

18. Like so many other developing countries in the region and elsewhere, Viet Nam faces a wide range of issues that threaten its biological diversity and ecological security. These threats emanate from the transition from a subsistence-based agrarian economy to a consumption-based cash economy, competing land-use from urbanization and infrastructure development, poaching of wild plants and animals, localized overharvesting of timber, fuel wood and non-wood forest products, human-wildlife conflicts, and climate change.

19. Rapid socio-economic development in the past few decades has led to changes in the landscape. The average rate of GDP growth since 1994 has been over 5%. Major drivers of the economy are economic reforms, industrialisation and growth in service industries. Aligned to the economic growth is a sharp declining poverty rate. However, much of the economic growth has been fueled by the exploitation of natural resources. Changes in land use and mass development of infrastructure have reduced natural areas, caused ecological fragmentation, and damaged wildlife habitats. The extent of primary forests is very limited andcontinue to be further degraded. The construction of many dams has further blocked the movement of migratory fish species. Excessive exploitation and utilization of wild species and genetic resources for subsistence and commercial use has resulted in the decreased abundance of many medicinal plants and wildlife. Habitat loss, fragmentation and degradation due to commercial logging, urbanization and development of aquaculture and farmland have been posing severe pressures on wild flora and fauna. Climate change is likely to worsen the state of the natural environment in years to come, with sea level rise in particular likely to contribute to biodiversity loss in Viet Nam. In addition, traditional knowledge of local communities that is associated with genetic resources is disappearing rapidly, due to the change of traditional lifestyles. A large volume of

traditional knowledge, such as medicinal use of biological resources, is being replaced by modern technology.

20. As a consequence of the rapid economic growth, the globally significant genetic diversity of Viet Nam is under increasing threat. According to the government's decree 160/2013/ND-CP, 17 flora species and 15 plant varieties, 83 fauna species and 6 animal breeds fall under the list of endangered, precious and rare species prioritized for protection. The level of destruction of biodiversity is amplified by the fact that there are around 882 threatened species of plants and animals in the country of which 464 are floral species and 418 are faunal species. In addition, 116 floral species are in a very critical state and 45 plant species are endangered. It is further estimated that the annual loss of plant and animal species is about 10%. The risk of loss of about 28% of species of mammals, 10% of species of birds, 21% of species of reptiles and amphibians in the near future in Vietnam is also considered a real possibility[5].Vietnam has one of the highest proportions of threatened species in the world[6]. Of 3,990 species assessed by the International Union for Conservation of Nature),13% (512) are threatened with extinction[7]. As a proportion of species assessed by IUCN, the most threatened groups seem to be mammals (19%) and reptiles (19%)[8]. Species of Asian elephant, rhino and Saola would also become extinct in the near future without timely preservation. With the loss of these species, there would be an accompanying loss of precious and non-renewable genetic resource from the country for future generations. According to the list of rare aquatic species at risk of extinction in Vietnam, there is an urgent for need for protection, rehabilitation and development of these species (Decision No. 82/2008 / QD-BNN). It is known that 4 species are already extinct in the wild (EW); while 18 species are critically endangered; 56 species are endangered(EN); and 158 species are nearly threatened[9]. Intensive farming with the application of science and technology and the corresponding extinction of species can lead to the quick and permanent loss of precious genetic resources of both wild animals and plants as well as traditional livestock breeds and crop varieties - the main input for breeding in agricultural production.

21. The high level of genetic diversity of its medicinal plant resources makes Viet Nam a particularly attractive country for bio-prospecting, especially given that there are approximately 800 known medicinal and aromatic plants, 600 of which have associated traditional knowledge. However, the general trend toward biodiversity degradation and loss of these medicinal plants, and a decline in biodiversity is observable in all ecosystems. According to the overview report on Viet Nam's biodiversity[10], "Viet Nam has lost many precious genetic resources. Every year 300-400 livestock breeds and crop varieties are put at a high risk of erosion, many of which are indigenous and rare." Natural forests have been severely reduced and currently only about 0.5 million hectares of primary forests exist scattered in the Central Highlands and North Central region.

22. In terms of the loss of medicinal plant resources, the Ministry of Health's Red List of medicinal plants of Viet Nam (2006) categorized and ranked 139 species according to IUCN criteria. Accordingly, 18 species of medicinal plants are considered as endangered species, 54 are rare and 67 are vulnerable

[5]www.worldbank.org, Environment Monitor, World Bank (2005)
[6]Pilgrim J.D and Nguyen Duc Tu (2007) Background Paper on Threatened and Alien Species in Viet Nam and Recommendations for the Content of Biodiversity Law, Report to Department of Environment, Ministry of Natural Resources and Environment, Hanoi
[7]IUCN (2012). Red Data Book of Viet Nam
[8] Vietnam Tropical Forest and Biodiversity Assessment, USAID (2013)
[9]Plant Genetic Resources(2013),Report of building the "Strategic orientation of conservation and sustainable use of genetic resources of Vietnam to 2020 and vision to 2030".
[10]Ministry of Natural Resources and Environment, the overall report on Vietnam's biodiversity, compiled from the documents prepared by local and international experts for development of the draft of the Biodiversity Law, Hanoi, 2008, p 2

species. There are many well-known species of medicinal plants such as *Panaxbipinnatifidus*, *Panaxstipuleanatus*, *Berberissargentiana*, *Cosciniumusitatum*, *Panaxvietnamese*, *Morinda officinalis*, *Homalomenaconchinchinensis*, *Tephrosiatuberosum*, *Codonopsisjavanica*, *Cupressustorunosa*, *Schefflera octophylla* and others that are dwindling fast. At present a number of native medicinal plants are facing extinction and they are no longer available in sufficient quantity for use by local people, such as *Plumbagozeylanica*, *Excoecariacochinchinensis*, *Syzygiumformosum*, *Rosa odorata*, *Croton tonkinensis,Eupatorium fortunei*, *Kaempferia vulgaris*, *Stahlianthusthorellii*, etc. This puts Viet Nam's genetic resources at serious risk, since many are rare or vulnerable. Causes for the decline and loss of medicinal plants species can be traced back to uncontrolled harvest, particularly on a commercial scale for processing and export by the pharmaceutical industry, along with habitat loss and degradation. Therefore the conservation and sustainable use of genetic resources of Vietnam through the ABS regime will support the rehabilitation and protection of species of global environmental significance.

23. The loss of genetic resources has had a great impact on the users and keepers of these medicinal plants species. A country of multiple ethnic minorities, Viet Nam has fifty-four (54) ethnic groups of which 50 live in the uplands. The mountainous upland area of Viet Nam hosts approximately 25 million people, of which more than 10 million are from ethnic minorities. These ethnic minorities have lived for many centuries adapting to their environment, in many cases in isolation or little contact with other groups, developing complex cultural norms and rules that have successfully regulated human activities to integrate their continual co-existence with the natural environment. The minority groups' knowledge and practices have developed to adapt to natural conditions for their survival. This Traditional Knowledge (TK) in upland Viet Nam is rich and greatly varied – and includes knowledge on conserving nature, health protection, farming systems and plant and animal species uses and management. It is a reflection of the varied geographic areas they live in as the different needs associated with the individual groups. The use of plants for medicinal treatment of illness/diseases are especially well developed among some of the minority groups and some research institutions, private pharmaceutical companies and NGOs have in recent years recognized the importance of conserving this knowledge, but also using it to create benefits, of which it has not always equitable been shared with the minority groups[11]. The absence of a system for protection of traditional knowledge in the country can easily result in the further erosion of this valuable knowledge and a permanent loss to local communities, the country and the global community, at large.

24. The lack of generation of actual and potential economic benefits from commercial exploitation and biological and genetic resources, and the lack of information on the value and quantity of genetic resources that can be utilized through ABS processes to derive monetary and non-monetary benefits is a key constraint for the effective conservation of biodiversity. This is further constrained by the lack of a functioning ABS national legal, institutional and administrative framework, of institutional capacity and awareness raising among different stakeholders (private sector, academia, research institutions, indigenous and local communities, etc.) that will enable the equitable sharing of benefits from the exploration and utilization of genetic resources and associated traditional knowledge between the state, private and research sector, and the owners and custodians of these resources and traditional knowledge. So far despite the existence of the provisions on access and benefit sharing in the Biodiversity Law and related decrees no permits have been issued nor has an ABS contract has been approved by the national competent authorities. No public-private partnerships have been developed following the provisions of

[11]Trung, T. C.; Quynh, L. X. and Hieu, V. *The Role of Indigenous Knowledge in Sustainable Development: A Case Study of the Vietnam Mountain Region.*

the ABS regimen in force in the country. This can be explained by a number of factors including inappropriate capacity of the institutions, lack of coordinating mechanisms and administrative measures to make the provisions of the Biodiversity Law operational in practice and of lack of awareness of the ABS principles and legal dimension of users and providers of genetic resources and associated traditional knowledge.

LONG-TERM SOLUTION AND BARRIERS TO BE ADDRESSED

25. In response to the wide range of threats facing the country's natural resources and biodiversity, it is a fundamental requirement to enhance the social and economic rationale for biodiversity conservation in general and genetic resource conservation in particular. This would entail, among other things, the commercial utilization of genetic resources and benefit-sharing from the utilization of such resources. The project will provide a long-term response that would enable local communities and the government of Viet Nam to grant access to genetic resources and associated traditional knowledge to different users, bothat the national and international level, based on sound scientific principles and technical guidance, so that tangible benefits can accrue to local communities and national and provincial governments from the commercial utilization of such resources through a fair, equitable and sustainable manner thereby providing a rationale for the conservation of the biological resources that contain the genetic material. The benefits will be in the form of business, employment and capacity building opportunities and the discovery of new medicines and other products (functional foods, cosmetics, natural ingredients, etc.).

26. This will present a paradigm shift from the situation described above, to one in which biodiversity-rich nations such as the Viet Nam are fully and equitably involved in this research and commercial process with the primary goal of promoting people-centric conservation and sustainable use. The long-term vision is therefore to establish and implement a comprehensive national legal, regulatory and institutional framework for ABS (through review and update of the national ABS framework in the light of the Nagoya Protocol and to develop a detail set of administrative rules, procedures and coordinating mechanisms) to promote understanding and capacity of ABS-relevant issues to all stakeholders involved in the production chain, to activate the potential that Viet Nam's diverse genetic resources and traditional knowledge represent for generating economic and other benefits to the nation and stakeholders and to ensure the equitable distribution of benefits to the holders of the traditional knowledge as prescribed and fully in line with the Nagoya Protocol (NP).

27. There are a number of barriers to achieving the long-term solution. The key barriers are the following:

Weak National Regulatory and Institutional Framework on ABS:

28. Although the Biodiversity Law of Viet Nam of 2008 provides the legal framework for bio-prospecting and ABS, many gaps and overlaps still exist resulting in the lack of implementation of the ABS measures. The adoption of the Biodiversity Law and the Decree 65/2010/ND-CP has not fully resolved conflicts and overlaps in the management of genetic resources. The current regime to ensure the implementation, compliance and enforcement of ABS in Viet Nam lacks specific guidance and clarity on the roles and responsibilities of the different players especially at the institutional and legal levels. Loopholes in the current legislation include the undefined and unclear scope of ABS activities and genetic resources use related to ABS, and the lack of clear objectives and definitions required to provide clarity on the ABS system for users and providers.

29. The current legal framework lacks detailed procedures for registration to provide access to genetic resources,obtaining Prior Informed Consent (PIC) and negotiating Mutually Agreed Terms (MATs) from different stakeholders. There is also no legal guidance on the treatment of commercial and non-commercial research, identification of National Competent Authorities (NCAs) and their respective roles and mandates in the application, and licensing and monitoring of the ABS process. In addition, there is lack of clarity in terms of coordination and information exchange mechanisms and tools (such as a national ABS Clearing House Mechanism) among the NCAs, National Focal Point (NFP) and other

relevant institutions in terms of supporting the monitoring and compliance system. There is also no legal guidance on the creation of technical bodies, committees or similar institutions to support the implementation, monitoring and enforcement of ABS legal frameworks; inadequate compliance measures and legal remedies, lack of appropriate provisions for the protection of traditional knowledge and for the establishment of a *sui generis* system (including appropriate safeguards on the envisaged registration system). There is also no guidance on mechanisms (financial or similar) to provide for the use of the benefits generated from ABS for biodiversity conservation, which in practice makes it difficult to create an appropriate linkage between ABS and conservation (as required by the NP).

30. At the administrative level, there are no manuals, circulars, resolutions, standardized forms, contract or model clauses, etc. (in part because of the difficulties identified in the existing legal framework) resulting in the lack of implementation of the ABS legal framework. The absence of appropriate administrative measures for implementation of the legal provisions relating to ABS results in the lack of guidance and orientation to the users and providers of genetic resources, including the NCAs on the practical operation of the ABS system. This also prevents the effective implementation of the existing regulatory framework for ABS, where information, knowledge, skills and capacity are also limited. In addition, there is no clear guidance on coordination and responsibilities of state agencies in the management of genetic resources.

31. The national administrative processes for issuing ABS license, negotiating and enforcing agreements have not been fully clarified and key stakeholders remain unaware of their roles in promoting ABS, especially between Ministry of Agriculture and Development (MARD), Ministry of Natural Resources and Environment (MONRE) and Ministry of Science and Technology (MOST). MONRE is responsible for state management of genetic resources in accordance with the Biodiversity Law, but MARD has a historical mandate over a number of natural resources and protected areas, and ABS entails regulations on intellectual property rights that involve the Ministry of Science and Technology. This lack of effective coordination mechanism at national level impedes decision-making and negotiation of ABS agreements at the provincial level. Moreover, a consistent regime on ABS for Viet Nam that needs to tackle issues related to traditional knowledge and its registration and protection which are poorly considered in the current framework leads to weak management and enforcement. Regulations are necessary to clarify and define the scope of utilization of genetic resources and the purpose of fair and equitable sharing of genetic resources.

32. The legal framework needs to be also strengthened in order to mainstream the Nagoya Protocol provisions into its national ABS framework. Some of the new instruments incorporated in the Nagoya Protocol are: (a) the use of simplified measures of access for non-commercial research; (b) the expeditious access of genetic resources in cases of emergencies that threaten or damage human, animal or plant health; (c) building and operation of an access and benefit-sharing Clearing-House Mechanism; (d) the designation of national checkpoints at all stages of the value-chain, including research, development, innovation, and pre-commercialization ; (e) the issuance of an "*internationally recognized certificate of compliance*"; (f) the support of the development of sectorial and cross-sectorial benefit-sharing codes of conducts and contractual models clauses; and (g) support and recognition of bio-cultural Protocols and the recognition of customary law of indigenous local communities (ILCs); etc. Therefore it is critical to update the legal framework in the light of the current international developments. The improved legal framework can increase the trust and confidence of the different users and providers of genetic resources and provide for legal certainty. The current national ABS framework for Viet Nam is also not in line with the NP in the following areas: definition of utilization and the inclusion of derivatives; some of the "access standards" stipulated in the treaty; special

considerations- including simplified procedures, in the case of commercial and non-commercial research; access to pathogens and consideration of the role of plant genetic resources for food and agriculture (even if the country has not ratified the International Treaty the obligations under article 8 still apply); roles, mandates and functions of the NCAs; issuance of certificate of compliance; promotion of the conservation of biological diversity; legal provisions for the protection of traditional knowledge associated to genetic resources (bio-community protocols and the consideration of the role of customary law); establishment of measures to promote compliance of the users located in national jurisdiction of the ABS regulatory framework of the providing countries; establishment of check points; measures to facilitate access to justice; etc. (Section IV, Part VII provides a comparative analysis of the legal framework in place in Viet Nam in relation to the NP provisions).

Limited Institutional and Technical Capacities and Awareness for ABS

33. The Biodiversity Conservation Agency (BCA) of the Viet Nam Environment Authority (VEA) under the Ministry of Natural Resources and Environment (MONRE) is the national Focal Point for the implementation of the CBD and Nagoya Protocol. BCA has limited technical and legal expertise, experience and capacity for establishing and managing a comprehensive ABS regime in coordination and collaboration with stakeholders at international, national, provincial and local levels. Similarly Provincial DONRE staff are not specialised in biodiversity and capacity genetic resources use and conservation. The Peoples Provincial Committees which are responsible for granting access to genetic resources under certain conditions, lack expertise in the implementation of ABS procedures, including granting permits or in the revision or negotiation of ABS agreements. Other institutions involved on the ABS process as providers or potential supporters of the monitoring system, are also not fully aware of ABS and its ramifications, including MOST and MARD among others. Local communities, businesses and research institutes are not aware of the ABS legal framework and related issues (including the elements of PIC, MAT, benefit-sharing, the value of genetic resources and associated traditional knowledge). The providers and users of genetic resources and associated traditional knowledge also lack awareness and capacity to engage in public and private ABS partnerships, to negotiate fair and equitable ABS contracts-with benefit sharing provisions and to monitor the implementation of ABS agreements. In particular, the custodians of the traditional knowledge (ethnic minorities and local communities) are not sufficiently aware of the value of the resources and their benefits and little empowered to secure their rights over such genetic resources under the ABS regime and the Nagoya Protocol. Finally, the lack of a platform for technology, resource and information sharing is also hampering awareness and application of the ABS concept in research and development and commercialization activities.

34. There is an urgent need for strengthening the institutional set up of the BCA and individual capacity to enable implementation of the ABS policy, ensuring sufficient competence for facilitating ABS agreements, monitoring bio-prospecting and facilitating value-addition to biological resources in the country. The documentation, under proper assurance and safeguards of traditional knowledge associated with genetic resources needs to be accelerated to aid the Prior Informed Consent (PIC) process and establishment of Mutually Agreed Terms (MAT) to ensure that the holders of traditional knowledge will be able to derive tangible and fair benefits from ABS deals. Existing bio-prospecting facilities are rudimentary and not sufficient to carry out bio-activity tests and analyses of genetic materials to the level of acquiring research results that can add value for potential commercialization. Similarly capacity and awareness needs to be enhanced among other key national and provincial agencies, provincial and district people's committees, private business and local communities to enable comprehensive implementation of ABS protocols and practices.

Lack of practical experience in developing and implementing ABS agreements and documentation and registration of traditional knowledge

35. Viet Nam has undertaken a number of efforts in establishing public-private partnerships in promoting access and benefit sharing in genetic resources, namely (i) research on drug recovery and further development for cancer, AIDs, malaria, and tuberculosis therapies; (ii) development of medicinal bathing techniques with the Dao ethnic group; and (iii) research and manufacturing on Ngoc Linh ginseng. Most of these activities in recent yearshave made use of traditional knowledge to identify the genetic resource and have contributed to the commercialisation of products. Local and international companies continue to harness the economic potential of these resources and knowledge. However, since the establishment of the ABS-related provisions in the Biodiversity Law and under Decree 65, no ABS agreements or contracts have been reported despite the fact that international and national cooperation among different organizations, companies and partners are increasing in the field of bio-prospecting, research and development, particularly in the forestry and agriculture sectors. Despite the number of on-going activities related to genetic resource use, these activities are not systemised and in many cases not registered or duly authorized. Contracts and agreements are developed on an *ad hoc* basis. Difficulties are experienced in registration of ABS partnerships and compliance due to unclear guidance and lack of specific instruments. Bio-prospecting arrangements/partnership seldom consists of a single agreement, rather of an interlocking web of agreements. Experiences in Viet Nam have shown that even a single umbrella agreement may encompass several different interrelated agreements[12]. In addition, local governments, institutions and research companies have limited capacity and know-how on to carry out bio prospecting, obtain PICs and facilitate equitable benefit sharing. Given this inadequate capacity and the new nature of the topic, there is limited expertise in actually developing ABS agreements that are fully compliant with the Nagoya Protocol. Without model agreements based on consultative processes and documented examples of ABS partnerships, including PIC and MAT and realisation of actual benefits to the country and concerned communities which can be replicated and up-scaled, the progress of advancing the ABS agenda in the country will remain slow.

36. It is also crucial to develop a clear model for benefit sharing, in which each party determines its contribution and the group collectively determines the most suitable mechanism to share benefits in short and long-run. The capacities, knowledge and skills of other stakeholders (local communities, private sector, research institutions) and identification and documentation of good practices and models is key for the replication of successful ABS agreements (including benefit sharing provisions).Overcoming this barrier may provide appropriate conditions for the potential replication of ABS good practices involving other cases of natural products to be developed by private and public institutions.Finally, Vietnam has no experience at all with the development of traditional knowledge registers of bio-community protocols nor are there legal safeguards and provisions incorporated in the current legal framework for protection of traditional knowledge.

37. The misappropriation or biopiracy of genetic resources and associated traditional knowledge will not only represent a loss of the cultural integrity of the communities and the sovereign rights of the country, but also that opportunities to derive benefits (monetary and non-monetary) from the genetic resources and associated traditional knowledge held by local communities will be lost. TheABS regimen to be included in the Decree will prevent and minimize the risk of biopiracy by the enactment

[12]University of Illinois Chicago- Viet Nam- Laos ICBG Program

of a strong legal framework (including check points and certificates of compliance), create capacity for the management of the permits; raise awareness on the rights of the indigenous local communities, and increase the capacity to negotiate fair and equitable benefit sharing arrangements, among others. Without such a regimen, bio-prospecting and use of traditional knowledge resources will continue to be weakly regulated and indigenous local communities the country are at risk of losing out on the benefits associated with bio-prospecting. Weaknesses of the existing regulatory system include the commercialization of biological resources without the prior informed consent of local communities and without any benefit sharing.

Description of Project Pilot Site:

38. The project will support pilot demonstration in the Lao Cai Province that is located in the mountainous north-western region of Viet Nam bordering the province of Yunnan in China. As the province is mostly mountainous, it experiences a dry cold climate from October to March, while the tropical monsoon is rainy season which lasts from April to September. The annual average temperature is 23 °C (73 °F). The temperature generally ranges between18 °C (64 °F) and 28 °C (82 °F) in the mountainous region, with the lowland areas showing a temperature variation of between 20 °C (68 °F) and 22 °C (72 °F). The terrain of LaoCai is very complex, with stratifiedhigh altitudes and fragmented lower level. Lao Cai's topographicis dividedfairly obvious into thelowlands and highlands, where the altitudes range from300m-1000m and occupiesa large area ofthe province.

39. The Sa Pa district where, the pilot project site is located is in the western part of the province. The Hoàng Liên Son range of mountains dominates the district, which is at the eastern extremity of the Himalayas. This range includes Vietnam's highest mountain, Fan Si Pan, at a height of 3,143 m above sea level. The town of Sa Pa lies at an altitude of about 1,500 meters (4,921 feet) above sea level. The climate is moderate and rainy in summer (May—August), and foggy and cold with occasional snowfalls in winter. The forest of the district can be classified as belonging to 3 types: sub-montane dry evergreen forest, tropical montane deciduous forest and sub-alpine forest. The sub-montane dry evergreen forest, which occurs at lower altitudes, has been the most heavily disturbed by the activities of man. The province has 17communesand the SaPatown, witha total population ofover50,000people, and a great diversity of ethnic minority peoples. The population consists mostly the Kinh (Viet) people (15%) there are mainly 5 ethnic groups in Sapa: Hmong 53%, Dao 17%, Kinh 13%, Tay 5%, Giay 2% and a small number of Xa Pho. Approximately 7,000 live in Sapa, the others are scattered in small communes throughout the district. Most of the ethnic minority people work their land on sloping terraces since the vast majority of the land is mountainous. Their staple foods are rice and corn. Rice, by its very nature of being a labour-intensive crop, makes the daily fight for survival paramount. The unique climate in Sapa has a major influence on the ethnic minorities who live in the area. With sub-tropical summers, temperate winters and 160 days of mist annually, the influence on agricultural yields and health related issues are significant.

40. The geographical location of the area makes it a truly unique place for many interesting plants and animals, allowing it to support many inhabitants. Many very rare or even endemic species have been recorded in the region. Geology, climate and human activity have combined to produce a range of very distinct habitats around Sa Pa. Especially important is Sa Pa's geographic position, at the convergence of the world's 14 "biomes" (distinct biographic areas), producing an assemblage of plant and animal species unique in the world. Forest vegetation is mainly low density forest with regeneration of native plants such as *Fokienia hodginsii*, *Podocarpus pilgeri*, *Dacrycarpus imbricatus*, *Cinnamomum parthenoxylon*, and planted trees such as *Cunminghamia lanceolata*, *Alnus napelensis*, and *Chima wallichii*.About 25%of the forests are classified as rich or above-average in quality. While Sa Pa is an area of rich diversity in natural medicinal plant genetic resources, currently 23 species of medicinal plants are also cultivated such as *Amomum xanthiodes*, *Angelica sinensis*, and *Ligusticum wallichii*.Local communities have traditionally used and developed medicinal plants for economic benefit.

41. Sa Pa's forests play a very important role in ensuring environmental protection and contribute to flood protection. However, the irrational exploitation of forest in recent years has resulted in loss of forest canopy cover and forest quality. Forest animals are decreasing in number due to hunting and migrating to other areas and some rare species are at risk of extinction. Measures need to be introduced to enhance the economic value of these forests to ensure incentives for their sustainable use and conservation. The local population is interested and capable of acquiring new techniques to conserve and develop genetic resources of medicinal plants. Although, the market system is not well developed,

opportunities exist for value addition and enhancement of economic benefit from traditional medicinal plant practices.

STAKEHOLDER ANALYSIS

42. The stakeholder analysis identifies the following key stakeholders and their roles in project implementation. The table below outlines the stakeholders and their roles.

43. Key stakeholders involved in the project are presented below.

Table 1. Roles and Responsibilities of Stakeholders in Project Implementation

Stakeholder	Implementation Role
Ministry of Natural Resources and Environment (MONRE)	MONRE is the leading institution for establishing and implementing policies relating to ABS in Vietnam. Under MONRE, the Biodiversity Conservation Agency (BCA), which is an agency under Vietnam Environment Administration (VEA) and established in 2008, is responsible for the implementation of the biodiversity conservation provisions of the Biodiversity Law in cooperation with other ministries. MONRE is the focal point of the CBD, Ramsar Convention, Cartagena Protocol on Biosafety, and Nagoya Protocol on ABS. Institutionally BCA is the agency authorized for preparation of NBSAP, biodiversity master planning, ABS and bio-safety management, reporting of biodiversity conservation including these submitting to CBD. Hence MONRE will have a leading role in developing and implementing ABS policy in the country. Under MONRE, BCA/VEA will serve as the focal point for implementing agency for this project.
Ministry of Science and Technology (MOST)	MOST manages the national program for ex-situ conservation genetic resources nationwide. MOST has the central role to coordination genetic resources conservation activities being conducted by relevant government organizations, research institutes, etc. Therefore, work that has been conducted with MOST will be crucially important to provide baseline information and background to on-going development and cooperation with regard to genetic resources. MOST is also responsible for coordination with relevant minstries and agencies in guiding procedures for registration of traditional knowledgeand copyright related issues on genetic resources. Hence, MOST is the competent authority in terms of TK registration at the national level.MOST will be the member of Drafting Committee to develop the ABS Decree and under-Decree regulations; and be involved in the implementation of capacity building and awareness raising activites
Ministry of Agriculture and Rural Development (MARD)	MARD manages terrestrial and marine protected areas; hosts CITES Management Authority. MARD will seek to play an important role in the management of genetic resources, as they have responsibilities over agricultural, husbandries, fisheries and forestry resources. MARD is expected to play an active role in the enforcement of ABS agreements and contracts. MARD will be the member of Drafting Committee to develop the ABS Decree and under-Decree regulations. MARD and their functional departments/institutes will likely to be involved in the project implementation activities at pilot sites as well as other capacity building and awareness raising activites
Ministry of Health (MOH)	MOH is the focal point to implement the National Plan on Development of the medicinal plants to 2020 and vision toward 2030. The purpose of the plan is to develop medicinal plants toward commodity production to meet market demands, associating material production with product consumption, building of medicinal plant zones with processing industry, diversification of the product structure to ensure safety, quality and high competitiveness, meeting domestic consumption and export demands; to encourage various economic sectors to invest in the development of medicinal plant

	cultivation, further export medicinal plants and their products, contributing to the gradual increase of the proportion of pharmaceutical industry in the gross domestic product (GDP). MOH would contribute as a member of the Drafting Committee to develop the ABS Decree and under-Decree regulations. In addition, MOH and its functional institutes/organizations would be involved in activities to enhance capacity and broaden the network of technical advisory panel to support the National Competent Authorities and National Focal Points from technical perspectives
Provincial People's Committees (PPCs)	Responsible for genetic resources management at provincial level; this is the level at which the key decisions that affect biodiversity are made. The local authoriteis will participate in enhancing the management and mechanism to institutionalize the ABS framework. Under Decree 65/2010/NĐ-CP, the Provincial People's Committee has the right to granting permit access to genetic resources which is not on the list of endangered precious, rare genetic resources prioritized for protection. Within frame of the project, they will also be fully involved and accountable in demonstration of ABS models and support to contract and licensing of local ABS agreements.The project will work closely with PPC and functional agencies (DONRE and DARD), particularly in the pilot provinces where the project will be implemented.
Universities and research institutions	Research centres and university and institutes will fully participatein awareness campaigns, capacity building, and in development of access protocols. They will also conduct further research to inform ABS implementation and pilot ABS activities. Communication channels will be also strengthened to ensure research results are widely disseminated in the context of building national capacity on ABS.
Helvetas	Helvetas, an Swiss funded non-governmental organization is involved in improving the understanding of the sustainability of medicinal plant harvesting and trade. They are supporting the establishment of an enabling policy and regulatory framework that would facilitate the development of BioTrade-compliant initiatives; extending sustainable natural ingredients collection and production systems that would improve benefits to communities; improving the efficiency of production processes and international competiveness of industries involved in natural ingredients value-chains meeting BioTrade principles and international standards; and assisting industries to facilitate the trade and market access of selected BioTrade-compliant natural ingredients products sourced from biodiversity. The project will work closely with Helvetas to improve opportunities and experinces that faciliate private sector participation in benefit sharing.
Civil Society Organizations	CSO's will play an active role in liaising with local populations and raising public awareness with regard to ABS economic opportunities and positive social impacts. They are also expected to enrich and contribute to the design and implementation of a coherent legal framework.
Private sector (user and/or provider of genetic resources	As a key partner the private sector will be involved in all project milestones - contributing to awareness-raising within the public sector, identifying suitable genetic resources, resource providers and value chains. They will also take part in awareness campaigns, capacity building, direct involvement through investment in access to genetic resources, and consultations.
Providers of genetic resources: local/rural communities, Women's union, Farmer's union and ethnic minority groups.	They will contribute to the registration of ABS- related knowledge. They will be involved in the awareness campaigns, capacity building activities and spread necessary capacities through training of trainers modalities.The local communities will be directly involved in the demonstration activities. The communities, ethnic minority groups in particular, will be consulted in all stages of the project preparation and implementation on the basis of participation, free and open consultation and PIC. They will be involved in the process of developing bio-cultural community protocol in the pilot site that would define means of their participation in pilot site activities, PIC and MAT requirements as well as the potential terms for future ABS agreements. They wil also participate in the preparation of a traditional knowledge registry at the pilot site. The communities will also be agents of monitoring according to participatory principles of local governance.

BASELINE ANALYSIS

Policy and legal context

44. The Government of Viet Nam is making enormous efforts to conserve forests and natural biodiversity by implementing a wide range of conservation plans and programmes, including the first National Biodiversity Action Plan (NBAP) in 1995 and the second in 2007.Recently, the Prime Minister has approved the National Strategy on Biodiversity to 2020 and vision toward 2030, that reaffirms goal to protect ecosystem, species and genetic resources. The third target of the NBSAP is to "inventory, store and conserve the native, endangered, rare and valuable genetic resources (plants, animals and microorganism).

45. In addition, the government has enforced legal frameworks for conservation and utilization of genetic resources of plants, animals and microorganisms. Many important laws on natural resource management such as: Land Law (2003, revised in 2013); Fisheries Law (2003); Law on Forest Protection and Development (2004); Seed Ordinance, livestock gene Ordinance (2004); Environmental Protection Law (2014); Law on Water Resources (2012); and the Biodiversity Law (2008) has provided legal institutions for local community to conserve genetic resources through co-management and benefit sharing.

46. The government willinvest at least USD 350 million over the planned project period on environmental management actions related to biodiversity conservation. Of this at least USD 200 million will be invested in sustainable land management.Though direct investments in promoting ABS from genetic resources have been limited, the government has been spending reasonable amounts of resources on supporting national programs on research and management for genetic resource conservation and sustainable use through its six ministries, namely Agriculture and Rural Development, Health, Industries and Trade, Education and Training, Science and Technology and Defence.

47. The Ministry of Natural Resources and Environment (MONRE)through its Biodiversity Conservation Agency (BCA) is the lead agency in Viet Nam on issues relating to ABS,In the baseline situation, the Ministry of Natural Resources and Environment (MONRE)as the national focal point for international treaties like the Biological Diversity Convention, Cartagena Protocol on Biosafety, Ramsar Convention on Wetlands, and Nagoya Protocol on Access and Benefit Sharing and focal point to implement Law on Biodiversity and other policies and regulations on biodiversity such as National Strategy on Biodiversity to 2020, vision towards 2030, will play a critical supportive and essential role to complement the objectives and outcomes of the project. In particular, MONRE has supported the development of the Biodiversity Law that makes specific reference to the management of an access to genetic resources and sharing of benefits from genetic resources; development and implementation of regulation on management of rare and precious species of priority for protection; the development and operation of database on biodiversity including lists and distribution of rare and precious species of priority for protection, invasive species, genetically modified organisms and genetic resources. While MONRE will support the development of new Decree on ABS, the development and preparation of technical guidelines on ABS such as PIC/MAT, ABS contract forms, code of conducts, and capacity building programs for staff and researchers as part of the GEF alternative, it would invest in complementary baseline activities over the period of the project for the revision of the Biodiversity Law to provide a board framework for biodiversity conservation and sustainable development and for establishing the rights and obligations of organizations, households and individuals in the biodiversity conservation and sustainable development. MONRE will spent around USD 180,000 to meet the costs of

six full time staff that would be dedicated through the project period to work on development of the draft Biodiversity Law and support consultations and dialogue leading to this outcome.

48. As part of on-going activities, UNDP is supporting through its project titled "Strengthening Capacity on Natural Resources and Environment Policy Development and Environmental Performance" policy formulation in the natural resources management and environment sectors based on evidences, policy analysis and participatory approaches and the development of tools and mechanisms for enhanced environmental performance and the adoption and application of natural resources management approaches. Specifically, the project will improve the application of existing environmental and natural resources policies and feed into the formulation of relevant laws and the monitoring of their implementation. The UNDP projectpromotes consistency and coherence of policy frameworks, addresses existing discrepancies and facilitates participatory consultations towards developing comprehensive and forward-looking legal frameworks. The programalso provides the framework and tools that enables the independent evaluation of environmental performance at provincial level, and the participation of communities in monitoring enforcement and implementation of environmental laws. All of these activities will further strengthen the capacity within the country for supporting formulation of policy and legislation in the environmental sector that will benefit the development of self-standing legislation and policy on ABS. UNDP will spend around USD 250,000 for the above-referenced activitioes during the period of the GEF project..

49. The Plant Genetic Centre of MARD established in 1996 is developing policies related to conservation, exploitation and use of genetic resources.One of the key activities of the Plant Genetic Centre is to formulate integrated and conservation strategies to ensure that the rich genetic diversity of crop wild relatives and medicinal plants are protected for the benefit of future generations. The Centre maintains a network of Plant Genetic Resources conservation with 21 member institutions and over 300 researchers to conserve plants, animals and aquatic resources. It also coordinates all activities relating to plant genetic resources throughout the country. The Centre has an important role in securing the plant genetic resources for agricultural purposes and national food security and plays a key role in defining policy and practice in exploitation, use and development of genetic resources to improve productivity, quality, economic efficiency, and sustainability of the country's genetic resources that are important to the agriculture and other productive sectors. The Plant Genetic Centre will continue this support in the futureand would spend around USD 600,000 during the four-year period of the GEF project for these complementary activities..

Administrative Measures for Implementation of Access and Benefit Sharing Framework

50. In support of the implementation of ABS in the country, MONRE is mandated to develop a new Decree on ABS, develop technical guidelines on ABS such as PIC/MAT, ABS contract forms, code of conducts, and conduct capacity building programs for staff and researchers. It recently undertook the evaluation of the policies and management capacity for access to genetic resources and benefit sharing in the country. The study provides the basis for addressing gaps and overlaps of existing legal frameworks related to biodiversity conservation and in particular access and benefit sharing, improving procedures for access to genetic resources, improving ABS contract negotiation and agreements and benefit obligations, as well as measures for improving coordination and management of the access and permitting systemsand improving awareness of communities, businesses and research institutes of the real value of the fair and equitable sharing of benefits and of marketing. MONRE will pursue these obligations during the period of the project and beyond in an effort to enhance the ABS management system in the country.

51. In March 2014, the Prime Minister approved the Resolution No. 17/NQ-CP on ratification of the Nagoya Protocol on Access and Benefit Sharing. In the Resolution, the Prime Minister also assigned the Ministry of Natural Resources and Environment the tasks of (i) developing the draft "National Action plan on strengthening the capacity on management of ABS"; and (ii) developing the draft Decree on management of access and equitable sharing of genetic resources and benefit arising from these genetic resources. As part of this obligation, in the next few years, MONRE will directly oversee and be responsible for developing the under-decree and regulations for implementation of the proposed ABS Decree.

At the moment, the administrative measures for ABS Framework in line with national regulations on ABS and the Nagoya Protocol on ABS have not yet been developed or implemented. However, there is an existing mechanism for granting permit for access to valuable genetic resources for the purpose of scientific research. MARD is currently authorized for exchange of valuable and rare crops and livestock breed for research purpose. Regarding species under CITES list, MARD is also granting permits for exporting of genetic resources for research purpose only. For in-country scientific research, including research on genetic resources, MOST has authority to manage these activities through the national program for ex-situ conservation of genetic resources nationwide. MOST has the central role to coordinate and grant funding for genetic resources conservation activities being conducted by relevant government organizations, research institutes etc.MOST will likely spend around USD 1 million for these activities during the four year period of the GEF project, while MARD's expenditure for complementary activities is unclear at this moment.

52. The Ministry of Health (MOH) is the focal point to implement the National Plan on Development of the medicinal plants to 2020 and vision toward 2030. The purpose of the plan is to develop medicinal plants toward commodity production to meet market demands, associating material production with product consumption, building of medicinal plant zones with processing industry, diversification of the product structure to ensure safety, quality and high competitiveness, meeting domestic consumption and export demands; to encourage various economic sectors to invest in the development of medicinal plant cultivation, further export medicinal plants and their products, and contributing to the gradual increase of the proportion of pharmaceutical industry in the gross domestic product (GDP). The investment of MOH is expected to be around USD 800,000 during the project period for baseline genetic resources work through its National Institute of Medicinal Materials (NIMM) under the National Plan on development of medicinal plants.

53. In particular, NIMM is mandated to investigate, restore and develop products from medicinal plants as well as contribute to the national ex-situ collection network. The key elements of this program are: (a) identification of planning zones for the conservation and exploitation of medicinal herbs, in partcular, including (i) investigation, evaluation and determining expolitation zones of natural medicinal species; (ii) developing plans and solutions for sustainable exploitation of natural medicinal plant species; and (iii) developing planning systems for conservation of medicinal plant gardens; and (b) planning of medicinal plant planting; in particular planning growing areas in different bio-geographical zones in the country; and (c) development of medicinal seed sources, including (i) study of measures to revitalize and introduce medicinal varieties; (ii) construction of genetic resource research facilities; (iii) planning systems of processing and organization and storage of genetic seed materials; (iv) strengthening and building circulation systems and bsuiness centers.

Capacity and Awareness for Implementation of National ABS Framework

54. A certain degree of national capacity, although limited, has been built through a number of on-going activities, in particular, through MONRE, MOST, MOH/NIMM, and MARD programs on genetic resources conservation and utilization. The baseline capacity that has been developed will likely continue through the period of the project to facilitate the further enhancement and expansion of the existing skills and knowledge through a number of on-going initiatives.

55. As part of the baseline activities, MARD through its Genetic Resources Centre will help build and expand capacity and awareness of its staff through the following activities, namely: (i) investigation and collection of genetic resources from ecological regions in the country; (ii) taxonomy and evaluation of genetic resources for morphological identification and economic, scientific and conservation value; and (iii)value chain options based on principles and criteria for bio trade, in collaboration with MONRE and MOH. Similarly, MOST capacity development and awareness activities will evolve from its programs for (iv) strengthening capacity and linkages among scientists, private entities, provincial entities and local people on effective exploitation and development of genetic resources; (v) selection and revigoration of native and economic crop varieties; (vi) breeding techniques for high yield fishery genetic resources; and (vii) assessment of policy and regulatory systems for bio trade initiatives, in collaboration with MONRE and MOH. MONRE will help capacity development efforts through its specific programs of (viii) development of mechanisms for genetic resources sharing; and (ix) organizing implementation of legal framework for ABS. MARD is expected to spend an equivalent of around USD 1.6 million for activities that will help build in-house and other collaborating agency capacities during the four year duration of the GEF alternative.

56. Capacity development will be further strengthened through the overall efforts of MONRE to help build capacity within the country for implementation of ABS in Viet Nam and to ensure the effectiveness and enforcement of the legal system in relation to ABS. With or without the GEF alternative MONRE will focus its efforts in a limited manner on improving capacity within its own agencies and related agencies such as MOST, MARD, MOH and Provincial entities to build capacity for improving access to genetic resources, granting permits for use of genetic resources and traditional knowledge, negotiation and monitoring of ABS agreements, negotiating benefit sharing opportunities and agreements, improving skills for engaging the private sector etc.

57. As part of the baseline scenario, UNDP's "Strengthening capacity on natural resources and environment policy development and environmental performance program" is helping assess capacity building needs in the natural resources sector, improve training and identifying appropriate training partners and organizations to strengthen capacity and skills in the country. It is also aimed at facilitating transfer of technology and experiences in natural resources policy and management, identifying capacity gaps in MONRE and related ministries and local agencies and developing measures for addressing gaps in policy research and data methodology and survey. In particular it also aims to enhance capacities to integrate poverty-environment concerns into national and provincial planning including developing pro-poor economic instruments and building partnerships. It aims to further assist MONRE strengthen its capacity to coordinate donor support within a programmatic framework, to understand poverty issues, and to influence the development authorities to attend to environment issues. Communication is being strengthened through the development of the poverty-environment network, a communication network of over 100 members including Government officials from various Ministries, to provide better support to the development of partnerships between Government donors and civil society in addressing poverty-environment issues. The project also helps raise public awareness through the website which features documents and reports, essay writing, photo and poster contests on poverty-environment, and dissemination of messages on poverty-environmental linkages. UNDP will spend the equivalent of USD

250,000 during the period of the project to support the above-mentioned baseline activities through its "Strengthening Capacity on Natural Resources and Environment Policy Development and Environmental Performance.

Demonstrating Private-Public Community Partnerships on Access and Benefit Sharing

58. A number of baseline efforts in establishing Public Private Partnerships in promoting access and benefitsharing in genetic resources are under process in Viet Nam. Different research and pharmaceutical institutes are currently conducting ABS-related activities such as the National Genetic Resources Centre, National Institute of Medicinal Materials (NIMM) and Hanoi University of Pharmarcy. These institutes are accessing genetic resources from communities in Viet Nam to research active compounds and develop medicinal products. International companies, such as KAO Japan, are also active in the use and commercialization of compounds issued from Viet Nam biodiversity. Despite a number of on-going activities related to genetic resources use, they do not yet comply withthe legal framework and regulations on the use, access and benefit sharing of the genetic resources and traditional knowledge. Contracts and agreements are developed on an *ad hoc* basis, with little reference to the Nagoya Protocol and ABS agreements. NIMM will during the project period continue its collection work, contribute to research results and provide technical support for cultivation of medicinal plants as part of its effort to collaborate with pharmaceutical companies to develop medicinal and dietary products. The investment of NIMM in its effort to promote this collaboration is estimated to be around 400,000 USD through a number of pilot activities in the Lao Cai and Ha Giang provinces.

59. As part of the national program on genetic resources, MOST is supporting three main areas of development, including genetic resources conservation (*in-situ* and *ex-situ*); exploitation and use of genetic resources; and genetic resources evaluation for livestock, plant varieties and microorganisms. The intent of this program is to (i) ensure conservation and development of high economic value genetic resources; (ii) increase income of relevant stakeholders through using of local and indigenous genetic resources; and (iii) strengthening linkages between scientists private sector and local communities for effective exploitation and development of genetic resources. MOST will spend around USD 2 million for the activities described above during the four year period of the GEF project.

60. The Plant Resource Centre (MARD) is supporting a number of activities at the local level, namely (i) study of indigenous knowledge and documentation of plant genetic resources in the country; (ii) introduction of plant genetic resources of high value in terms of productivity, quality, tolerance and adaptability to the conditions of the country and improving existing crop varieties; (iii) *ex-situ* conservation of plant genetic resources on farms, seed banks, *invitro* and DNA conservation; (iv) *in-situ* conservation of native genetic resources and local crops through establishment of on-farm networks; (v) exploitation and development of valuable genetic resources; and (vi) taxonomic assessment and evaluation of genetic resources of genetic resources for morphology identification and economic, scientific and conservation value to promote its utilization. The cost of the above referenced activities during the next four years is estimated at USD 2 million.Helvetas, a non-governmental entity financed by Swiss assistance is continuing to support the development of value chains for natural ingredient products, including the identification of constraints and opportunities for development of biotrade; sourcing selected medicinal plants through supply chains on the basis of ethical trade; and interaction with the private sector companies to promote products from medicinal plants. The project has listed over 300 private companies that process natural ingredients, food and cosmetic products and identified a few to intervene on value chain development in support of sustainable use of medicinal plants. The estimated expenditure by Helvetas during the period of the GEF project is anticipated to be around USD

150,000. In addition, SapaNapro is investing in development of medicinal plants in the Sapa area and promoting revenue sharing, conservation and sustainable use to promote the development of a model for ABS. SapaNapro has already developed bathing products based on essential oil products and is interested in development of additional bathing and cosmetic products.

PART II: STRATEGY

PROJECT RATIONALE AND POLICY CONFORMITY

Fit with the GEF Focal Area Strategy and Strategic Programme

61. The project is consistent with the criteria of the Nagoya Protocol and will support the Government of Viet Nam to revise and develop national regulations and institutional framework for ABS and improve the capacity and skills of key agencies, promote bio-prospecting, bio-products discovery and technology transfer with prior informed consents and on mutually agreed terms. In addition the project will facilitate private sector engagement and target investments in in-situ conservation and sustainable use of genetic resources. Lessons from this project will be used to update and improve the capacities in Viet Nam to facilitate ABS agreements and handling of issues under the Nagoya Protocol.

62. This project addresses the GEF 5 BD4 Focal Area objective – *Build capacity on access to genetic resources and benefit sharing*, contributing directly towards Outcome 4.1 *Legal and regulatory frameworks, and administrative procedure established that enable access to genetic resources and benefit sharing in accordance with the CBD provisions* and Output 4.1 *Access and benefit-sharing agreements (number) that recognise the core ABS principles of Prior Informed Consent (PIC) and Mutually Agreed Terms (MAT) including the fair and equitable sharing of benefits.*The project will establish the national legal and regulatory framework for ABS, build capacity for its implementation through a range of training, awareness and supportive information management and guidance outputs, and demonstrate best practice ABS processes recognising the principles of Prior Informed Consent (PIC) and Mutually Agreed Terms (MAT) including the fair and equitable sharing of benefits. The project will also directly implement Aichi Target 16 to operationalize the Nagoya Protocol by 2016 and ensure consistence with national legislation.

Rationale and summary of GEF/NPIF Alternative

63. The project aims to remove the aforementioned barriers and build and enhance the baseline approaches by developing a national and institutional framework for the implementation of Access and Benefit Sharing under the Nagoya Protocol, building the necessary capacity within the key agencies and relevant stakeholders in the country to jointly promote access and benefit sharing activities and facilitate the identification and development of nature-based products through appropriate ABS agreements.

64. In the baseline scenario, the Government of Viet Nam has identified the need for the development of new legislation and institutional framework for ABS in the country that is consistent with the Nagoya Protocol's provisions as a priority and has begun efforts to develop its national biotechnology industry beyond existing traditional medicine production for domestic use, as well as the systematic documentation and protection of traditional knowledge. There are a limited number of on-going investments in capacity development and bio-prospecting from the Biodiversity Conservation Agency of VEA, the Ministry of Science and Technology program on exploitation and development of genetic resources, the Centre of Plant Genetic Resources program on conservation and utilization of plant genetic resources, Helvetas program for supporting the development of value chains for natural medicinal plant ingredient products and SapaNapro company medicinal plant bathing product

development. However, there is great potential for the productive use of Viet Nam's exceptional genetic resources associated with its mountain landscapes and diversity of forest types that currently remains largely undeveloped that can provide potential incomes to both the government and poor rural communities.

65. There remain gaps in the current legal and regulatory framework that do not allow full implementation of the provisions of the CBD and the Nagoya Protocol for PIC processes and ABS agreements involving MAT and mechanisms for the equitable sharing of benefits.

66. Without the project, it is likely that Viet Nam would still work towards the implementation of its obligation under the Nagoya Protocol, but the process would take considerably longer time and it would be more difficult to achieve the ABS objectives of the CBD and Nagoya Protocol. Investment by national and international biotechnology companies would be less likely in the absence of a clear legal framework and national capacity for effective governance of the sector. In addition, indigenous and local communities in particular may not gain from bio-prospecting activities, although their surrounding biological resources and traditional knowledge may be utilized. The Government of Viet Nam therefore aims to ensure that all parties, including the national and local governments and indigenous communities stand to benefit through the fair and equitable distribution of benefits from bio-prospecting. Efforts to date have been inadequate to remove the existing barriers to the introduction of an effective national ABS regime that will contribute towards biodiversity conservation and encourage sustainable use of biological resources, therefore the threat of ecosystem degradation remain, which may reduce future bio-discovery prospects.

67. The proposed project aims to address the barriers described by focusing on improvement and development of an enabling policy and legislative environment by the issuance of a decree or a similar legal measure in line with the Nagoya Protocol; the second on helping to design and implement the necessary administrative systems (through manuals, circulars, instructive, coordinating and information exchange mechanisms, etc.) to provide greater, clarity and transparency for enhancing access, permitting,negotiating and licensing and monitoring of the utilization of genetic resources, the third to build capacity and awareness for effective implementation of the national Access and Benefit Sharing Framework and Nagoya Protocol among different stakeholders; and the fourth to pilot and demonstrate Private-Public Partnerships, the documentation of traditional knowledge and of bio-community Protocols to guide and influence the future implementation of the National Access and Benefit Sharing Framework and Nagoya Protocol and prove (and ideally develop good practices to be followed and replicated in the future) the value of these partnerships for biodiversity conservation and for the improvement of the livelihoods of local communities involved on ABS.

68. Intensive awareness raising and capacity building efforts will ensure that all concerned stakeholders understand the principles behind the ABS regime, the requirements for its implementation, and the potential benefits that can be realized to different parties. The project will also facilitate the reinvestment of benefits from ABS agreements back into biodiversity conservation and supporting local and indigenous communities through official mechanisms. The competent authorities, checkpoint authorities and other stakeholders will be brought rapidly to implementation readiness, and through the pilot project, the inclusion of appropriate PIC, MAT and ABS agreements in bio-prospecting and product development processes will be demonstrated. The results and lessons learned from the project will also be shared, contributing to global best practices on ABS. Overall, the project will ensure that the national economy, business community and local communities all stand to gain from the further development of Viet Nam's biotechnology industry, including its participation in international partnerships and foreign investment.

PROJECT GOAL, OBJECTIVE, OUTCOMES AND OUTPUTS/ACTIVITIES

69. The project's goal isto contribute to the conservation and sustainable use of globally significant biodiversity in Viet Nam. The project's development objective is to develop and implement a national Access and Benefit Sharing (ABS) framework, build national capacities and support an ABS Agreement based on Traditional Knowledge and Public-Private Partnership.

70. While, the Government of Viet Nam is supporting activities towards the rational and wise use of genetic resources as part of its baseline efforts, the absence of comprehensive legislation and a fully-developed and functional ABS framework and limited institutional and personnel capacity for implementation of a national ABS regime that is compliant with Nagoya Protocol, it inhibits the realization of the global objective of ensuring ABS and contributions from the sustainable use of biological resources for biodiversity conservation and for meeting the CBD's Aichi targets. Consequently, the Government of Viet Nam has requested support from the GEF to embark on a project to alleviate the aforesaid barriers and create enabling policy and institutional conditions for implementation of ABS program and activities in compliance with the Nagoya Protocol.

71. The project objective will be achieved through the implementation of four inter-connected and mutually complementary components. Component 1 addresses the need for a strengthened national regulatory and institutional framework on ABS. The operationalization of this framework will be supported by the issuance of a government decree on ABS that is in line with the CBD and its Nagoya Protocol. The development of administrative measures to support and enable the implementation of the national ABS framework will be covered under Component 2, which will support measures to institutionalize permits, access, benefitsharing and compliance. Component 3 will support the strengthening of institutional and personnel capacity for the implementation of the ABS programs and activities and enhancing the awareness of stakeholders including the private sector, local governments and communities, academia, parliamentarians and law-enforcement agencies. Component 4, through demonstration of pilot ABS agreements for bio-prospecting activities, traditional knowledge documentation and the development of Bio-Community Protocols will provide experience and lessons to inform refinement of the framework and implementation processes including, as appropriate model PIC processes, and MAT and benefit-sharing mechanism, as well as support the development of new cosmetic products from genetic materials. The four components will result in the project outcomes discussed in sections to follow:

72. Activities under the four components will be focused at two main levels of intervention: (i) the national level, in order to establish the national regulatory and institutional framework, and develop national capacity for governance of the framework and technical support measures for its implementation; and (ii) provincial/local level, to demonstrate pilot ABS activities in the field in collaboration with indigenous communities and other stakeholders, including national companies (and potential international companies), and to raise awareness and understanding of ABS processes and their regulatory framework.

73. The Stakeholder Involvement Plan for the project (Section IV, Part VII) provides details of stakeholder organizations and their roles in project implementation, including mechanisms for participation. This includes central government agencies concerned with ABS implementation and other bodies concerned with bio-prospecting, the use of traditional knowledge and development of related products such as traditional medicines, cosmetics, nutritional products, etc. (including SapaNapro); indigenous communities involved withgenetic resources; research and academic institutions involved in

bio-prospecting and related research; and private sector organizations and businesses involved in developing biotechnology products.

Outcome 1: Strengthening the National Policy, Legal, and Institutional Framework on ABS(Total cost USD 1,803,000 GEF USD 353,000; Co-financing USD 1,450,000)

74. This outcome would support the full stocktaking of all relevant national legal and administrative measures related to ABS and support the establishment of a sound regulatory and institutional framework necessary to support the successful implementation of the Nagoya Protocol in Viet Nam. In particular, this outcome would support the development of a national ABS decree and supporting guidelines for access and benefit sharing in Viet Nam. The national ABS decree would include specific provisions for protection of traditional knowledge, including provisions for traditional knowledge registries, PIC/MAT procedures and community protocols, and procedures for establishment of financial mechanisms to channel revenues from ABS agreements for conservation of biodiversity and sustainable use of its components. The implementation of provisions of the ABS Decree relating to traditional knowledge and financial mechanisms for conservation will be piloted under Outcome 4 of the project. The specific outputs and activities proposed to achieve this outcome are described below.

Output 1.1: A National Decree on ABS developed, based on the Nagoya Protocol

75. Under Output 1.1, the project's incremental value lies in the issuance of a Government Degree on ABS that is in line with the CBD and the Nagoya Protocol, addresses intellectual property rights (IPR) and other measures needed to have a fully functional ABS system in place and is adapted and integrated into national legislation.i To achieve this, the component will undertake the analysis of the implications and requirements of the accession of the Protocol, including a full stocktaking exercise of all relevant legal and administrative decisions and measures relating to ABS.

76. This output will be achieved by the development, through a participatory process of a new ABS decree which will address the gaps and barriers identified in the national legal framework (or most of them) and simultaneously will update the legal regimen to be in line with the NP, including provisions for the protection of traditional knowledge (the documentation of traditional knowledge and the bio-community protocols will be piloted under component 4). The development of the new ABS decree will be achieved through the following series of activities:

(a) Conduct of a stocktaking exercise of existing legal documents, institutional setting and administrative measures for ABS in Viet Nam through a contractual services contract. This contractual services contract would include a range of national expertise, and international expertise, the latter if deemed necessary, and will include field surveys and extensive consultations. Part of the stocktaking exercise would also include review of international experiences in developing of ABS legislation to better understand issues and constraints in implementation. Workshops and consultation meetings will also support this process to identify and assess gaps and weaknesses in the existing legal documents and institutional framework for ABS in the country.

(b) The drafting of preliminary framework of biodiversity rules and regulations by BCA with the technical assistance of an international ABS expert (to provide intermittent support) and a team of local consultants with different expertise (legal, economic, organizational and institutional,

ABS, information technology etc.) to be recruited under the project. A national inception workshop (different from the project inception workshop) will be organized to introduce the context and rationale, skeletal structure and elements of the biodiversity rules and regulations and process action plan for formulation, and elicit preliminary inputs. This workshop will involve officials dealing with policy, planning and legal matters in relevant ministries and their line agencies as well as representatives from the judiciary, parliament, academia and private sector companies and local communities.

(c) Conduct of additional consultative workshops, nationally and regionally, if necessary to progressively build the rules and regulations whilst also capturing regional perspectives and insights. Target participants will include agriculture, forestry, environment, judiciary, researchers, academia, private sector and local business community involved with genetic resource use. The results of the national inception workshop and the subsequent consultative workshops will be analyzed and consolidated into draft ABS Rules and Regulations.

(d) The draft ABS Rules and Regulations would be sent out to key agencies and institutions and the members of the relevant legislative bodies for final review before the final draft ABS Decree decree would be formalized and submitted to the Government for approval.

77. Output 1 will be a National Decree on Access and Benefit Sharing that is in full compliance with the Nagoya Protocol. The project's incremental value is also in supporting establishment of systems for the protection of traditional knowledge to be included as part of the ABS decree (a sui generis system for traditional knowledge protection),as well as provision for preparation of traditional knowledge registries, PIC/MAT procedures and Bio-Community Protocols. The provisions to be incorporated in the Decree will provide safeguards to ensure that the register does not affect the rights of the local communities over their genetic resources and associated traditional knowledge (including for granting PIC and negotiating MAT and benefit-sharing provisions) as well as provision for financial mechanisms to channel and reinvest proceeds from ABS agreements towards conservation of biological diversity.

78. Following the approval of the ABS Decree, the project will support the preparation of guiding documents, including circulars, guidelines, manuals and other legal instruments to help implement the ABS Decree and the Biodiversity Law ABS provisions. The result would beknowledge and guidance on the institutional framework for handling the ABS process that would facilitate improved coordination between MONRE, MARD, the Customs Office of the Ministry of Finance, Ministry of Industry and Trade (MOIT) and Ministry of Science and Technology (MOST) on ABS-related issues. Guidelines and protocols would help institutionalize and facilitate access, benefit-sharing and compliance and monitoring as well as guidance for cooperation on issues of compliance and monitoring and information-sharing mechanism; checkpoints, research and development, protection and registration of traditional knowledge, innovation, and pre-commercialization. It would provide guidance on financial mechanisms to channel and reinvest proceeds from ABS agreements towards the conservation of biological diversity and sustainable use of its components[13]. The development of the enabling legislative and supporting mechanisms will be achieved through support for consultations and workshops, and

[13]A provision in the Decree on ABS will mention a financial mechanism for benefit sharing, based on the review of international experiences. In the current regulation, it is stated that 30% of the benefit [Decree 65/2010, article 19.2 states "Total benefits gained from access to genetic resources to be shared among involved parties shall be determined in the course of licensing and under agreement between involved parties but must not be lower than 30% of total benefits converted into money"] should be shared, but no mention is made of the reinvestment of the funds in the conservation of biological diversity and sustainable use of its components. This provision therefore needs to be revised in the new ABS regime.

training, the latter would also include effort to promote coordination among the national focal point and national competent authorities and formalize their respective roles and responsibilities.

79. The dissemination and promulgation of the ABS decree and guiding documents is envisaged to ensure that national and provincial entities, sector entities, private sector entities, local communities and other stakeholders are aware and informed of the provisions and obligations under the ABS decree. This is likely to be initiated in the third year of the project. To facilitate this process, a national consultant to be recruited to prepare and edit legal documents and other dissemination materials for publication and promulgation of the ABS Decree and associated guiding documents and a contractual services contract will facilitate the development of publicity materials, including audio-visuals for creating awareness of the approved legal and institutional framework for ABS in the country.

Output 1.2: Establishment of a system for the protection of TK, including guidelines for a traditional knowledge registry (piloted under Component 4), PIC/MAT procedures and Community Protocols

80. The proposed ABS decree will include measures and mechanisms to protect traditional knowledge associated with genetic resources including: a) regulations on the operation of traditional knowledge registration, which will integrate definitions, process and steps, legal implications (rights assigned to the traditional knowledge holders) conditions ans restrictions for access (and confidentialty), guidelines for registration and safeguards to ensure the respect of the prior informed consent of the traditional knowledge holders and to prevent and avoid potential cases for misappropriation (under component 4 the process fordocumentation of traditional knowledge with the view for its future registration in accordance to the Biodiversity Law will be piloted at the project site selected); b) clear rules and procedures in relation to the establishment of PIC and MAT for the utilization of traditional knowledge and/or genetic resources located in local communities lands in conformity with the national legal framework; c) consideration for the role of customary law in the decision making process of the local communities in providing access for traditional knowledge associated with genetic resources; d) promotion of the development of community protocols and legal recognition of them as the basis for clarifying PIC processes and MAT with external actors. The community-based development of community protocols is fully in line with Article 12 of the Nagoya Protocol which requires Parties to the Protocol, among others, to support the development by Indigenous Local Communities, community protocols in relation to access to traditional knowledge and the fair and equitable sharing of benefits. Under component 4 the development of a community protocol at the project site will be piloted and more information is provided on the steps and process to be taken under Output 4.2. The experiences and lessons learned will be used to inform preparation of a model national process for the development and use of community protocols.Specifics and particular on the provisions to be included in the decree will depend on the consultation process.

81. A series of training, communication education and public awareness activities and products (under Component 3) will increase the capacity and confidence among communities to provide greater clarity to external stakeholders about their core values, challenges, priorities, and plans relating the protection and promotion of their traditional knowledge, greater awareness of how traditional knowledge can be accessed and used, how they can retain control over the process and considerations such as ownership of knowledge and sharing of benefits arising from its utilisation. This output will help raise awarenessin targeted groups through a communication stratgey, educational materials and

public awareness campaign focused on informating researchers, research institutiona, local communities and the private sector.

Output 1.3: A Financial Mechanism developed to channel and reinvest Proceeds from ABS Agreements towards the Conservation of Biological Diversity and Sustainable Use of its Components.

82. A dedicated financial mechanism will be established to channel monetary benefits arising from ABS agreementsfrom users to providers, with an option for reinvestment in biodiversity conservation. The project will support expert inputs for the design and establishment of this financial mechanism, taking into account the specific legal and administrative requirements. In the current regulation, it is stated that 30% of the benefit (Decree 65/2010, article 19.2) should be shared, but no mention is made of the reinvestment of the funds in the conservation of biological diversity and sustainable use of its components. This provision therefore needs to be revised in the new ABS regime both to address the percentage of benefits shared and options for distribution and investment.A provision in thereviewedDecree on ABS will includea financial mechanism for benefit sharing, based on the review of international experiences.While the mechanism will not be in the form of a trust fund, a trust fund under the mechanism is one possible option to hold funds which it has been agreed to go back to conservation. These kinds of instruments have been put into practice in specific ABS partnerships at the project level (Suriname, India, among others).Existing ABS laws (Peru, South Africa, among others) recognizes, with relevant differences, the role of financial mechanisms to promote fair and equitable distribution of benefits arising from ABS agreements as well as for the investment in conservation and sustainable use. The financial mechanism will serve an important role as a mechanism for the sharing of benefitsunder future ABS agreements in the country. The user and provider, on a case by case basis, can decide whether to use the financial mechanism. Supporting and investing in conservation actions could be offered as a possible benefit sharing option ifnegotiatedbetween the user and provider in each formalized ABS agreement. In addition, this instrument can be designed to address a pressing and challenging issue, the existence of shared traditional knowledge among different communities (as has been tried in the Peruvian regime for the protection of TK, Law 27-811 of 2002). The ABS decree will provide legal basis and orientation (objectives, purposes, basis and principles for its use) for creation and operation of the financial mechanisms. The mechanism will also beconstituted in conformity with the commercial and financial laws and regulations of the country and with the legal and financial assistance required if necessary. By laws or deeds wouldprovide further details on the operation including disbursement and use of funds received.This output will be achieved utilizing the same activities described in the drafting of the ABS decree (Output 1.1). In order to establish an operational financial mechanism, a national expert on commercial law will be hired. The expert will undertake an analysis of options (including review of international experiences) for the establishment of a financial mechanism to determine which option is the best suited for the country. The consultant would provide legal advice, prepare the legal instruments, including all the relevant environmental and ABS provisions, conduct any legal analysis of the laws applicable for the design and drafting of such an instrument. The national expert will closely consult with BCA and the other national consultants hired to draft the ABS decree in preparing the legal instruments for the selected financial option.The cost associated with the establishment of the financial mechanism is not expected to be significant as there will be no requirement to capitalize the financial mechanism, with the exception of the minimum amount required under commercial law, if any, to formalize the financial mechanism. The financial mechanism will be tested at the provincial level (where the pilot will take place), before a national instrument is set up. The intent of the financial instrument is enable the user and provider in an ABS agreement, if they

collectively decide to use this instrument, to be able to define the benefit sharing arrangements on a case-by-case basis, including allocations for financing conservation and sustainable use of the specific genetic resources. The arrangements for management of the financial instrument, would de defined through the consultative process associated with the drafting of the instrument.

Outcome 2: Developing administrative measures on ABS(Total cost USD 1,173,922; GEF USD 173,922; Co-financing USD 1,000,000)

83. This component focuses on putting in place administrative mechanisms to implement the ABS legal system. In particular, this would entail measures to institutionalize permits, access, benefit-sharing and compliance, negotiating and enforcing agreements, for monitoring such agreements and ensure adequate benefit sharing among stakeholders. It will include national focal points and competent national authorities to serve as contact points for information, to grant access, and to cooperate on issues of compliance; an operational ABS monitoring and information-sharing mechanism; a R&D platform; and benefit-sharing system; and checkpoints at all stages of the value-chain, including research, development, innovation, and pre-commercialization. The administrative system of permits and check-points will provide legal certainty, clarity and transparency to parties of ABS agreements and users and providers of genetic resources and ensure the application of the agreements in compliance with the national regime and the NP. The content of access licenses needs to be supplemented to take into account the international certificate of compliance foreseen by the NP. In addition, the project will support the issue of specific regulations on administrative and enforcement mechanisms. It would also help set-up administrative systems to address issues related to traditional knowledge and its registration

Output 2.1: An administrative permitting system and check-points are established enabling implementation of the national ABS law, providing legal certainty, clarity and transparency for commercial and research purposes.

84. Output 2.1 will be implemented in Year 3 and 4 after the completion of the preceding outputs. This output supports incremental activities aimed at measures to institutionalize permits, access, benefit sharing, contract negotiation and compliance and monitoring of ABS-related issues. Authorized agencies, competent authorities and other institutional roles and functions will be assigned in keeping with the institutional requirements specified in the approved ABS legal documents and the Biodiversity Law. The permitting and decision making process will be facilitated by using new technologies, disseminating relevant information and drafting ABS manuals, tool-kits, circulars, guidelines, models, formularies etc. A network of checkpoints will be designated and mandated to monitor and regulate the movement of genetic materials in compliance with the approved ABS Decree and under-Decrees and the Nagoya Protocol. Mechanisms for protection of traditional knowledge and channelling of revenues from ABS agreements for conservation will be developed. This output would also entail establishment of a technical advisory committee (or equivalent body) to oversee and guide ABS monitoring and tracking. To achieve this output, the following activities are planned:

(a) Development of draft proposals by BCA, with support of local consultant(s) for establishment of ABS monitoring and tracking system and oversight responsibilities through a technical advisory committee or similar body. This will be facilitated by national level workshops and consultation to define the oversight responsibilities of the technical advisory committee and its membership,

as well as definition of the scope, structure, rules and institutional responsibilities of the ABS monitoring and tracking system.

(b) A final national workshop would be constituted to reach agreement on the ABS monitoring and tracking system.

(c) Concurrent with the development of the ABS monitoring and tracking system, BCA would contract local and international consultants to develop tool-kits, manuals circulars, guidelines and other instruments for facilitating the establishment of the ABS permitting system. The tool-kits would be developed following national workshops and consultations (including field visits) to lay out the framework of international recommended standards and practices for an ABS permitting system in Viet Nam. The toolkits will among other things outline the ABS concept and its relevance, basic pre-conditions for ABS, fundamental structure of ABS and requisite standards, consultation, negotiation and decision-making processes, NP-compliant templates for community contracts, and implementation modalities including monitoring and evaluation. This will clarify the rules and procedures for BCA and genetic resource providers and users, and elaborate the mechanisms and methodologies for ABS operationalization in line with the ABS Decree and related rules and regulations.

(d) Following the development of the tool-kits, manuals, circulars, guidelines, etc. for the ABS permitting system, the project will facilitate the establishment of these systems through sharing of international experiences and best practice.

Output 2.2 Improved coordination amongst National Competent Authorities and National Focal Point for implementation of ABS legal framework

Output 2.2 would support the development of clear instructions and guidelines and outline the coordination and respective roles of the national focal points and national competent authorities at the different levels in relation to ABS permitting, decision making and monitoring and tracking. While some provisions can be incorporated into the ABS decree and the manuals, guidelines and related instruments described in the output 2.1, this output will seek to provide concrete mechanisms to increase coordination and exchange of information among the different national competent authorities, by creating (through different mechanisms such as the ABS-CHM) a space to interact and facilitate the exchange of information and coordination (including on applications received, experiences with users and providers, etc.). The project will also support the establishment of networks or partnerships between providers users, private sector and researchers using the Clear Housing Mechanism or a similar tool. Clear and strong linkages between the National ABS CHM and CBD CHM will be established for sharing information on legislative, administration and policy measures, information on national focal point and national competent authorities, relevant ABS model agreements, monitoring results of ABS agreements, and share information on experiences and best practices.

85. To achieve this output, the project would support the following activities:

(a) To organize workshops and seminars between the different national competent authorities in order to exchange information, experiences and create a future virtual community using CHM to facilitate coordination and cooperation.

(b) To organize workshops and seminars between particular communities of practice of ABS (researchers, private sector, academia, etc.) to facilitate the establishment of networks and

communities of practices with the aim of exchanging information, experiences and create a future virtual community using the CHM to facilitate coordination, cooperation and the potential development of partnerships.

(c) Appropriate information and communication mechanisms will be created to support the coordination and networking mechanisms.

Outcome 3: Increasing awareness and capacity building of all relevant stakeholders on the National ABS Framework (Total cost USD 2,395,000; GEF USD 545,000; Co-financing USD 1,850,000)

86. This component will focus on building the institutional and staff capacity of the BCA and key national and provincial partner agencies for bio-prospecting and managing ABS agreements in compliance with the approved ABS Decree and Nagoya Protocol.Emphasis will also be placed upon monitoring of bio-prospecting projects and facilitating value addition to genetic/biological resources in the country. Capacity improvement will be gauged using the UNDP ABS Capacity Scorecard that has been developed specifically for ABS projects.The project, with co-financing, will also upgrade the existing provincial and national capacity for strengtheningtraditional knowledge documentation.

87. The capacity-building activities in Outcome 3 will increase national capacity to add value to genetic resources in the country. To achieve Outcome 3 on awareness raising, a series of sensitization workshops and mass media events will be carried out over the four years. The target audience will include parliamentarians, government policy-makers, scientists, researchers, local governments and communities, academia, the private sector, and civil society groups. This outcome would be achieved through four outputs as discussed below:

Output 3.1: National Action Plan on Capacity-Building for Access to Genetic Resources and Benefit-Sharing developed and implemented

88. A National Action Plan on Capacitybuilding for access to genetic resources and benefit sharing will be developed and implemented to support capacity improvements for ABS projects. The project will assist in the development of templates, guidance manuals and training programs on the national ABS framework and disseminated such to relevant governmental and non-governmental organizations, research institutions, private sector and local communities. The guidance and training materials will address issues such as ABS procedures for users and providers of genetic resources, PIC protocols, ABS agreement negotiation strategies, ABS-related intellectual property rights, bio-prospecting and research procedures, and so forth.The preparation of the national action plan will be achieved through the following steps:

(a) With support of national contractual services contract, BCA will undertake a gap analysis and training needs assessment to outline a training strategy and program for capacity enhancement at the national, provincial and local levels. The gap analysis would be facilitated by consultation workshops and meetings to finalize the training need assessment and strategy.

(b) Conduct of workshops and consultations to obtain feedback on the training needs assessment and strategy and prepare a national plan or master scheme for ABS capacity enhancement.

(c) Development of a communication and training plan and program, including training modules and materials for conduct of training and communications at the national, provincial and local levels. This effort would be supported by national and international consultants.

89. Following the development of the national action plan, guidance and training materials will be developed to address issues such as ABS procedures for users and providers of genetic resources, ABS legal regimen requirements, PIC protocols, ABS agreement negotiation strategies, ABS-related IP, and so forth. The project will support targeted training (through workshops, seminars, etc. for: (i) Competent Authorities, Focal Points (FPs) and related agencies, including agency staff at provincial and forest and protected area level; (ii) National research institutions[14], such as those working on traditional medicine and genetic resources research and development (R&D); and (iii) local communities and private sector partners[15]. The training for Government staff will be aimed at improving the capacity to process ABS access applications, negotiating ABS agreements, facilitating access to genetic resources, compliance monitoring, and development of certificate of compliance. Enhanced understanding of the ABS regime and the value of traditional knowledge associated with genetic and biological resources, and better participation and involvement in international, regional and sub-regional negotiations will also be supported.

90. A study visit will also be organized for a group of Vietnamese representing relevant government agencies (national focal point and national competent authorities and other targeted institutions) and private sector companies to observe bio-prospecting and bio-products development activities and study market potential to countries in South Asia/South-east Asian region or elsewhere.Visits are required in order to provide a direct interaction with the national authorities and institutions and a clear understanding about how ABS works in practice. Similar experiences have taken place in other ABS projects (including visits to leading countries and institutions on ABS such as Costa Rica/INBio, Brazil and others). This visit will directly feed into a number of the project outcomes and outputs, including those under outcomes 2, 3 and 4. The participants will focus in particular on successful ABS agreements, product development initiatives, successful collaboration, experience in community empowerment through ABS regime and also visit potential companies for possible collaboration. The key findings, learning and recommendations from the visit would serve as a basis for further influencing and developing the ABS program in the country. Possible exchanges and collaboration with other UNDP ABS initiatives in the region would also be considered.

Output 3.2 Development of a National ABS Clearing House Mechanism

91. The project will support the establishment of a national Clearing House Mechanism (CHM) for Viet Nam that will collect and receive information on ABS related issues and link to the international CHM under the NP. The national ABS CHM will serve as a source of information and a platform for interested individuals and organizations interested and want to share information and experiences of the results of their own work. Setting up of a national ABS CHM may be instrumental to put in place a fully functional ABS system in the country as a repository of national and local information, as a source of exchange between different stakeholders (researchers etc.) The CHM will be developed in close collaboration with the national biodiversity database and developed in parallel with MONRE. The national CHM will serve also as an information-sharing platform of ABS experiences in Viet Nam to be

[14]In order to reach out to the research community, the project will consider partnering with national organizations such as Viet Nam Union of Scientific and Technology Association (VUSTA), which is an umbrella organization of 60 provincial unions of science and technology associations; 73 scientific and technological associations, and potentially involve other relevant biotechnology research institutes and university networks.

[15]In order to target local communities and businesses, the project may involve the networks such as Women's and Farmers' Unions for dissemination in selected provinces.

accessible to all stakeholders and be in line with the information requirements set forth by the NP and relevant COP/MOP decisions of the NP. The project also aims to connect with existing networks on biodiversity and natural resources such as the REDD network. As mentioned before, based on the national CHM, the project will participate in the building of a community of practice for researchers and genetic resources suppliers to share experience and best practices. The information will be shared through newsletters, websites and thematic guidance. To support the development of the database and CHM, the project would support contractual services and training, including on information technologies. The building of an ABS-CHM will require the services of experts on the design and development of this kind of technological platform as well as tranining for the national authorities in charge of the handling of the platform.

Output 3.3 Awareness raising campaign implemented targeted to different ABS stakeholders (user, providers, research institutions, etc.)

92. Output 3.3 will support the increment of enhancing understanding of the ABS regime and the value of traditional knowledge associated with genetic and biological resources.

93. This output will raise awareness in targeted groups through a communication strategy, educational materials and a public awareness campaign focused on informing researchers, research institutions, local communities and the private sector on ABS concepts, principles, CBD and the Nagoya Protocol relevant provisions and on the new ABS decree (once adopted). There is a significant need for awareness raising, specific training and capacity building programmes for the related government bodies (specially at the provincial level) to implement the ABS regimen- including the permitting system or to act as a provider of genetic resources found *in situ* conditions in order to enable the efficient functioning of the ABS framework. At community level, there is lack of awareness among indigenous and local communities about the potential and availability of biological resources and associated traditional knowledge. The absence of such understanding contributes towards the loss and degradation the resources and of the associated traditional knowledge. The absence of useful and user friendly promotional materials, guidelines and manuals on the value of genetic resources and associated traditional knowledge and on ABS principles, concepts and relevant provisions enshrined in the CBD and in the Nagoya Protocol in local language is also a barrier. Translation of such materials into local languages is, therefore, important for the wide use of these tools by the stakeholders, plus support from appropriate training programmes is needed for the holistic success of the Project. The private sector and the scientific community (researchers) are among the key stakeholders that will be directly affected by the ABS regime (the existing one and the new ABS decree once adopted). To ensure full participation and compliance of the legal ABS framework by these resource users, awareness raising activities must be conducted, targeting universities, research institutions and private companies. They must be made aware of this new ABS decree and more broadly on ABS, including their obligation to obtain permits from CA and to obtain PIC from resource providers. Users in particular must be informed of their obligation to share benefits equitably with the resource providers, including possible technology transfer (non-monetary benefits). This output will support the increment of enhancing understanding of the ABS regime and the value of traditional knowledge associated with genetic and biological resources. Awareness-raising will be pursued through mass media (TV, radio and press, knowledge cafes, bilateral meetings, etc.) and participation in public events (fairs and exhibitions). Communication and awareness-raising materials (brochures, briefs, factsheets, manuals, etc.) will be designed and produced for use in mass media and at public events. There may also include documentary video, radio jingles, print

advertisement, poster, sticker, etc. Subcontracted awareness surveys will be conducted as part of the program.

Outcome 4: Demonstrating Private-Public Community Partnerships on Access and Benefit Sharing(Total cost USD 6,619,369; GEF USD 773,000; Co-financing USD 5,846,369)

94. This Outcome will address the barrier of limited capacity and practical experience with the negotiation and implementation of ABS Agreements as well as the lack of practical experiences with the development of bio-cultural community protocols and the documentation of traditional knowledge associated with genetic resources.The achievement of Outcome 4 will require support for capacity building for the negotiation and implementation of ABS agreements in line with best practices and the NP by the users and providers, for the improvement of plant raw material collection and harvest techniques; for the R&D process for the development of products; for the development or improvement of business plans for commercialization of products and sharing of benefits; for documentation and compilation of genetic resources and traditional knowledge for the identification of opportunities for commercialization of additional genetic resources in the province, and for making available the lessons learnt from these pilots to facilitate their potential replication in the country and elsewhere. The implementation of activities to achieve Outcome 4 will be undertaken in Lao Cai Province.

95. GEF funding will cover screening of additional potential genetic resources, consultations with different stakeholders, the development or improvement ofbusiness plans for commercialization, traditional knowledge documentation, negotiation, drafting and implementation of the new ABS agreements, through a process that includes local community consultations and their active engagement in defining the local level benefit-sharing modalities, and supporting bio-community protocol development. The project will also facilitate consultations and negotiations between localand national stakeholders; technical support for improving collection techniques, laboratory analysis, processing and additional biochemical tests and for providing technical assistance in the legal field. Cost for actual product development and marketing is expected to be borne by co-financingfrom government and private sector. The project will support documenting and making available the lessons learnt from the pilot to facilitate its potential replication. A strong focus of project support will be placed on building strong technical and legal capacity based on experimental learning to put Viet Nam on a good footing that enables the country to negotiate fair benefit-sharing for the country, both at the national and local levels, while ensuring that the government will gain a positive reputation as a reliable partner and regulator.

96. Outcome 4 will be achieved through the following main outputs:

Output 4.1 Negotiating and Implementing ABS Agreements for Access and Benefit Sharing

97. This output will have three discrete, but connected activities that are aimed at supporting the Lao Cai Province stakeholders, including users and providers (communities) to negotiate and implement ABS agreements for access and benefit sharing. The first includes an ABS agreement between the community and private entity in the Sapa district to support a private-public partnership in access and benefit sharing based on the development of bathing products. The second is support for the negotiation and implementation of a framework agreement between the provincial/district entity and a research institution for the identification of genetic resources of potential interest for future commercialization.

The third is aimed at ensuring in-situ and ex-situ activities for conservation, sustainable use and cultivation of key species that are used at the pilot site.

Output 4.1(a) The Establishment of an ABS Agreement for Access and Benefit Sharing between the Ta Phin Community and SapaNapro Company:

98. Section IV, Part IV provides a detailed description of Sa Pa pilot baseline activities. However, the Ta Phin Community and SapaNapro will need support for improving the commercialization and registration, negotiation and drafting of ABS agreements, capacity and business planning and further biochemical analysis and technical support in product improvement.

99. The proposed investment under this Output 4.1(a) supports a "baseline activity" that already is fairly advanced in terms of having identified partner organizations (between private sector user and ethnic group provider); activities have been carried out in terms of product development and commercialization; research and development have tested and demonstrated the efficacy and health benefits of some of the products; monetary and non-monetary benefits have been assessed and contract agreement (although not fully in line with the provisions of the Nagoya Protocol, this will be retified through project interventions)) defines the principles of benefit sharing; efforts at technology transfer between user and producer have been initiated; basic legislation exists in the form of the Biodiversity Law and Decree 65 to frame the proposed activities of the pilot until a new ABS decree is enacted; the private partner has agreed to co-financing of the GEF investments and both partners have expressed a desire to continue to work together to further improve and develop the existing baseline project, and ensure that the ensuing Agreement is framed during the project period and in line with the Nagoya Protocol on access and benefit sharing (refer Section IV, Part IVwhich provides a status of activities in the "baseline" pilot project).

100. The GEF increment in support of the further enhancement of the "baseline" activities in the pilot Sa Pa district site would be undertaken as follows:

A: Research and Development and Commercialization of Potential Products

101. Research and development is aimed at further enhancing the baseline situation (as described in detail in Section IV, Part IV) by supporting the identification of active biochemical compounds within the genetic material to support an ABS agreement,improve of product development and identify potential new products, improve market access, and commercialization of products and improve business skills. These are to be achieved through the provision of technical support, assessment and capacity building.Preliminary research on the traditional spa products has indicated potential therapeutic effectsthrough qualitative assesments (see "*Status of baseline activities in pilot site"*), although the active therapeutic compounds within the products need further investigation. This project will support further research and development on two of the main species used in the spa products: Cardamom (*Amomum aromaticum)* and Chuadau (*Elsholtzia penduliflora*).It will focus on building on the initial researchon these two species to supportan ABS agreement and to develop a commercial Children'sSpa product. Since the baseline activities are somewhat advanced, it is anticipated that the research process would be able to deliver the new bathing product and ABS agreement within the period of the project.he sub-output will be implemented by SapaNapro, in partnership with the Hanoi University of Pharmacy. So far, SapaNapro has completed documentation of traditional knowledge owned by the Red Dao community on the Children's Spa product. The proposed research and development will build on this by

developing a protocol for production, assist in registration of the Children's Spa product from the genetic materials (two key plant species) and identify the active bio-chemical compounds with pharmaceutical properties. Under the project the following research and development activities are proposed:

- Conduct research on bio-chemical composition of the genetic materials to better understand its constitution in the plants;
- Conduct research and development to determine the efficacy and pharmaceutical constitutions and origins of selected genetic materials and bio-chemical compounds in the plants;
- Study the various possible formulation of the oils to increase therapeutic effects;
- Develop a product dossier and protocol for production and registration of the new product developed from the genetic resource by SaproNapro, and, if appropriate seek intellectual property protection of the research results; and
- Develop abusiness plan and capacitating SapaNapro in marketing and business skills.

B: Negotiation and Implementation of Enabling Activities for Equitable Sharing of Benefits between Users and Producers of Genetic Resources in Pilot Site

102. The ventures to be supported by this activity include strengthening the relationship between providers of genetic resources and users in a process including consultation meetings, negotiation of mutually agreed terms (MAT) and the drafting and finalization of ABS agreements in line with the Nagoya Protocol. The ABS agreement will provide access to the two species, namely Cardamom (*Amomum aromaticum)* and Chuadau (*Elsholtzia penduliflora*) with the purpose of conduct of R&D on these two species and eventual commercialization of at least one cosmetic product. The project will develop the capacity of stakeholders for management and monitoring of ABS contract agreements. This activity will be supported through provision of technical support, consultations and training to facilitate the drafting of legal agreements and permitting ABS processes, and improve negotiations and monitoring skills at the provincial and district levels, and facilitate establishment of financial mechanisms to channel revenues back to genetic resource conservation.

In summary, this activity will be supported by the following actions:

- BCA and provincial authorities will be supported by international (on intermittent basis) and national legal consultants for drafting legal agreements and in the permitting ABS process in general;
- Conduct of workshops and consultations with ethnic communities, private sector, PPCs and other entities with the aim to understand and review provisions of proposed legal agreements, obligations and roles and responsibilities;
- Technical meetings with providers and users to get consent to legal agreements.

- Training of providers and users of genetic resources to understand the terms of the ABS contract and the process of negotiation in developing and promoting appropriate benefit sharing and other provisions to be included in the mutually agreed terms and to get consent to legal agreements;
- Training and capacity development of PPC and other provincial and district agencies in promoting and monitoring ABS agreements;
- Guidance to providers on the establishment of financial mechanisms to channel revenues back to genetic resource conservation; and
- Establishing monitoring protocols and training to enable providers to monitor the benefit sharing agreements and the sustainability of the genetic resources.

Output 4.1(b) Establishment a Collaborative Framework for Potential Identification of Genetic Resources for Future Commercialization and for the Development of ABS Partnerships:

103. There is a huge potential in the Lao Cai Province for the utilization of genetic resources and associatedtraditional knowledge. However, the efforts so far to identify the potential of the use of genetic resources and for the commercialization and development of business opportunities is limited and no systematic program exists for this purpose (or only partial efforts have been identified). For the provincial authorities, the promotion of ABS partnerships is a priority in order to increase the socio-economic opportunities for ethnic minorities and to improve biodiversity conservation. Involvement of the provincial and other local authorities in this process is key to secure their continued support for the project interventions for ABS as a tool to promote socio-economic development and biodiversity conservation. Any potential future commercialization of genetic resources and traditional knowledge resulting from this effort, would be undertaken in accordance with the full provisions of the Nagoya Protocol to ensure that the rights of the owners of such traditional knowledge is protected.

104. The specific objective of this activity is toconduct surveys/applied research/studies towards the identification of hitherto untapped genetic resources and associated traditional knowledge ofpotential commercial interest and the identification, promotion and development of future ABS partnerships (between users and providers), which will include the fair and equitable sharing of benefits and support to biodiversity conservation through the investment of revenues and the demonstration of the value of the genetic resources and associated traditional knowledge specially for local communities (ABS as an incentive for conservation). The intent of this activity is to undertake a survey of genetic resources in Lao Cai province to assess and identify potential valuable genetic resources and traditional knowledge that might be of future commercial interest and value. This would enable the PPC to better understand the potential of genetic resources and traditional knowledge within the province and determine priority species for future research and development.

105. This Output would be achieved through: (i) establishment of a collaborative framework between the PPC and research institution in accordance to its role and mandate for the improvement of the well-being of the provincial people for the promotion of the identification of genetic resourcesand associated traditional knowledge and of ABS business opportunities; (ii) research/surveys/studies (secondary or applied research on potential genetic resources and associated traditional knowledge of interest); (iii) identification of potential opportunities for R and D towards product development on genetic

resourcesand associated traditional knowledge; iv)identification and promotion of collaboration with the private sector interested in the development of new products based on the genetic resources and associated traditional knowledge identified; and (v) promote and facilitate the negotiation of ABS agreements in compliance with the legal system in force (Biodiversity Law and Decree 65 and once approved, the new decree on ABS to be enacted as a result of the project);The steps identified above, will be undertaken in compliance with the national ABS law and bio-community protocols. The collaborative agreement will be implemented with the support of an advisory panel integrated by business oriented people with clear understanding and knowledge of the genetic resources markets and business models. The research institution that will undertake this assignment will be determined through a competitive procurement process. The PPC will be signatory to the collaborative agreement with the research institution because of the scope of the exercise (at the provincial level).

Output 4.2 Traditional Knowledge Documentation and Bio-community Protocols

106. In an effort to promote a longer-term and more comprehensive approach to conservation, access and benefit sharing of genetic resources beyond the pilot sites, the project will facilitate the identification and documentation of traditional knowledge in the pilot area. It istherefore, necessary to identify, document and protect traditional knowledge from indiscriminate exploitation. The documentation of traditional knowledge and the associated genetic resources is the first step in the process of ensuring the effective access and profitable commercialization to the benefit of communities.

107. The following key principles would be applied during the process of documentation: (i) that the indigenous community holds information collectively in the same way that an individual owns his/her personal information; (ii) Indigenous and local communities are within their rights in seeking to control all aspects of research and information management that impact them; (iii) Indigenous and local communities must have access to information and data about themselves and their communities, regardless of where it is actually held, and they have the right to manage and make decisions regarding access to their collective information; and (iv) Indigenous and local communities should have possession or physical control of the data. Best practices and guidance developed for international and regional organization on the process of documenting traditional knowledge will be followed to secure the rights of local communities over their genetic resources and traditional knowledge. During the preparation phase of the project, extensive consultations were undertaken with the concerned communities to secure their engagement and consent to all of these activities. Technical seminars were conducted on the proposed pilot sites in Hanoi in July 2014, with key project entities, including Helvetas, NIMM, MARD, MOST and others, followed by two site visits and consultation with SapaNapro and the ethnic minority community, and the participation of SapaNapro in the two stakeholders and validation workshops that were conducted in August and November 2014.

108. The outputs that would materialize from component 4.2 would be the following.

Output 4.2(a) Preparation of a bio-community protocol at the pilot site:

109. The development of bio-cultural community protocolby the Red Dao ethnic group of Ta Phin will focus on bathing plant species that will help increase their capacity to drive the local implementation of requirements of national laws and the Nagoya Protocol procedures. The bio-

community protocol will be developed and implemented in accordance to the governance structure employed by the Red Dao community that supports a collective decision making and consultation process. The protocol will define the means for participation of stakeholders in the pilot site activities, free and open consultation, PIC and monitoring according to participatory principles of existing local governance. The bio-community protocol will be a written document which will govern for the Red Dao group the access and use of genetic resources and their associated traditional knowledge, the conservation of the genetic resources and more broadly of biodiversity and its sustainable use, including the conditions for granting access and MAT requirements and as well as the potential terms for any future ABS agreements. It would help them evaluate the terms on which it would engage with potential commercial and non-commercial entities that want access to their genetic resources and traditional knowledge and what types of benefit the community would want to secure in any future agreement. The protocol would also define areas of harvest, harvest rates, condition of the harvest areas, condition and status of the resource, monitoring protocols and information sharing among the group. The role and responsibilities of the local authorities and local communities for development, approval and management of bio-community protocols will be defined in the proposed new ABS Decree and guiding documents that would be developed for implementation of the Decree. The development of the bio-community protocol by the Red Dao group of Ta Phin will be undertaken following the approval of the ABS Decree and guiding documents.

110. The overall outcome of the preparation of the bio-community protocol with the Red Dao group in the pilot site will help provide the capacity and learning in developing such instruments that are supported by the Nagoya Protocol and provide a value approach and tool that can be used and replicated by other ethnic groups elsewhere in Viet Nam as a means to protect and safeguard their traditional knowledge and provide opportunities for supporting local livelihoods and maintain traditional knowledge of remote ethnic communities in the mountainous areas of the country. It can also serve as a valuable tool for ensuring the conservation of traditional knowledge associated with the genetic resources in the country.

Output 4.2(b) Development of Traditional Knowledge Registry at Pilot site:

111. The project will support the documentation of traditional knowledge of the Red Dao bathing mix at the pilot site and development of a traditional knowledge registry[16]. The documentation would consider the following aspects among others: type and description of genetic resources or biological resources (taxonomic, etc.); geographical location, field of work (medicinal, agricultural, cosmetic, food, etc.); how it works; techniques of work (information on proper use and history of use); foreseen results of the use and means of verification; holder(s) of the genetic resource and associated traditional knowledge; information on shared traditional knowledge/similar traditional knowledge if it exists; conditions and restrictions imposed by the Holder(s) on the future use; status and conditions of conservation; physical samples, maps, photographs, audio, etc.; potential status and conditions of conservation (if known); existence of written relevant information related articles, papers), etc. Traditional knowledge documentation will be carried out in accordance to international best practice and available toolkits (such as WIPO documenting toolkit, etc.) to guide the documentation of traditional knowledge. The intent of preparation of the traditional knowledge document in the pilot site has national importance as it would be used to test and validate the working of the ABS National Clearing House

[16]The formalization of the TK registry will be done following the approval of the new ABS Decree

Mechanism (CHM) that is to be set up under the project as well as serve as an example for replication elsewhere in the country. The process of documentation of traditional knowledge in the pilot area will be documented and made available for wider use in the country.

Output 4.2 (c) Compilation of list of traditional knowledge in Sa Pa district:

112. As part of a longer-term effort to protect and benefit from traditional knowledge in the Sa Pa district, the project will support the compilation of traditional knowledge which is already available. The information that would be compiled would be from what is available in public/published sources [not oral traditional knowledge as in output 4.2 (b) above]. The rationale for compiling this information is among others, to promote potential future identification of commercial opportunities, prevent the misappropriation of traditional knowledge, facilitate the conservation of the disperse information on traditional knowledge and have the potential to test and validate the ABS CHM. The level of effort in this sub-component will be limited and will not entail collection of any new information or traditional knowledge that has not been published and it is not publicly available.

Output 4.3 In-situ conservation measures to ensure the security of the concerned biological resources are integrated into the pilot project.

113. At the pilot site, several measures will be taken to ensure the conservation and sustainable use of the genetic resources involved, including but not limited to:

(i) Establishment and implementation of in-situ conservation measures for concerned biological resources by identifying the natural distribution of the concerned biological resources; zoning areas for in-situ conservation of concerned biological resources; identifying stakeholders to be involved in in-situ conservation; developing the technical protocol/manual for in-situ conservation of concerned biological resources and implementing in-situ conservation measures with local stakeholders; and

(ii) Implementing ecologically sustainable collection and harvest measures for concerned biological resources, monitoring harvest methods and extraction rates of concerned biological resources, evaluation of condition and status of concerned biological resources in in-situ conservation areas and establishing appropriate protocols for conservation.

To facilitate this process, the project will provide: (i) technical assistance in the collection, harvesting, transportation and processing activities on the genetic resources not only to ensure quality control but to guarantee that all these actions are carried out in manner that is compatible with the principles of conservation and sustainable use of biological diversity; (ii) monitoring of the potential increase on the demand for the plant species involved in the pilot because of the commercialization of the products will be established at the project level and if identified conservation measures, including appropriate restrictions that might be necessitated to reduce the impact of the collection. The community will be involved in the collection of relevant information on their natural surroundings and such information can be used for decision making in order to address any threats to the biological resources: (iii) Bathing medicinal genetic resources which are at risk would quickly be put into ex situ conservation, for instance, in the gene-bank managed by Sapa Station of NIMM located and operated in the Sapa district (this activity will be undertaken with financial support from SapaNapro); (iv) capacity building to increase awareness within the local communities on the importance of biodiversity conservation to

promote socio-economic development; and (v) involvement of BCA/MONRE in providing additional guarantees that the collection and use of the genetic resources to ensure conformity with the environmental law in Vietnam and that any requirements will be fulfilled if necessary (environmental impact assessments, etc.) to ensure the sustainability of the collection. To the extent relevant, Protected Areas managers will be involved in implementing conservation measures including activities mentioned above, and creating a mechanism to mainstream ABS in the management plans of protected areas in Lao Cai Province. Specific to the Ta Phin commune pilot site, work will be undertaken for the sustainable management of *Cissampelopsisspelaeicola*, *Lasianthuscoeruleus*, *Stauntoniacavaleriana*and *Litseacubebas.*

114. As complimentary investments, the Plant Genetic Centre of MARD, MOST and Sapanapro will support activities through on-going programs aimed at enhancing the supply of genetic plant materials through improved cultivation and harvest techniques and development of improved methods of propagation of planting materials.. While, the project would support the enhancement of genetic resources through less destruction harvest practices, the complimentary investments will support improved propagation and cultivation methods. The intent of these efforts is to secure the quality, quanity and sustainable management of the raw medicinal plant materials. It is expected that these collective efforts will contribute to the conservation of these species and ensure availablity of sustainable supplies to maintain the quality of the medicinal remedy.

Output 4.4 Best practices and lessons of ABS from pilots documented and disseminated.

115. The topic of ABS is relatively new in Viet Nam and the global experience is also limited currently. In view of this, knowledge resources development and dissemination is seen as extremely important, and will make full use of BCA and VEA websites for online information dissemination as well as the CHM. This project will carry out the following activities to develop and disseminate knowledge resources emanating from pilot site in Viet Nam:

- Analysis of best practices and lessons from ABS processes and activities in Viet Nam supported with specific theme-based case studies;
- A national ABS seminar towards the end of the project to take stock of the experiences of ABS implementation, disseminate best practices and lessons, and deliberate on the way forward. The proceedings would be published online and in hard copy by BCA.
- Viet Nam project participants will also try to organize side events at future CBD COP or or COP/MOP of the Nagoya Protocolor simliar international meetings on ABS, as a means of disseminating experiences and lessons learned to a wider global audience, and will attend other ABS-related regional/international workshops, seminars and conferences to facilitate sharing of information and experience, and establishment of institutional contacts for potential collaboration with international and national bio-prospecting companies.

116. A national consultant would be recruited to undertake the analysis of the lessons and experiences from the pilot site, including the traditional knowledge documentation and bio-community protocols. Briefs, papers and other communication tools would be used to disseminate the lessons for potential replication elsewhere in the country. Viet Nam participants at international and regional meetings and conferences will also showcase lessons emanating from the project so as to inform the global community.

PROJECT INDICATORS

117. The project indicators contained in Section II / Part II (Strategic Results Framework) include only impact (or 'objective') indicators and outcome (or 'performance') indicators. They are all 'SMART'[17].

118. The organization of the log-frame is based on assumption of the following: (Outcome 1) an Enabling National Legal and Institutional Framework on Access and Benefit Sharing established; (Outcome 2)Administrative Measures for Implementation of Access and Benefit Sharing Framework in place; (Outcome 3) Improved Capacity and awareness of all stakeholders of the national ABS Framework; and (Outcome 4) Best practice ABS processes are demonstrated recognizing the principles of biodiversity conservation, Prior Informed Consent (PIC) and Mutually Agreed Terms (MAT) including the fair and equitable sharing of benefits; *then* (Project Objective) the national ABS framework will be implemented, national capacities developed and the ABS agreements negotiated and implemented leading to fair and equitable benefit sharing.

Table 2. Elaboration on Project Indicators

INDICATOR	EXPLANATORY NOTE
At objective level: Strengthened national capacities for implementation of the Nagoya Protocol on Access and Benefit Sharing so as to ensure fair and equitable sharing of benefits from genetic resources.	
1.Existence and use of regulatory and institutional frameworks for implementation of ABS in compliance with the Nagoya Protocol	The end of project target is: the National ABS Decree has been approved, and regulatory and institutional frameworks developed and operationalized. This information will be available from the following sources: ▪ Government approved ABS Decree document; ▪ Government approved under-Decree and supporting documents (circulars, manuals, guidelines, etc.); ▪ Websites of BCA, VEA with a sector/part on ABS ▪ Periodic progress reports and project evaluation reports
2. An ABS Agreement successfully negotiated and implemented	The end of the project target is: a successfully negotiated ABS agreement for the pilot site that is in keeping with the principles of fair and equitable benefit sharing and prior and informed consent. This information will be available from the following sources: ▪ A signed and legally binding document between the user and producer of genetic resources ▪ Websites of BCA and VEA ▪ Periodic progress reports and project evaluation reports
3.Improved institutional and personnel capacity for implementation of the national ABS framework as indicated by an increase in the ABS Capacity Assessment Tool score	The end of project target is: improved institutional and personnel capacity indicated by an increase of at least 30% over the ABS Capacity Assessment Tool baseline score. The scorecard would be updated at project midterm and completion in order to assess progress. Supporting information will be available in project progress reports and evaluation reports; training reports; and key informant interviews. Information will be available from the following: ▪ Updated ABS capacity assessment tool
At outcome 1 level: A functional national regulatory and institutional framework on ABS	
1.1.Functional ABS legal framework and its use in	The end of project target is: ABS Decree approved within the second year of the project, followed by promulgation of the guidelines, circulars and other legal instruments to support

[17] Specific, Measurable, Achievable, Relevant and Time-bound.

INDICATOR	EXPLANATORY NOTE
establishing the institutional mechanisms for ABS implementation, including recognition of o Conservation, use and equitable benefit sharing from TK o Community protocols for regulation and access and benefit sharing of TK o Financial mechanisms designed to re-invest in biodiversity conservation	ABS Decree implementation in the second year and dissemination and promulgation of Decree and supporting legislation. Supporting information will be available from: ▪ Officially approved ABS decree and under-Decrees (Circulars, Guidelines, manuals etc.) ▪ Newspaper and television and radio programs publicizing ABS legal and institutional framework ▪ Awareness and publicity programs and workshops conducted ▪ Websites of BCA, VEA; ▪ Periodic progress reports; ▪ Project evaluation reports;
1.2Establishment of a system for the protection of TK, including guidelines for a traditional knowledge registry (piloted under Component 4), PIC/MAT procedures and Community Protocols	The end of project target is: ABS Decree and supporting documents that provide instructions for implementation of system for protection of traditional knowledge and procedures for PIC/MAT and community protocols. Supporting documents will include the following: ▪ Officially approved regulations; ▪ Periodic progress reports; ▪ Project evaluation reports; ▪ Official correspondence and government circulars; The development of the traditional knowledge system is envisaged in Output 2 and the piloting of community registry and protocol is envisaged in the pilot site under Output 4
Output 1.3 A suitable financial mechanism developed to channel and reinvest proceeds from ABS agreements towards the conservation of biological diversity and sustainable use of its components	The end of project target: ABS Decree and supporting documents that provide instructions for implementation of financial mechanism for reinvestment of proceeds from ABS Agreements towards conservation, supporting documents will include the following: ▪ Official approved regulations; ▪ Guidelines/manual for establishing a financial mechanism ▪ Periodic progress reports ▪ Periodic evaluation reports The development of the administrative system for implementation of financial mechanisms is envisaged in Output 2
At outcome 2 level: Administrative Measures for Implementation of Access and Benefit Sharing Framework	
Output 2.1 A functional administrative permitting system for implementation of the national ABS legal system in place	The end of project target: Measures to institutionalize permits, access, benefit-sharing and compliance, negotiating and enforcing agreements, for monitoring such agreements and ensure adequate benefit sharing among stakeholders in place and an established system for traditional knowledge protection and financial mechanism for channelling of ABS Agreement revenues for conservation. This would be undertaken in the third year of the project. Information will be available from the following: ▪ Toolkit and manuals for facilitation of ABS permitting ▪ Compliance templates and models for ABS contracts ▪ Implementation modalities for M&E ▪ Rules and procedures for contract negotiation and agreements ▪ Rules and procedures for traditional knowledge protection ▪ Rules and procedures for financial mechanism for conservation of biodiversity ▪ Periodic progress reports ▪ Periodic evaluation reports
Output 2.2 Increased coordination amongst National Competent Authorities and National Focal Point for implementation of ABS	The end of project target: Competent authorities designated at national level and, if necessary, at sub-national level based on the approved ABS Decree and sub-Decrees; a network exit/entry points designated for checking ABS information/permits; Information will be available from the following: ▪ Inter-agency coordination meeting reports; ▪ Periodic progress reports;

INDICATOR	EXPLANATORY NOTE
legal framework	▪ Project evaluation reports; ▪ Official correspondence and government circulars; ▪ Internationally-recognized certificate of origin and compliance
At outcome 3 level: Improved national capacities and awareness of all stakeholders for the implementation of the national ABS framework	
Output 3.1: Improved training and communication tools developed for strengthening capacity of national and provincial competent authorities for ABS implementation	The end of project target: Individual and organizational technical capacity of BCA and key national and provincial partners for bio-prospecting and managing ABS agreements in compliance with the approved ABS Decree and Nagoya Protocol, monitoring of bio-prospecting projects and facilitating value addition to genetic/biological resources and upgraded capacity for improved TK documentation. Information will be available from the following: ▪ Training needs assessment report and training strategy ▪ Communication and Training Plan ▪ Training curriculum and modules ▪ Communication tools ▪ Training evaluation reports ▪ Project evaluation reports;
Output 3.2 National Clearing House established linked to the National Biodiversity database	The end of project target is: National Clearing House Mechanism for ABS linked to national biodiversity database established and a community of practice established. Information will be available from the following: ▪ Report of protocols for CHM ▪ Communications for linking with National biodiversity base system ▪ Project progress reports and evaluation reports ▪ Review of national biodiversity database
Output 3.3Increased awareness of different ABS stakeholders (user, providers, research institutions, etc.) on ABS legal framework	The end of project target is: At least 25 staff in BCA and partner agencies with improved knowledge and skills for the full cycle of ABS regime management. At least one producer group fully competent to reach contract agreement and monitoring benefit sharing protocols. Evaluation forms should be completed by all participants at the end of each training session to check whether training objectives were achieved, and the results summarized in project reports to assess their effectiveness. Supporting information will be available from: ▪ Project progress reports and evaluation reports ▪ Training evaluation reports (including interviews with training recipients) ▪ On the ground practice of ABS related actions (permitting, documentation, monitoring, coordination, etc.)
At outcome 4 level: Private-public-community partnerships on access and benefit sharing operational and ensuring fair and equitable sharing of benefits	
4.1. Number of pilot ABS agreements developed and operationalized for initial commercialization of at least one bathing product incorporating PIC, MAT and fair and equitable benefit sharing provisions	The end of project target is: At least one ABS agreements developed and operationalized for commercialization of at least one product incorporating PIC, MAT and fair and equitable benefit sharing provisions. The contents of these ABS agreements should be checked for consistency against the CBD/Nagoya Protocol requirements. The agreements may also include *in situ* and/or *ex situ* conservation measures to ensure the security of the concerned biological resources. Supporting information includes: ▪ Approved ABS agreement documents for pilot projects ▪ Project progress reports, monitoring and evaluation reports ▪ Financial statements of private-public entity at pilot site
4.2 Number of instruments developed and implemented at the local level enabling the conservation, future use and equitable sharing derived from TK	The end of project target is: At least one TK registry proposal for bathing products, one bio-community protocol for bathing plant species developed, and one district inventory on TK developed. Supporting information includes: ▪ TK registry proposal for bathing products ▪ Bio-community protocol for TK ▪ Inventory of TK in Sa Pa district ▪ Project progress reports, monitoring and evaluation report

INDICATOR	EXPLANATORY NOTE
4.3 In situ conservation measures to ensure the security of the concerned biological resources are integrated into the pilot project.	The end of project target is: Measures for in-situ conservation of selected plant species agreed with local communities at pilot site ▪ Approved Management Plan for in-situ conservation of agreed species ▪ Rules for harvest areas and techniques, conservation set asides ▪ Project progress reports, monitoring and evaluation report

RISKS AND ASSUMPTIONS

119. The following are the key assumptions in relation to the management of potential risks from the GEF increment:

- That lessons learned and experiences from the project are successfully captured and disseminated so as to influence change and replication elsewhere in the country;
- That increased awareness and improved capacity in key institutions and local indigenous communities will result in the change of behavior with respect to the value and potential for use and conservation of biodiversity in the country, and
- With the creation of a new law on ABS and the supporting institutional and administrative framework through the project, access and benefit sharing of biological resources will eventually become a national priority of the country and a means to derive economic benefit to the national, provincial and local governments, and in particular to the indigenous community who are caretakers of the traditional knowledge and its genetic resources.

120. The risk matrix assigns the level of impact and means for management of these impacts. These risks and mitigation measures would be further assessed and monitored through project implementation. Although no significant environmental or social impacts were identified for the project, implementing agencies will monitor and ensure that the principles of prior and informed participation and consent are obtained from indigenous communities on every aspect of the project to ensure that traditional rights and community access and tenure related to natural resources and IP rights are not violated. Overall, the impact of the project is expected to be overwhelmingly positive from an environmental and social perspective. It is expected to contribute positively to the conservation of biodiversity and maintenance of ecological stability by providing financial incentives for local communities and assurances that they will receive a fair and equitable distribution of revenues from genetic resource development ventures. The improved legal framework for ABS will enable indigenous and local communities have increased potential to benefit from bio-prospecting activities, including improved prospects for preservation of their traditional knowledge. The PIC and MAT processes are also expected to provide opportunities for alleviating potential environmental and social risks that may be associated with the ABS agreements.

121. The risk matrix for the project is provided below:

Table 3. Project Risks Assessment and Mitigation Measures

Risk	Level	Mitigation Measures
Weak Political Will	Medium	Given the complexities involved in ABS and lack of capacity to deal with it, governments often do not show strong political will to address these issues. In the case of Viet Nam, however, the government has demonstrated strong political support to deal with ABS through various policy documents and legislation on the development

		and conservation of genetic resources, and the newly-enacted Biodiversity Law containing an ABS chapter. The risk is considered medium and will be mitigated through the full involvement and participation of key government officials, awareness-raising, and capacity building. To ensure a smooth and quick approval of this legal measure there are mechanisms proposed to provide the information and raise awareness
ABS requires a long-term approach (both for the design and implementation of regulations and for the materialization of products and benefits from ABS agreements and partnerships).	Medium	The full development and implementation of an appropriate ABS framework is a long term process, given that the formulation of necessary implementing rules and guidelines need adequate time to establish them properly. Even when technical drafts can be done within a relatively reasonable time, they still need substantial time to go through consultative processes. In recognition of these challenges, the project does not pretend to fully develop and implement all elements of a long-term ABS framework but rather, only focus on those elements identified as "Phase 1" in the "Overview of Measures to Build or Develop Capacity to Effectively Implement the Nagoya Protocol based on the Needs and Priorities of Parties and Indigenous and Local Communities" of the Report of the Eleventh Meeting of the Conference of the Parties to the Convention on Biological Diversity (UNEP/CBD/COP/11/35 – Page 81). The project will build on promising results and on-going collaborations of national stakeholders. The project duration allows enough time to validate the preliminary results and move forward to product development
Lack of participation and consent from relevant stakeholders, including in the process of TK registration.	Medium	ABS is not well known by all the groups and practitioners that manage or use the various components of biodiversity. It is possible that some actors may not show interest in participating in the formulation of regulations, or even oppose the use of genetic resources and its associated traditional knowledge. The risk is mitigated to a certain extent through the activities described in Component 3 of the project (awareness raising and capacity building) as well as extensive consultations with ethnic minorities in the pilot site through which their verbal concurrence and consent for the project, while a letter of co-financing and consent has been obtained from Sapanapro, the private company where majority of shares are owned by the Red Dao members. The Red Dao ethnic minority group will also be directly involved in the process of developing the bio-cultural community protocol (Output 4.2b) which will define the means of participation of stakeholders in the pilot site activities, free and open consultation and PIC. Involving the Red Dao in the development of the protocol will further increase their participation in the project and support their willingness to grant consent.
Climate change	Low	Since the project is primarily focused at the policy level, climate change phenomena is not expected to impede the project from attaining its objective.
Partners are unable to reach an agreement regarding	Low	Project staff will put special emphasis on the description of the tasks and benefits by each potential partner for all negotiations in order to reduce potential conflicts. The project budget allows for intensive consultations and meetings for preparation of agreements and negotiations to reach successful outcomes to ensure full participation and sharing of the monetary and non-monetary benefits to be derived from the project.

INCREMENTAL REASONING AND EXPECTED GLOBAL, NATIONAL AND LOCAL BENEFITS

122. **In the baseline situation**, the approval of the national ABS policy and development of the national ABS framework would take considerably longer, and it would be more difficult to achieve the international standards for best practice in ABS required by the CBD and Nagoya Protocol.The lack of technical expert input towards the development of implementing regulations will affect their completion and quality, and supporting information sharing mechanisms and guidance materials may not be available.Inter-agency coordination for biotechnology development will remain weak, resulting in potential conflicts and confusion, which may adversely affect investor confidence.

123. Further, in a business-like-usual scenario, resources will not be adequate to support the level of capacity building needed to bring the NCA, checkpoint authorities and other stakeholders to implementation readiness in the short term, and local experience and information-sharing on the development of PIC, MAT and benefit-sharing will remain inadequate.Bio-prospecting and use of traditional knowledge resources will continue to be weakly regulated, therefore indigenous local communities across the country would remain at risk of losing out on the benefits associated with bio-prospecting and there will be little incentive for improving the security of biological resources at local level.

124. Similarly, the levels of awareness among decision makers, sectoral agencies, the commercial sector and local communities concerning the potential /benefits of an effective ABS regime will continue to remain low.At the national level, there is little understanding of ABS issues among sectors other than those directly involved in the conservation and development of biological resources, and even then there is a need to ensure consistency in the vision and rationale behind ABS. Existing agreements for bio-prospecting partnership have been weakly regulated, not necessarily taking account of the PIC, rights and needs of indigenous local communities and other stakeholders, or include requirements for the equitable sharing of benefits.There is therefore a strong need for models of the consultative processes involved in development of ABS agreements, including PIC and MAT. Further, it is important that all players are able to understand the provisions and implications of such agreements, the sometimes complex issues involved, and ability to negotiate future benefit sharing in the event that commercial products are derived from the process.

125. Without the support of adequate resources, private investment would continue in its attempt to commercialize genetic resources, without the full help of the State institutions and with confusion regarding legal and contractual requirements. SapaNapro company would focus on essential oil extracts from four threatened species, namely *Cissampelopsis spelaeicola, Lisianthus coerulues, Stauntonia cavaleriana* and *Lisea cubeba* (among a total of 18 species, of which 14 are common and not-threatened) for bathing and cosmetic products with the Red Dao community. The supply chain for these products would mobilize limited resources through these companies to a limited number of beneficiaries in the Lao Cai province. Local communities may not be able to realize the full expectation of increased income that has been created and the process would likely be in risk of failure as the viability of such ventures is questionable, given the uncertainty of the legal, permitting and benefit sharing procedures. The communities would therefore likely increase their extraction activities, which in turn would increase ecosystem deterioration. Lack of investment in this project would lead to financial, social and environmental losses. Private sector and the government investment in accessing this genetic resource and sharing of the benefits, is not expected to be substantial during the implementation period of this project.

126. **GEF alternative to generate global benefits:**Despite the resource investment in the baseline scenario, the impacts would not be competitive in comparison with other alternative uses of the land, which are currently better sources of income for the communities. The alternative of investing GEF resources will help to break commercial, legal and institutional barriers, and give momentum to a process which would not be otherwise competitive. This will be achieved using four components which complement each other, and which, when combined, will improve access to genetic resources and benefit-sharing, as a competitive alternative for the pilot provinces, and for the country in general.

127. The alternative GEF scenario will facilitate and speed up negotiation for access and benefit-sharing agreement. ABS agreements and contracts do not currently exist and in light of the Nagoya Protocol, the GEF alternative will identify measures for total compliance with its provisions, including

introducing new ABS legislation, an administrative and permitting system for implementation of ABS legislation, institutional frameworks to enhance access and coordination of information for permitting and monitoring, and establishment of financial mechanisms as well as validating the commercialization of medicinal and bathing and cosmetic products as case studies. Equally, with this scenario the communities and stakeholders will be informed on the benefit-sharing process and progress in the case study activities. To carry out this work the GEF will invest USD 363,000 in setting up the regulatory systems for implementation of the Nagoya Protocol (Outcome 1 of the project). The counterpart funding for the achievement of Outcome 1 of the project is around USD 1,450,000, which will include USD 250,000 from UNDP for improving national capacity for implementing environmental and natural resources policy and law, USD 600,000 from the Plant Genetic Center of MARD to develop policies related to conservation and use of genetic resources and USD 600,000 from VEA/MONRE for improving the legal system and institutional framework for ABS in the country. GEF will allocate USD 178,922 for putting in place the administrative framework for implementation of the new regulations governing ABS in the country (Outcome 2) with counterpart funding of USD 1 million coming from MOST to maintain and further develop the genetic resources conservation network and ensure that it is functional and operational.

128. Further, the scenario with alternative GEF investment will also help increase the national and regional capacity in ABS for negotiating and monitoring benefit-sharing agreements (Outcome 3). The financial activities will lead to benefit-sharing legislation for the use of genetic resources, a subject which is not currently covered by Vietnam legislation. It will make ABS training materials available to State officials, and allow evaluation and reporting on the project products, in such a way that assists with the preparation of the legislation. For this part of the project the GEF project will invest USD 545,000 and the MARD and UNDP will spend around USD 1,850,000 as related co-financing for capacity building, training and strengthening linkages between the scientific community, government staff, private sector and communities. The co-financing will be comprised of USD 250,000 from UNDP to develop tools and mechanisms for enhanced environmental and natural resources performance management, and USD 1.6 million from the Plant Genetic Centre of MARD to facilitate coordination and management of information sharing among the network of genetic resource collectors.

129. The GEF alternative will also strengthen the commercialization of a genetic resource and the generation of benefit-sharing and distribution for local communities. The resources will allow the development of final products, the generation of production capacity at an industrial level, strengthen the local producers' ability to sustainably manage the resource, improve the product material, increase supply capacity, promote commercialization, validate legislation for benefit-sharing, increase the capacity of related institutions regarding administrative procedures, permits and information regarding access to genetic resources and ABS**.**

130. The alternative GEF scenario (Outcome 4) will promote the improved development of products from *Cissampelopsis spelaeicola, Lisianthus coerulues, Stauntonia cavaleriana* and *Lisea cubeba* for bathing and cosmetic products by promoting propagation techniques, and documentation and registration of traditional knowledge. This will lead to an improvement in the quality of the medicinal and bathing products, ensure compliance with the international quality standards, and help establishment of plants with industrial production capacities. The GEF alternative will also strengthen a value chain which includes sustainable and efficient supply and market development of products. The capacity to manage the above-mentioned genetic resources production will be improved, in accordance with sustainability and conservation of biodiversity criteria, and international commercialization of the medicinal, bathing and cosmetic products, in compliance with international regulations of access and

benefit sharing. For this, GEF alternative will invest USD 773,000 and complementary Government of Vietnam investment through the Plant Genetic Centre of MARD, MOST, Helvetas and SapaNapro (private company) for accessing genetic resource (survey, collection, diversification, income generation, documentation and private sector interaction) and on-farm conservation will contribute around USD 5,150,000 during the period of the project. This amount includes the expected investment from the private sector through SapaNapro that will make an investment of around USD 200,000 during this period in complementary activities to support production of bathing products and services, commercilization of at least one cosmetic product, conserving bathing species and traditional knowledge and training of company staff in product development and management and for identification and developing areas for planting of bathing plant species.

131. **Global environmental benefits:**The project will provide global environmental benefits through the sustainable use of genetic resources from one of the most diverse ecosystems in the world, an ecosystem which is currently under pressure from timber, poaching, encroachments and other exploitation. The successful implementation of the Project will prove that it is possible to create value chains with the sustainable use of genetic resources, including medicinal plant and other non-timber resources and with local communities. In addition, the project will build trust regarding the financial opportunity which the use of biological and genetic resources offers, as an economic alternative to unsustainable exploitation of biological resources.

132. Vietnam has an abundant and diverse forest flora. The National Biodiversity Action Plan, approved by the government in 1995, estimated that there are about 12,000 plant species in Vietnam (7,000 of which have been named), as well as 275 animal species, 800 bird species, 180 reptile species, 80 amphibian species, 2,470 fish species, and 5,500 insect species (Vietnam Government & GEF 1995). Of these, 40% are endemic. The Ministry of Science and Technology (MOST) has recognized at least 40 species of threatened forests species with economic value and another 30 threatened species with high scientific value. In addition, other studies have described about 7,800 plant species with biological and therapeutic characteristics. The rich value of Vietnam's genetic resources has to be recognized.The successful commercialization of a genetic resource, the strengthening of a supply chain with the sustainable management of the ecosystem and national capacity building for the negotiation of access to these resources, will contribute to compliance with the Convention on Biological Diversity, the provisions of Nagoya Protocol and the Biodiversity Law, as well as provide a incentive for local conservation of biological resources.

Table 4: Summary of long-term environmental benefits

State of baseline situation	Summary of GEF incremental intervention	Benefits
Conservation and Sustainable Management of Genetic and Biological Diversity		
Conservation of genetic resources and biological diversity does not take account of their full economic value and benefits to current and future generations as well as the transfer of economic benefits to local communities as incentive for their conservation	An incentive mechanism in place that ensures economic benefits to ethnic minorities and local communities	Improved management and sustainable use of genetic resources and biodiversity in general Competitive pressures between uses of biodiversity and forest and biodiversity degradation and destruction reduced. Well-functioning ecosystem services (such as water supply, carbon sequestration, etc.) at forests and other natural areas. Reduced illegal cutting and fuel-wood collecting

State of baseline situation	Summary of GEF incremental intervention	Benefits
		pressure in forest and pasture resulting in prevention of loss of carbon and biodiversity
National ABS Framework		
Weak national regulatory and administrative system for ABS promotes overlapping and conflicting authorities for management of genetic resources and not in line with the Nagoya Protocol.	National decree on ABS addressing intellectual property rights and other measures in compliance with Nagoya Protocol Enabling National ABS regulatory and permitting framework System for protection of traditional knowledge A financial mechanism to channel and reinvest benefits derived from ABS agreements	Sustainable and cost-effective use of biological resources. Safeguarding Viet Nam's biological resources and its genetic diversity from unfair exploitation by commercial industry Improved knowledge and experience gained through the project contributes to global knowledge of ABS and international community of practice
Capacity		
Weak institutional capacity of state agencies constrain the development and implementation of national and local ABS norms, weak capacity and awareness of ethnic minorities and local communities who hold traditional knowledge undermine the value of the genetic resources and their benefit and weak or limited understanding and awareness from the private and research sector limits the opportunities to engage on ABS partnerships.	Enhanced capacity and capability for the negotiation, implementation and monitoring of ABS Improved awareness and understanding of role and benefits of ABS A community of practice on ABS developed A national ABS CHM linked with national biodiversity and genetic resources database	Increased knowledge and awareness of values of biodiversity and steps to conserve and use it sustainably will improve conservation status of species Improved capacity and skills to manage biodiversity and genetic resources improved conservation outcomes A better understanding of value of traditional knowledge on biological diversity enhances opportunity for its sustainable use and long term conservation
Piloting of Private-Public Partnerships and Co-management		
Limited in-country scientific research capacity and experience with negotiation and implementation of ABS agreements constraints the capture of economic benefits of genetic resources	Demonstration of pilot ABS agreement compliant with national legislation and Nagoya Protocol Demonstration of TK registers and the development of bio-community protocols On the ground experience and demonstration and lessons that will inform future negotiation of fair benefit sharing agreements	Improved knowledge and experience gained through the project contributes to global knowledge of ABS and international community of practice *Insitu* and *exsitu* conservation measures in place to ensure security of concerned species in pilot site

Incremental cost summary.

133. The incremental cost matrix, below, summarizes costs with no intervention, as well as the incremental costs for each project component. The base line is 1,380,000 USD. The cost of the incremental activities required in order to achieve the global benefits mentioned would be 2,000,000 USD financed by the GEF and 9,850,000 USD provided by the project partners. The commitment of the partners to provide the baseline investments and support the co-financing is detailed in the letters included as part of the GEF CEO endorsement package). The Project alternative has a total cost of 11,850,000 USD, of which 2 million USD (or 17.05%) is provided by the GEF (not including the investment in project preparation) and 9,850,000 USD is provided through co-financing**.**

Incremental costs matrix

		Baseline	**Alternative**	**Increment**
COMPONENT 1. Strengthening national policy, legal and institutional framework for ABS	NIMM	0	0	0
	VEA/MONRE	180,000	780,000	600,000
	MARD/PGC	0	600,000	600,000
	MOST	0	0	0
	UNDP	0	250,000	250,000
	Co-financing	**180,000**	**1,630,000**	**1,450,000**
	GEF		**353,000**	**353,000**
	Subtotal baseline	**180,000**		
	Subtotal alternative		**1,983,000**	
	Subtotal increment			**1,803,000**
COMPONENT 2. Developing administrative measures for implementation of national ABS legal framework	NIMM	800,000	800,000	0
	VEA/MONRE	0	0	0
	MARD/PGC	0	0	0
	MOST	0	1,000,000	1,000,000
	UNDP	0	0	0
	Co-financing	**0**	**1,800,000**	**1,000,000**
	GEF	**0**	**173,922**	**173,922**
	Total Baseline	**800,000**		
	Subtotal alternative		**1,973,922**	
	Subtotal increment			**1,173,922**
COMPONENT 3. Increasing awareness and capacity of all relevant stakeholders for implementation of national ABS framework	NIMM	0	0	0
	VEA/MONRE	0	0	0
	MARD/PGC	0	1,600,000	1,600,000
	MOST	0	0	0
	UNDP	0	250,000	250,000
	HELVETAS	0	0	0
	Co-financing	**0**	**1,850,000**	**1,850,000**
	GEF	**0**	**545,000**	**545,000**
	Total Baseline	**0**		
	Subtotal alternative		**2,395,000**	
	Subtotal increment			**2,395,000**
COMPONENT 4. Demonstrating private-public-community partnerships on access and benefit sharing	NIMM	400,000	400,000	0
	HELVETAS	0	150,000	150,000
	MARD/PGC	0	2,800,000	2,800,000
	MOST	0	2,000,000	2,000,000
	LAO CAI PPC	0	696,369	696,369

		Baseline	Alternative	Increment
	Private Sector	0	200,000	200,000
	Co-financing	**0**	**6,246,369**	**5,846,369**
	GEF	**0**	**773,000**	**773,000**
	Total Baseline	**400,000**		
	Subtotal alternative		**7,019,369**	
	Subtotal Increment[18]			**6,619,369**
PROJECT MANAGEMENT	VEA/MONRE	0	400,000	400,000
	UNDP	0	0	
		0	0	
		0	0	
	Co-financing	**0**	**400,000**	**400,000**
	GEF		**155,078**	**155,078**
	Subtotal baseline	**0**		
	Subtotal alternative		**555,078**	
	Subtotal increment			**555,078**
	TOTAL	**1,380,000**	**13, 926,369**	**12,546,369**

Socio-Economic Benefits including Gender Dimensions

National Level

134. The Government of Viet Nam recognizes the economic potential of biodiversity in socio-economic development and has a strategy to develop and implement policies to support sectors of agricultural, forestry and fisheries products that meet international standards for conservation and sustainable use of biological resources (National Strategy on Biodiversity to 2020, vision to 2030 NBS 2013). To achieve these objectives, it also recognizes the need to establish conditions which facilitate the creation and development of linkage between stakeholders based on the sustainable use of biodiversity, particularly the use of biological, genetic and derivative resources, and of biotechnology, which also ensure the fair and equitable distribution of those benefits derived from the use of those resources between the owners and users of the biodiversity (Biodiversity Law, 2008). Sustainable use of genetic resources through the project will have direct socioeconomics benefits for the national economy through an improved control over the benefits accruing from the use and commercialization of genetic resources in Vietnam. The ABS framework will establish a mechanism for fair and equitable distribution of benefits that will support both the central government and the local level. By implementing the Nagoya Protocol and implementing ABS regulations, a wide range of sectors in Vietnam, pharmaceutics, research and food industry, forestry, will be able to receive benefits such as technology transfer, research findings from the access of Viet Nam's genetic resources. This will have a positive impact on the national economy and will help to drive innovation.

Local Level

135. Communities that are custodians of genetic resources at the local level will benefit from livelihood support, skills training and conservation methods to enhance the sustainability of genetic resources use and fair access to benefits. Social and economic feasibility of modifying existing and promoting alternative livelihoods and their likely impacts on achieving global biodiversity conservation

[18]The total budget is revised due to added co-financing budget of Lao Cai PPC as per Decision No 674 of the MONRE approving the project document and project procurement plan dated 31 Mar, 2016

have been assessed. Most of the communities to be involved at the pilot sites are ethnic minorities, renowned for the traditional knowledge on plant species and medicinal uses. The project will also ensure that there is strong involvement of ethnic minority's communities and their traditional knowledge and beliefs are incorporated into the development of an ABS regime and demonstration activities. During the PPG, a thorough local level socioeconomic assessment and consultation was conducted to obtain the consent of the ethnic minorities to participate in the project pilot. Full environmental and Social Screening was also conducted during the project preparation phase. The project has ensured that a strong gender concerns was built into its actions, and a proper gender analysis was undertaken during project preparation. Especially at the local level, the project will strengthen women's capacity needs as they are the gatekeepers of traditional knowledge and the primary providers/collectors/managers of natural and genetic resources. The project will ensure that the national ABS regime takes on gender lens in the implementation of its programme. The pilot and demonstration activities will also integrate gender focus and data in their design and monitoring processes to ensure that women are empowered to participate fully and also benefit from the use of genetic resources.

136. At the selected pilot demonstration site, the use of non-timber forests products such as the medicinal plant and product collection is not currently a significant source of income for the people living in the Sa Pa district. A long-term solution to the relationship between poverty and biodiversity that the demonstration will support is the sustainable use of agro-forest products through successful commercialization of their biological and genetic resources, will result in fair and equal payments for the entire community. The project pilot aims to create a way that leads to monetary and non-monetary benefits to the state and the communities through creation and commercialization of at least one product from indigenous medicinal plants with a distribution of those benefits that follows the provisions set out by Viet Nam's regulations and the Nagoya Protocol, and to use the case study to contribute as to test some new legislative regulations related to benefit-sharing.

137. The demonstration pilot will contribute to the conservation and development of indigenous medicinal plants creating raw materials in order to improve the livelihoods of upland people. At the end of the project, it is expected that at least 100 families in the Sa Pa district will receive income from cultivation of indigenous medicinal plant species. Similarly, the project will promote the local economy through contracts that are generated in the value chain (harvesters, transporters, supplies, etc.).

Gender Issues

138. In the mountainous areas of Vietnam, most of the work related to agricultural production, and medicinal plant collection and cultivationare done by the ethnic minority women. Especially in plant care and gathering process, the women workers are often the key partners. Therefore, the success of the project will provide new opportunities for employment and income stability for the community of ethnic minority and women in particular and will contribute to improving the quality of life of the indigenous communities areas, and in particular that of the women. In the implementation of the pilots, specific attention will be focussed on ensuring the active participation of women, particularly in growing and harvest of plants, product development and marketing, monitoring and evaluation of MAT provisions and community TK protection protocols, as well and the implementation of social and economic development activities and ensuring that women have an equal participation in the project activities as men. The women from the Red Dao ethnic group, in particular, are the masters and repositories of the techniques of bathing product development, including the methods for harvest of medicinal plant materials. They will continue to play this key role, and in terms of the cultivation, transportation and marketing, both men and women will be actively engaged. During project implementation, capacity

building and training would be specifically focused on ensuring that women are actively engaged in all aspects of the pilot activities. Further, efforts would also be made to consult and engage local women organizations to improve sources of income for women and enhance their engagement these pilot programs. The strong participatory role envisaged for the ethnic minority women in the pilots will also contribute to ensuring social security in the highlands.

139. The model is expected to be replicated for speeding upthesocio-economicactivitiesrelated to theABStopromote the value of genetic resources, the better implementation of, contribute to improving the livelihoods of the community, while preserving traditional knowledge associated with genetic resources protection and conservation of biodiversity of the region

COST-EFFECTIVENESS

140. The premise of the project is based on cost efficiency. Removing the barriers to the ABS in genetic resources and associated traditional knowledge as discussed in previous sections of this document that currently impede the sustainable and efficient conservation of genetic resources will increase the conservation dividend of the resources and provide a real incentive for local communities to engage in sustainable management and conservation of the resource. Further, the financial mechanism to channel and reinvest proceeds from ABS agreements will contribute to sustainable and cost-effective use of biological resources as well as safeguarding Viet Nam's biological resources and its genetic diversity from exploitation by commercial industry, and the improved management and sustainable use of genetic resources and biodiversity in general. With the activities at community pilots, the *in situ* and *ex situ* conservation measures in place to ensure security of concerned species in pilot sites.

141. The participation of traditional communities at Sa Pa district in Viet Nam will be a cost-effective measure, as it builds on on-going programs. There are two elements that optimize cost effectiveness. In the first place, it builds on a previous investment and a social and economic process to make a minimum investment that achieves financial, social, institutional and environmental sustainability in the use of the genetic resource and the distribution of benefits through the value chain. Secondly,the project promotes a joint public/private initiative, which permits informed, coordinated and realistic work on the development of new standards and capacity building in the Viet Nam government. With clear regulations and a success story of the sale of genetic resources, it is hoped that this project will stimulate more private investments in bio-prospecting and lead to future benefits for other communities and ecosystems.

142. Cost-effectiveness will also be achieved by the intent of the project to provide the legal, institutional and technical systems that would enable the replication of the pilots on a wider scale in the country, so as to provide a broader system for equitable benefit sharing of revenues from genetic resources amongst the local communities. The products and outcomes of the pilots may be replicated in two ways, namely first by applying the lessons learned regarding processes, consultations and benefit-sharing to other genetic resources and value chains through capacity building, legislative proposals and methodological guides and manuals, and second by expanding the cultivation areas of selected indigenous medicinal plants so that communities of Sa Pa district become providers of the indigenous biological resource,will contribute increasing income to poor farmers in mountainous.

143. As alternatives to the development of new derivative products and capacity building, the following were considered in the cost-effectiveness analysis: (a) if there is no project investment, private investment would slowly continue in an attempt to commercialize a derivative product. The slow

development of an investment which does not bring dividends would also be affected by the lack of clarity in the regulations and the ignorance of the government staff regarding appropriate and efficient procedures for the management of permits, licenses and contracts. The disappointment of local communities because of unmet expectations of profit would increase, and the process would be at risk of failure; the communities would then consider themselves free to continue and increase the extraction of genetic resources, increasing deforestation. Failure to investment in this project would generate economic, social and environmental losses, and (b) capacity building in the Government without private sector support is not a sustainable option. Despite the fact that the public sector has complete authority to regulate the use of biological resources and is the owner of the benefits derived from the access to genetic resources, it does not have the capacity to stimulate research, development and sale of derived products. Investment in the education of government staff and the creation of new regulations would not have any effect on the generation of economic benefits from genetic resources or of community profits through the value chain. Supporting capacity building in the government without providing a situation in which to use the capacity would create a liability in the investment.

PROJECT CONSISTENCY WITH NATIONAL PRIORITIES/PLANS:

144. The proposed project is fully in line with the country's national strategies and plans. Biodiversity conservation is one of the highest priorities in the socio-economic development of the Government of Viet Nam. The Socio-Economic Development strategy (2011-2020) and Plan 2011-2015 (SEDP) promotes the mainstreaming of environmental protection. Further, the project is in line with the 2007 NBSAP as it advances the development and implementation of ABS mechanisms as specific targets. The revised NBSAP (2013) sets out three strategic goals focusing on protected areas and ecosystems, on endangered, rare and precious species and on inventory and conservation. It underscores that *"benefits from biodiversity and ecosystem services should be shared fairly and equitably with the participation of communities"*. The strategy further calls for action to "develop, improve and apply regimes on access to genetic resources and benefit sharing", all which the proposed project will respond to.

COUNTRY OWNERSHIP: COUNTRY ELIGIBILITY AND COUNTRY DRIVENNESS

145. Viet Nam became a signatory to the Convention on Biological Diversity (CBD) in 1993 to demonstrate the country's commitment to conserve and utilize its biodiversity in a sustainable way. Ever since the signing of the CBD, the country has directed its principle attention to the first two CBD objectives, being the conservation of biodiversity, and the sustainable use of its components. Viet Nam has made considerable investment in human and financial resources to fulfil its commitments and obligations to the Convention. In 1995, the first National Biodiversity Action Plan (NBAP) of Viet Nam was approved. This plan became a legal document that directed biodiversity conservation activities in Vietnam.

146. Viet Nam was committed to the adoption of the strategic plan that was approved by CBD members in 2002 to reduce the current loss of biodiversity at national, regional and global levels by the year 2010, and the assumption that this would contribute to poverty alleviation while still maintain and sustainably develop their own biodiversity resources. In 2007, Viet Nam approved the second NBAP to the year 2010 with an orientation towards 2020, in which conservation objectives were made relevant to the actual socio-economic development of Vietnam in the new period as required by the 2002 CBD

strategic plan. Decree 21 enacted in 2013 assigns MONRE responsibility "to guide the management and supervision of access to genetic resources and traditional knowledge associated with genetic resources, of utilization of benefits shared from access to genetic resources managed by the State and traditional knowledge on genetic resources; to perform the development and unified management of a national database on genetic resources".In the ABS context, Viet Nam ratified the Nagoya Protocol in 2014.

147. As evidenced from the project baseline (see above), Viet Nam is making serious efforts to establish an appropriate regulatory and institutional framework for ABS related to its biological resources and associated traditional knowledge, and recognizes the potential value of the bio-prospecting industry.

Coordination with Other Initiatives

148. The project is complementary to a number of programs and initiatives carried out by the Government, UNDP and NGOs. In particular the GEF project will coordinate planned activities with the following complementary programs and projects:

- UNDP-GEF Removing Barriers Hindering Protected Areas Management Effectiveness in Viet Nam project. This project aims to develop consistent and complete policy and legislative framework to support sustainable financing for PAs. It also provides support for the efficient management of PAs and greater involvement of local communities. The proposed project could in the long-term provide innovative financing to PAs and the project will collaborate in regards to establishing the enabling environment for such financing to take place.
- World Bank – GEF Wildlife Consumption: Reforming Policies and Practices to Strengthen Biodiversity Conservation project. The objective of this project is to enhance biodiversity conservation through innovative policies and reducing wildlife product consumption in Viet Nam. It focuses on improvement of the legal framework for wildlife management, increasing monitoring and inspection of wildlife consumption and awareness-raising for behavioural change. Although the proposed project is not going to work directly on wildlife consumption, it envisages an attitudinal change of Vietnamese people in regards to biodiversity, through adding a value and income benefits from biodiversity to the economic argument of biodiversity conservation.
- UNDP-GEF Conservation of Critical Wetland PAs and Linked Landscapes project. This project aims to establish new wetland protected areas and to create capacities for their effective management to mitigate existing and emerging threats from connected landscapes. This project will strengthen the national PA system by addressing specific bio-geographic gaps in wetland coverage. It will strengthen the PA system by tailoring policy and regulatory frameworks for the specific characteristics of wetlands and by putting in place a sub-system administration for wetland PAs. The proposed project could in the long-term provide innovative financing to PAs and the project will collaborate in regards to establishing the enabling environment for such financing to take place.
- ADB-Biodiversity Conservation Corridors Conservation Project. This project aims to establish enabling policy and frameworks and management regimes in three Central Viet Nam Provinces and is designed to address provincial, district and commune institutional capacities, forest tenurial security, habitat restoration on degraded communal lands, livelihood improvements and small scale infrastructure support. The project's primary focus ison wider landscape and production areas. The impact of the project will be climate-resilient sustainable forest ecosystems benefiting local livelihoods. The project's outcome will be sustainably managed biodiversity corridors in the Central Annamites through three components; (i) strengthening institutions and communities for biodiversity corridors management; (ii) restoration, protection and maintenance of biodiversity corridors; and (iii)

improved livelihoods and small-scale investments in target villages and communes. The project could in the long-term provide lessons and experiences in strengthening provincial and commune level institutional capacity for natural resource management and enhancment of community engagement in conservation related livelihoods. The proposed ABS project can benefit from these experiences to support collaboration between provincial and commune level institutions and local communities in benefit sharing from genetic resources and TK through ABS agreements.

- ADB-GEF Integrating Conservation, Climate Resilience and Sustainable Forest Management in the Central Annamite Landscapes project. The project will provide critical support to Protected Area institutional mechanisms, develop spatial linkage in the north-south cooridor, and will integrate important biodiversity, landscape and climate mitigation and resilience measures into spatial planning and sectoral development plans. It would also target carbon sinks monitoring and reporting and provide SFM/REDD+ and Payment for Environmental Services (PES), and small scale economic activities as important forest based livelihood framework for ensuring the participation of local communities in forest conservation and sustainable use of forest resources. The proposed project would provide long-term innovative financing mechanisms for community-based conservation and collaborate in establishing the enabling environment for such financing to take place.This proposed project would also test and validate local village level planning mechanisms that would serve as an important learning and experiences on the methods and mechanisms for engaging local communities as part of the effort for promoting the access and use of genetic resources and traditional knowledge as part of ABS agreements.

SUSTAINABILITY AND REPLICABILITY

Social sustainability:

149. *At national level*: The promulgation and enforcement of the new legal framework on ABS will greatly contribute to change the way access and sharing benefit of genetic resources in managed in Viet Nam society, leading to a more equitable, fair and sustainable use of genetic resources. After the completion of the project, awareness and capacity of all stakeholders on implementation, compliance, monitoring and tracking of the national ABS framework would have been significantly enhanced. Providers would better understand the value of genetic resources they own, and become more capable of negotiating with the user on benefit sharing in accordance with the ABS principles. Users would be more aware of their responsibility to share benefits of genetic resources with the providers, thus creating a legal MAT for clarification and transparency related to use of genetic resources for commercial and research purposes, as well as ensuring benefits from utilization of genetic resources are shared equitably and fairly between the state and communities. This would provide the basis for ensuring the sustainability of the public-private community partnerships in genetic resource use and management of ABS related concerns that would overall contribute to biodiversity conservation and social security at the household and community levels.

150. *At provincial level:* By supporting implementation of ABS practices in provinces in combination with communication and capacity building activities in Lao Cai province, the project pilot would generate capacities for the provincial authorities and enhance their abilities/skills for ABS management. Interventions of the project would result in a documentation of traditional knowledge to support management practices that will contribute to the social sustainability in a greater context.

151. *At local level:* The distribution of benefits through the consolidation of the supply chain for the production of the medicinal plants and other genetic resources would generate positive socio-economic benefit, mostly through the creation of profit and the strengthening of productive social structures at local level. The project pilot site would also generate capacities in the Sa Pa communities for the negotiation of schemes to distribute benefits arising from access to genetic resources. Interventions to build the Biodiversity commune protocols and TK protection procedure support (Outcome 4) will also contribute to social sustainability

Economic sustainability:

152. In supporting to develop a clear and transparent permit system, the project will contribute to encourage private investments in bio-prospecting and lead to future benefits for other communities and ecosystems.

153. Moreover, at the pilot scale, when the products are successfully produced and sold, the value chain and the distribution of benefits derived from it will be maintained. On the other hand the project promotes a joint public/private initiative, which permits informed, coordinated and realistic work on the development of new standards and capacity building in the Lao Cai province and Sa Pa district.

154. Increased financial flow from users of genetic resources will not only benefit to stakeholders but also to communities living in genetic resources diversity areas due to increased opportunities for income from activities such as collecting, cultivating, harvesting and transporting the medicinal plants for commercialization products. Outcomes from Component 4 will demonstrate the various approaches to increased financial and economic sustainability.

Financial Sustainability:

155. During the implementation of the project, it is expected that the products from medicinal plants will be sustainably traded and their profits will feed back into the value chains a means to generate private revenues, and into support for the conservation of genetic resources. This would lead to social well-being and the consolidation of the management and harvesting of the biological resource as part of the economic dynamic of Lao Cai province.When the project pilots are replicated and expanded it will create stable financial sources for local communities that would provide an essential incentive for the conservation of genetic resources of medicinal plants and other genetic resources, in particular in the pilot sites and for biodiversity conservation in general in Vietnam.The financial mechanism to be established under this project will act as a channelto distribute these financial benefits from users to providers. The establishment of this mechanism will mean that benefits from the pilot under the project can continue to be shared long after project conclusion. After the pilot period, the mechanism will be established at the national level and provide this role for future ABS agreements.

Institutional sustainability:

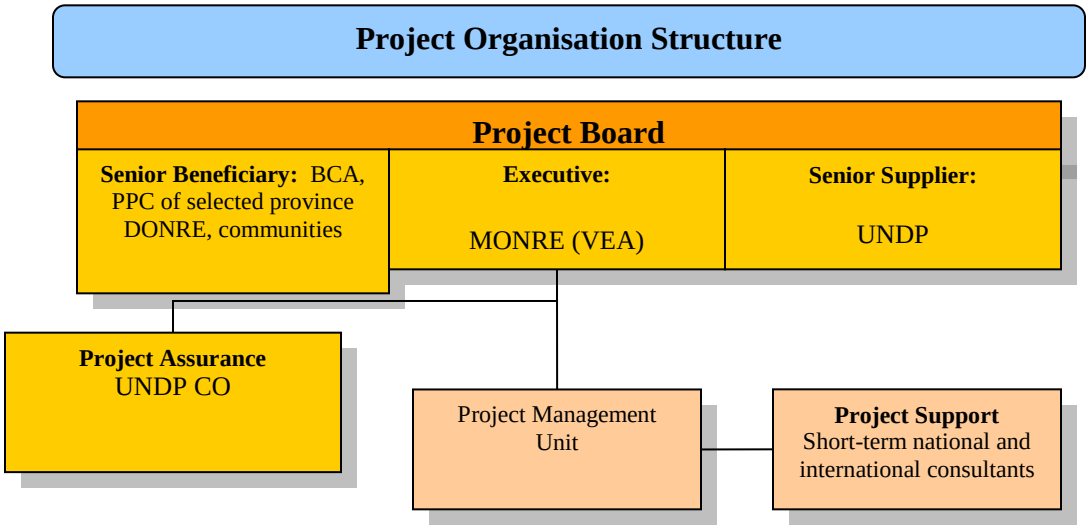
156. The most important output of the project is the development of a functional legal system on ABS and an effective permitting system and coordinating mechanism among stakeholders for ABS in the country. Therefore, the project could help to establish a fundamental and functional institutional arrangement for ABS management in Vietnam with involvement of national and local institutions associated both with access to biological resources and related traditional knowledge. This would provide an institutional structure that will be expected to provide the backbone and structure for future ABS in the country.

PART III: MANAGEMENT ARRANGEMENTS

IMPLEMENTATION ARRANGEMENTS

Project Execution and Oversight

157. The project will be implemented under the UNDP National Implementation Modality (NIM), which for GEF corresponds to national execution of the project by the Government. Specifically MONRE will act as the Implementing Partner (IP) given its formal role as lead institution in the biodiversity sector for Government of Vietnam. The project is co-financed and as such will also include major participation from MARD, NIM, PRC and others. These agencies, as well as national stakeholder agencies will be involved both in the managerial as well as in the technical implementation of the project.



Project implementation arrangement:

158. The project will be implemented over a period of four years. It will follow the National Implementation (NIM) modality with procedures set out in the Harmonized Programme and Project Management Guidelines (HPPMG) approved by the government of Vietnam and UN agencies. The implementing structure will include a project Steering Committee (PSC) and a Project Management Unit (PMU) as follows:

National Implementing Partner

159. As the national implementing partner (NIP) for the project, MONRE is accountable to the government and UNDP for ensuring (1) the substantive quality of the project; (2) the effective use of

both national and UNDP resources allocated to it; (3) the availability and timeliness of national contributions to support project implementation; and (4) the proper coordination among all project stakeholders, particularly national parties.

Responsible Party:

160. MONRE will assign VEA/BCA to be the Project main responsible party. VEA/BCA will be the lead organization in the project, acting for MONRE and working with various departments, offices and institutes in MONRE, relevant ministries and other stakeholders. As for the day-to-day implementation of the project activities, VEA/BCA will be responsible for mobilizing all national and international inputs to support project implementation, organizing project activities in accordance with the agreed work plan, and on quarterly basis reporting to MONRE and UNDP on the progress as well as financial status of the project.

Project Implementation Structure:

161. The project implementation structure will be set up to include:

- Project Steering Committee.
- Project Management Unit.

Project Steering Committee:

162. The Project Steering Committee (PSC) will be established with members from MONRE (VEA, Planning Department/MONRE, Finance Department/MONRE, Personnel and organizational Department/MONRE), Lao Cai PPC provincial representative,UNDP Vietnam and representatives from other agencies such as MOST and other as necessary. PSC will give guidance on the annual work-plans and oversee the project implementation and progress to ensure that the project's resources made available and the outputs produced meet the requirement of beneficiaries and the Government. PSC will be chaired by MONRE Vice-Minister and will meet annually and additional meetings can be arranged if deemed necessary.

Project Management Unit (PMU):

163. The PMU will be established as per Government's Decree 8/2013/NĐ-CPon management and use of ODA to undertake the day-to-day operations of the project and the overall operational and financial management and reporting of GEF/UNDP funding in accordance with NIM Guidelines.

164. The PMU will be responsible for the staffing, planning and implementation of project activities, will provide mechanisms and technical inputs necessary to integrate the results of various activities, will ensure satisfactory performance of the project members and contractors, and will provide official reports to the Project Steering Committee as needed.

165. PMU will consist of following major positions:

- National Project Director (NPD) (who is leader of VEA or BCA, in kind contribution from the Government, part-time).
- National Deputy Project Director (DNPD) (who is leader of BCA, in kind contribution from the Government, part-time).

- Project Coordinator (PC) (in kind contribution from the Government, part-time).
- Project Technical Officer (in kind contribution from the Government, part-time).
- Project Manager (PM) (recruited, 48 months, full-time).
- Project accountant (recruited, 48 months, part-time).
- Project assistant cum translator (recruited, 48 months, full-time).

National Project Director (NPD) and Deputy National Project Director (DNPD)

166. The NPD and DNPD who are often the leaders of VEA or BCA will be officially appointed by MONRE. He/she will manage the PMU and will be accountable to MONRE for the use of project resources and to deliver on outcomes. The DNPD is deputising for NPD when necessary and has role in supervising daily work of project implementation.

167. The NPD/DNPD will manage the implementation of all project activities and will work closely with all partner institutions to link the project with complementary national programs and initiatives. The NPD is accountable to MONRE and the PSC for the quality, timeliness, and effectiveness of the activities carried out, as well as for the use of funds. The NPD will also be technically supported by contracted national and international consultants and service providers. Recruitment of specialist services for the project will be done by the NPD, in consultation with the UNDP and the MONRE. The NPD/DNPD will not be paid from the project funds, but will represent a government in kind contribution to the project.

Provincial People's Committee and District People's Committee and Local Communities

168. The Provincial People's Committee at Lao Cai will facilitate and ensure the effective implementation of the Project in Lao Cai, including the activities at the pilot site, the preparation of the TK inventory and documentation, the bio-community protocol and be directly facilitating the negotiation and signing of the ABS agreement at the pilot site. A representative of Lao Cai province will be a member of Project Steering Committee. Awareness and capacity of related officers of the PPC in charge of managing natural resources will be strengthened by training activities.

169. The Sapa District People's Committee will be responsible for ensuring related district agencies and departments (Economics, Health etc.) participate in the activities and cooperate in the implementation of the Sapa pilot site activities. The DPC will also be involved in monitoring and supervising project activities at the project sites. Besides, it will also be actively involved in the process of TK documentation. The capacity of officers in charge of managing natural resources will be strengthened by training activities.

170. The People's Committee of Ta Phin commune will be responsible for managing socio-economic aspects and overseeing implementation at community level. People's Committee of Ta Phin community will be responsible for motivating and mobilizing local community members to participate in pilot activities within the area of competence. It will also participate in the negotiation process between providers and users as observer.

UNDP-CO support

171. Working closely with MONRE, UNDP-CO as the Implementing Agency will be responsible for: (1) providing financial and audit services to the project; (2) recruitment of project staff (3) overseeing financial expenditures against project budget; (4) appointment of independent financial auditors; (5) organization of end of project evaluation; and (6) ensuring that all activities including procurement and financial services are carried out in strict compliance with UNDP/GEF procedures. Two UNDP staff members will be assigned with the responsibility for the day-to-day management and control over project finance.

172. In addition, UNDP CO can provide, upon request by the NPD and PMU, a range ofimplementation support services to the PMU as part of its project support role (e.g. recruitment of the project personnel, overseas travel, and procurement of equipment). When the need arises, the project partners should request support services (see Annex II.3.5, Vol. 2, NIM), together with specific TORs, specifications and other instructions. UNDP CO will recover the costs for these services from the project as well as other routine project support transactions (e.g. processing contracts, payments, visas, reserving hotels, air tickets) based on actual costs or transaction-based costs, using a UNDP Local Price List. DPCs should be charged to the separate account code 74599-UNDP cost recovery charges-bills or as per UNDP DPC policy.

AUDIT CLAUSE

173. The Government of Vietnam will provide the UNDP Resident Representative with certified periodic financial statements, and with an annual audit of the financial statements relating to UNDP (including GEF) funds according to the established procedures set out in the Programming and Finance manuals. The Audit will be conducted by the legally recognized auditor of the Government, or by a commercial auditor engaged by the Government. The firm will be selected through a bidding process and will be subjected to a rigorous evaluation within the principles of transparency, neutrality and cost benefit.

174. The project will be audited in accordance with the UNDP Financial Regulations and Rules and applicable audit policies. An audit to the Project is an integral part of UNDP financial and administrative management within the framework of UNDP's accountability, internally and with regards to the GEF. The project will be audited to ensure that resources are administered in accordance with the financial regulations of the project document, workplan and budget. The project's budget should contemplate the resources needed to carry out the audit. The firm selected by UNDP Vietnam, through a bidding process and subjected to a rigorous evaluation within the principles of transparency, neutrality and cost benefit will take over this exercise in accountability.

PART IV: MONITORING AND EVALUATION FRAMEWORK

MONITORING AND EVALUATION

175. The project will be monitored through the following M& E activities. The M& E budget is provided in the table below.

Project start:

176. A Project Inception Workshop will be held within the first 2 months of project start with those with assigned roles in the project organization structure, UNDP country office and where appropriate/feasible regional technical policy and program advisors as well as other stakeholders. The Inception Workshop is crucial to building ownership for the project results and to plan the first year annual work plan.

177. The Inception Workshop should address a number of key issues including:

a) Assist all partners to fully understand and take ownership of the project. Detail the roles, support services and complementary responsibilities of UNDP CO and BCA staff vis à vis the project team. Discuss the roles, functions, and responsibilities within the project's decision-making structures, including reporting and communication lines, and conflict resolution mechanisms. The Terms of Reference for project staff will be discussed again as needed.

b) Based on the project results framework, finalize the first annual work plan. Review and agree on the indicators, targets and their means of verification, and recheck assumptions and risks.

c) Provide a detailed overview of reporting, monitoring and evaluation (M&E) requirements. The Monitoring and Evaluation work plan and budget should be agreed and scheduled.

d) Discuss financial reporting procedures and obligations, and arrangements for annual audit.

e) Plan and schedule Project Board meetings. Roles and responsibilities of all project organisation structures should be clarified and meetings planned. The first Project Board meeting should be held within the first 12 months following the inception workshop.

178. An Inception Workshop report is a key reference document and must be prepared and shared with participants to formalize various agreements and plans decided during the meeting.

Quarterly:

- Progress made shall be monitored in the UNDP Enhanced Results Based Management Platform.
- Based on the initial risk analysis submitted, the risk log shall be regularly updated in ATLAS. Risks become critical when the impact and probability are high. Note that for UNDP GEF projects, all financial risks associated with financial instruments such as revolving funds, microfinance schemes, or capitalization of ESCOs are automatically classified as critical on the basis of their innovative nature (high impact and uncertainty due to no previous experience justifies classification as critical).
- Based on the information recorded in Atlas, a Project Progress Reports (PPR) can be generated in the Executive Snapshot.
- Other ATLAS logs can be used to monitor issues, lessons learned etc... The use of these functions is a key indicator in the UNDP Executive Balanced Scorecard.

Annually:

179. Annual Project Review/Project Implementation Reports (APR/PIR): This key report is prepared to monitor progress made since project start and in particular for the previous reporting period (30 June to 1 July). The APR/PIR combines both UNDP and GEF reporting requirements.

180. The APR/PIR includes, but is not limited to, reporting on the following:

- Progress made toward project objective and project outcomes - each with indicators, baseline data and end-of-project targets (cumulative)
- Project outputs delivered per project outcome (annual).
- Lesson learned/good practice.
- AWP and other expenditure reports
- Risk and adaptive management
- ATLAS QPR
- Portfolio level indicators (i.e. GEF focal area tracking tools) are used by most focal areas on an annual basis as well.

Periodic Monitoring through site visits:

181. UNDP CO and the UNDP RCU will conduct visits to project sites based on the agreed schedule in the project's Inception Report/Annual Work Plan to assess first hand project progress. Other members of the Project Board may also join these visits. A Field Visit Report/BTOR will be prepared by the CO and UNDP RCU and will be circulated no less than one month after the visit to the project team and Project Board members.

Mid-term of project cycle:

182. The project will undergo an independent Mid-Term Evaluation at the mid-point of project implementation (insert date). The Mid-Term Evaluation will determine progress being made toward the achievement of outcomes and will identify course correction if needed. It will focus on the effectiveness, efficiency and timeliness of project implementation; will highlight issues requiring decisions and actions; and will present initial lessons learned about project design, implementation and management. Findings of this review will be incorporated as recommendations for enhanced implementation during the final half of the project's term. The organization, terms of reference and timing of the mid-term evaluation will be decided after consultation between the parties to the project document. The Terms of Reference for this Mid-term evaluation will be prepared by the UNDP CO based on guidance from the Regional Coordinating Unit and UNDP-GEF. The management response and the evaluation will be uploaded to UNDP corporate systems, in particular the UNDP Evaluation Office Evaluation Resource Center (ERC).

183. The relevant GEF Focal Area Tracking Tools will also be completed during the mid-term evaluation cycle.

End of Project:

184. An independent Final Evaluation will take place three months prior to the final Project Board meeting and will be undertaken in accordance with UNDP and GEF guidance. The final evaluation will focus on the delivery of the project's results as initially planned (and as corrected after the mid-term evaluation, if any such correction took place). The final evaluation will look at impact and sustainability of results, including the contribution to capacity development and the achievement of global environmental benefits/goals. The Terms of Reference for this evaluation will be prepared by the UNDP CO based on guidance from the Regional Coordinating Unit and UNDP-GEF.

185. The Terminal Evaluation should also provide recommendations for follow-up activities and requires a management response which should be uploaded to PIMS and to the UNDP Evaluation Office Evaluation Resource Center (ERC).

186. The relevant GEF Focal Area Tracking Tools will also be completed during the final evaluation.

187. During the last three months, the project team will prepare the Project Terminal Report. This comprehensive report will summarize the results achieved (objectives, outcomes, outputs), lessons learned, problems met and areas where results may not have been achieved. It will also lay out recommendations for any further steps that may need to be taken to ensure sustainability and replicability of the project's results.

Learning and knowledge sharing:

188. Results from the project will be disseminated within and beyond the project intervention zone through existing information sharing networks and forums.

189. The project will identify and participate, as relevant and appropriate, in scientific, policy-based and/or any other networks, which may be of benefit to project implementation though lessons learned. The project will identify, analyze, and share lessons learned that might be beneficial in the design and implementation of similar future projects.

190. Finally, there will be a two-way flow of information between this project and other projects of a similar focus.

Communications and visibility requirements:

191. Full compliance is required with UNDP's Branding Guidelines. These can be accessed at http://intra.undp.org/coa/branding.shtml, and specific guidelines on UNDP logo use can be accessed at: http://intra.undp.org/branding/useOfLogo.html. Amongst other things, these guidelines describe when and how the UNDP logo needs to be used, as well as how the logos of donors to UNDP projects needs to be used. For the avoidance of any doubt, when logo use is required, the UNDP logo needs to be used alongside the GEF logo. The GEF logo can be accessed at: http://www.thegef.org/gef/GEF_logo. The UNDP logo can be accessed at http://intra.undp.org/coa/branding.shtml.

192. Full compliance is also required with the GEF's Communication and Visibility Guidelines (the "GEF Guidelines"). The GEF Guidelines can be accessed at: http://www.thegef.org/gef/sites/thegef.org/files/documents/C.40.08_Branding_the_GEF%20final_0.pdf. Amongst other things, the GEF Guidelines describe when and how the GEF logo needs to be used in project publications, vehicles, supplies and other project equipment. The GEF Guidelines also describe

other GEF promotional requirements regarding press releases, press conferences, press visits, visits by Government officials, productions and other promotional items.

193. Where other agencies and project partners have provided support through co-financing, their branding policies and requirements should be similarly applied.

M& E Workplan and budget

Type of M&E activity	Responsible Parties	Budget US$ *Excluding project team staff time*	Time frame
Inception Workshop and Report	▪ BCA Project Manager ▪ UNDP CO, UNDP GEF	Indicative cost: 5,000	Within first two months of project start up
Measurement of Means of Verification of project results.	▪ UNDP GEF RTA/BCA Project Manager will oversee the hiring of specific studies and institutions, and delegate responsibilities to relevant team members.	To be finalized in Inception Phase and Workshop. Indicative cost: 12,000 (cost built into PMU budget)	Start, mid and end of project (during evaluation cycle) and annually when required.
Measurement of Means of Verification for Project Progress on *output and implementation*	▪ Oversight by BCA Project Manager ▪ BCA Project team	To be determined as part of the Annual Work Plan's preparation. Indicative cost: 12,000 (cost built into PMU budget)	Annually prior to ARR/PIR and to the definition of annual work plans
ARR/PIR	▪ Project manager and team ▪ UNDP CO ▪ UNDP RTA ▪ UNDP EEG	None	Annually
Periodic status/ progress reports	▪ BCA Project manager and team	None	Quarterly
Mid-term Evaluation	▪ BCA Project manager and team ▪ UNDP CO ▪ UNDP RCU ▪ External Consultants (i.e. evaluation team)	Indicative cost: 35,000	At the mid-point of project implementation.
Final Evaluation	▪ BCA Project manager and team, ▪ UNDP CO ▪ UNDP RCU ▪ External Consultants (i.e. evaluation team)	Indicative cost : 35,000	At least three months before the end of project implementation
Project Terminal Report	▪ BCA Project manager and team ▪ UNDP CO ▪ local consultant	0	At least three months before the end of the project
Audit	▪ UNDP CO ▪ BCA Project manager and team	Indicative cost per year: 2,000 (total 8,000)	Yearly
Visits to field sites	▪ UNDP CO ▪ UNDP RCU (as appropriate) ▪ Government representatives	For GEF supported projects, paid from IA fees and operational budget	Yearly
TOTAL indicative COST Excluding project team staff time and UNDP staff and travel expenses		US$ Approx: 107,000 (+/- 5% of total budget)	

PART V: LEGAL CONTEXT

194. This document together with the CPAP signed by the Government and UNDP which is incorporated by reference constitute together a Project Document as referred to in the SBAA [or other appropriate governing agreement] and all CPAP provisions apply to this document.

195. Consistent with the Article III of the Standard Basic Assistance Agreement, 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.

196. The implementing partner shall:

a) 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;
b) assume all risks and liabilities related to the implementing partner's security, and the full implementation of the security plan.

197. 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.

198. The implementing partner agrees to undertake all reasonable efforts to ensure that none of the UNDP funds received pursuant to the Project Document are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder 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 Project Document.

SECTION II: STRATEGIC RESULTS FRAMEWORK (SRF)

	Indicator	Baseline	Targets End of Project	Source of verification	Risks and Assumptions
Project Objective[19] To develop and implement a national Access and Benefit Sharing (ABS) framework, build national capacities and support an ABS Agreement based on Traditional Knowledge and Public-Private Partnership	Regulatory system in place for the implementation of the Nagoya Protocol	Legal and institutional framework for ABS exists, but not all provisions of Nagoya Protocol are incorporated in the current framework	A national decree and supporting guidelines and circulars approved in line with the Nagoya Protocol	Official gazette notification VEA/BCA website	*Assumption:* Enough political willingness to support approval of the Decree
	Number of ABS Agreements negotiated	No ABS Agreements have been concluded and approved so far	At least one ABS Agreement successfully concluded	Signed ABS Agreement	Willingness of the concerned community or other provider to reach an agreement with the user. *Risk:* Lack of agreement on the terms of the contract-
	Improved capacities of national and provincial competent authorities for ABS implementation as shown by an increase in UNDP ABS capacity development scorecard	Limited capacity of national and provincial CAs for ABS implementation as shown by UNDP ABS capacity development score of 23% (17/75)	At least 30 percentage increase in national and provincial capacity as measured by UNDP ABS scorecard Number of training and awareness raising manuals, and programs being actively used	UNDP capacity scorecard Training Evaluation Reports Project annual progress reports	*Assumption:* target audiences for training and awareness raising and other capacity building activities are committed to participate in project activities.
Outcome 1 Strengthening national policy, legal and institutional framework for ABS	New Decree approved for ABS in full compliance with the Nagoya Protocol	Existing legal framework (Biodiversity Law and related decrees) are insufficient and not in full compliance with the Nagoya Protocol provisions and obligations	One national new decree for ABS and regulations, circulars and guidelines for its implementation approved by the Government	Official gazette notification VEA/BCA website	*Assumption:* Enough political willingness to support approval of the Decree

[19] *Objective (Atlas output) monitored quarterly ERBM and annually in APR/PIR*

	Conservation, use and equitable benefit sharing from traditional knowledge incorporated into ABS Decree	Existing legal provisions for equitable benefit sharing from TK mechanism inadequate for effective protection of TK	Several provisions incorporated into ABS decree for protection of TK	Official gazette notification	*Risk:*Local communities and other stakeholders to arrive at the content of the TK provisions
	Community protocol supported in the ABS decree and developed for regulation of access and benefit sharing from genetic resources and traditional knowledge held by local communities[20]	No community protocol currently exist for regulation of ABS from genetic resources and TK held by local communities	Several provisions incorporated into ABS decree for protection of TK PIC, MAT and other related provisions for community protocol included in the new ABS decree.	Bio-Community protocol document	
	Financial mechanism designed to reinvest revenues for ABS agreement to support biodiversity conservation	No financial mechanism exists for reinvest of ABS revenues for biodiversity conservation	At least one set of provisions for financial mechanism created and a financial mechanisms effectively created supporting conservation and sustainable use of biological resources	Legal document validating establishment of financial mechanism	*Risk:* Lack of adequate time for generation of adequate benefits and uncertainty in revenue flows
Outcome 2 Developing administrative measures for implementation of national ABS legal framework	Guidelines for the permitting system for ABS developed and approved and piloted	No guidance, circulars or manual exists for the ABS permitting and monitoring system	Set of guidelines, manual and circulars approved and in use, including models and standardized clauses for MAT, and are implemented in at least one case.	Government gazette notices Circulars, manuals, guideline documents VEA/BCA websites	*Assumption:* Political willingness and commitment for setting up an administrative system for implementation of ABS *Risk:* Institutional rivalries preventing the coordinating mechanism being effective *Risk:* Lack of capacity and involvement

[20]The development of the bio-community protocol will be supported by the legislation and be part of the pilot project considered under Outcome 4.

	Facilitation of coordination for the operationalization of the ABS permitting system among the different national authorities involved on ABS	No coordinating system exists currently	Clear instructions available (through guidelines, circulars and manuals) for coordination and information sharing between FP and NCAs, and amongst the NCAs. Network of NCA with the involvement of the NFP fully functional using, inter alia, electronic communication mechanisms Supporting mechanism for ABS monitoring and tracking in place, such as a technical advisory committee or a similar body Formally establish network/partnership between provider/user/managersand researchers using the CHM or other tools	Inter-agency coordination report Evaluation reports Official correspondence, government circulars Monitoring reports Circulars relating to set up of Committee Coordination meeting reports and minutes	of different institutions can prevent the establishment and functioning of the technical advisory body (or a similar mechanisms)
Outcome 3 Increasing awareness and capacity of all relevant stakeholders for implementation of national ABS framework	Number of national and provincial competent authorities trained in ABS to facilitate the implementation of the national ABS framework	Limited number of staff trained in ABS (BCA to provide current number of staff trained in ABS)	At least 100 staff trained, of which at least 30% would be women Training/awareness raising manuals developed and endorsed by the national authorities and used by agencies, research institutions and other stakeholders	Interviews with trainee reports On-the-ground practice evaluation	*Assumption:* Target audiences for training and awareness raising and other capacity building activities are committed to participate in project activities
	Percentage of the population of researchers, local communities and relevant private sector targeted by the awareness campaign of the legal framework	Limited number of stakeholders aware of ABS legal framework	At least 60 percent of targeted population of researcherslocal communities, and relevant private sector staff, of which at least 30% would be women aware of key provisions of ABS legal framework	Results of interviews and/or questionnaires at the beginning and end of awareness campaign Protocol document	

	National ABS clearing house mechanism operational	None exists	An ABS Clearing House system integrated into the National Biodiversity and genetic resources databases and sharing information and used as an ABS network for information sharing including between the ABS practice community (user, providers, research institutions, etc.)	Prime Minister'sDecision	
Outcome 4 Demonstrating private-public-community partnerships on access and benefit sharing	Number of ABS pilot agreements negotiated and implemented enabling equitable sharing of benefits between users and providers	No officially approved ABS agreements	Local communities enter into at least one ABS agreement approved in accordance with the legal framework to provide access to genetic resources and commercialization of at least one product	ABS legal agreement	Risk: lack of agreement and trust between partners to such an agreement
	Number of community documents[21] developed and implemented at the local level enabling the conservation, future use and equitable sharing derived from TK	No TK registers exists	At least one TK registry proposal developed Compilation of TKs associated with genetic resources surveyed and documented in the demonstration district At least one community protocol[22] developed for regulation of ABS (including PIC and MAT) from genetic resources and associated TK	TK registry proposal List of TKs documented Bio-community protocol signed document	*Assumption:* An appropriate legal assurance is included in the ABS Decree to avoid misappropriation of the TK registered *Risk:* Local communities unwilling to register their TK for fear to lose control of its knowledge *Assumption:* Community awareness and willingness to developed a community protocol *Risk:* Lack of agreement among community on the content of the protocol
	In situ conservation measures to ensure the security of the concerned biological resources are integrated into the pilot project.	Ad-hoc measures for in-situ conservation and management of genetic resources	At least one Approved Management Plan for in-situ conservation and measures being implemented	Management Plan and status report of management actions	*Risk:* Reluctance and lack of awareness of communities to conservation

[21]A TK community register is a mechanism for the recording and documentation of TK at the community level. This registers may have different objectives, characteristics and legal implications
[22]A community protocol is a written instrument which regulates, and among others how Prior and Informed Consent can be granted and how mutually agreed terms can be established including benefit sharing provisions between the community provider and the user of the genetic resources and associated traditional knowledge

	Number of best practices and lessons of ABS from pilots documented and disseminated	No documentation available	At least three policy briefs developed from best practices and lessons from the project.	Best practice documents and policy briefs documents Dissemination events	*Risk:* Confidentiality restrictions of user on particular terms of agreement and uncertainty of final outcomes of pilots

SECTION III: TOTAL BUDGET AND WORKPLAN

Award ID:	TBF	Project ID(s):	TBF
Award Title:	Access and Benefit Sharing in Vietnam		
Business Unit:	VNM10		
Project Title:	Vietnam: Capacity Building for the Ratification and Implementation of the Nagoya Protocol on Access and Benefit Sharing		
PIMS no.	5303		
Implementing Partner (Executing Agency)	Vietnam Environmental Administration – Ministry of Natural Resources and Environment		

GEF Outcome/Atlas Activity	Responsible Party/ Implementing Agent	Fund ID	Donor Name	Atlas Budgetary Account Code	ATLAS Budget Description	Amount 2016 (USD)	Amount 2017 (USD)	Amount 2018 (USD)	Amount 2019 (USD)	Total (USD)	See Budget Note:
OUTCOME 1: Strengthening national policy, legal and institutional framework for ABS	**MONRE**	**62000**	**GEF**	71200	International Consultants	18,000	26,000	16,000	14,000	74,000	1
				71300	Local Consultants	14,000	21,800	21,800	21,800	79,400	2
				72100	Contractual services	30,000	10,000	0	0	40,000	3
				74500	National Seminars	5,000	5,000	0	0	10,000	4
				74500	Training workshops and meetings	20,000	25,000	20,000	15,000	80,000	4
				71600	Travel	8,000	12,000	10,000	9,000	39,000	5
				74200	Audi-Visual and printing	3,000	9,000	10,000	3,000	25,000	6
					Miscellaneous	2,600	1,000	1,000	1,000	5,600	7
					sub-total GEF	**100,600**	**109,800**	**78,800**	**63,800**	**353,000**	

OUTCOME 2: Developing administrative measures for implementation of national ABS	**MONRE**	**62000**	**GEF**	71200	International Consultants	-	8000	10,000	0	18,000	8
				71300	Local Consultants	3,000	11,750	13,000	6,000	33,750	9
				74500	Training workshops and meetings	2,000	14,000	19,000	17,000	52,000	10
				71600	Travel	5,000	8,500	12,000	8,422	33,922	11
				72200	Equipment	-	15,000	20,000	0	35,000	12
					Miscellaneous	300	300	400	250	1,250	13
					sub-total GEF	**10,300**	**57,550**	**74,400**	**31,672**	**173,922**	
OUTCOME 3: Increasingawareness and capacity of all relevant stakeholders for implementation of national ABS framework	**MONRE**	**62000**		71200	International Consultants	-	12000	6,000	6,000	24,000	14
				71300	Local Consultants	-	10,200	10,200	10,200	30,600	15
				72100	Contractual Services	35,000	105,000	75,000	40,000	255,000	16
				75700	Training workshops and meetings	8,000	98,500	58,500	43,500	208,500	17
				71600	Travel	1,000	7,000	7,000	3,000	18,000	18
				74500	Miscellaneous	500	2,900	3,000	2,500	8,900	19
					sub-total GEF	**44,500**	**235,600**	**159,700**	**105,200**	**545,000**	

OUTCOME 4: Demonstrating private-public-community partnerships on access and benefit sharing	**MONRE**	**62000**	**GEF**	71200	International Consultants	12,000	0	6,000	6000	24,000	20
				71300	Local Consultants	15,900	26,400	34,400	50,200	126,900	21
				72100	Contractual services	5,000	100,000	100,000	35,000	240,000	22
				75700	Training workshops and meetings	8,000	35,000	60,000	63,000	166,000	23
				71600	Travel	4,600	8,500	23,000	21,000	57,100	24
				72200	Equipment	10,000	30,000	28,000	10000	78,000	25
					Audio-visual printing	-	0	0	30,000	30,000	25b
				74500	Miscellaneous	-		2,000	2,000	4,000	26
					M&E	7,000	19,000	2,000	19,000	47,000	26b
					sub-total GEF	**62,500**	**218,900**	**255,400**	**236,200**	**773,000**	
PROJECT MANAGEMENT	**MONRE**	**62000**	**GEF**	71400	Contractual Serv - Ind	32,064	32,064	32,064	32,064	128,256	27
				72500	Supplies	700	1,000	1,000	1,000	3,700	28
				71600	Travel	1,900	1,500	1,500	1,500	6,400	29
				74500	Miscellaneous	446	346	496	434	1,722	30
				74500	Direct Project Cost	2,500	5,000	5,000	2,500	15,000	31
					sub-total GEF	**37,610**	**39,910**	**40,060**	**37,498**	**155,078**	
					PROJECT TOTAL (GEF)	**255,510**	**661,760**	**608,360**	**474,370**	**2,000,000**	

Notes to budget

Note	ATLAS budget description	ATLAS code	Notes to budget	Amount
Component 1				
1	International Consultants	71200	Long-term visiting advisor to provide international experience and technical guidance to National Review Committee and MONRE for drafting of new ABS Decree, in particular to ensure complementarity with Articles of Nagoya Protocol and international best legal practice	24,000
			Long-term visiting advisor to provide international experience to work with MONRE to support the development of supporting legal documents and technical guidelines for the implementation of the new Decree on ABS	38,000
			International Consultant to undertake mid-term and final evaluation of the project to assess performance against agreed targets and outcomes	12,000
2	National Consultants	71300	National ABS legal consultant(s)with different expertise (legislation, organizational structure, information technology) to provide guidance and supportive analysis and assessments for the development of the ABS decree	21,000
			National ABS consultant(s) to work with MONRE to support the development of legal documents (policies, circulars, technical guidelines etc.) for the implementation of the ABS Decree	50,400
			National consultant to prepare and edit legal documents for publication and promulgation of the new Decree on ABS and related supporting legal documents	9,000
3	Contractual Services	72100	Contractual Services to undertake stocktaking of legal, institutional, and administrative aspects of access and benefit sharing. This contractual agreement might include international (if needed) and national experts and field surveys to collect information and undertake consultations.	40,000
4	Training (workshops, meeting, study visits, etc.)	75700	A range of consultation workshops and consultation related to: (i) developing the new ABS Decree; (ii) preparation of technical guidelines for implementation of ABS Decree; (iii) preparation of supporting legal documents for coordination and information sharing between FP and NCAs and amongst the NCAs; and (iv) dissemination and extension of new ABS law	80,000
			National seminars, workshop and consultation for reaching consensus of content of new ABS Decree	10,000
5	Travel	71600	Relating to visits of MONRE and other agency staff and national and international consultants to field in relation to undertaking assessment and analysis of legal, procedural and administrative responsibilities for ABS as well as dialogue on provisions of ABS Decree and requirements for guidelines, circulars and other information	38,000
6	Audio-Visual and printing	74200	Audio-visual and material and printing costs for dissemination of new law on ABS and related legal documents and guidelines	25,000
7	Miscellaneous		Cost of photocopying, advertisements, communications, etc.	5,600
Component 2				

Note	ATLAS budget description	ATLAS code	Notes to budget	Amount
8	International Consultant	71200	Long-term visiting advisor to provide international expertise to facilitate the preparation of manuals and other tools for supporting partnership building, including for implementing a permitting system for ABS	6,000
			Long-term visiting advisor to provide international experience and expertise to support ABS partnership building process	12,000
9	Local Consultants	71300	National consultant to support the Technical Advisory Committee to develop ABS monitoring and tracking protocols and guidelines	3,750
			National consultant to help develop protocols and guidelines and manuals to facilitate the operationalization of the ABS permitting system	15,000
			National consultant to develop guidelines and protocols to facilitate partnership arrangements among involved parties (providers, users and user companies, researchers and communities)	6,000
			National consultant to help develop technical report for negotiation of ABS grant agreement	9,000
10	Training (workshops, meeting, study visits, etc.)	75700	Workshops and consultations with key agencies and local stakeholders to reach agreement on broad areas of coverage for the permitting systems and reach agreement on protocols and guidelines and manuals developed for the permitting system and training of NCAs, Focal Points and functional bodies for performing their duties relating to the ABS legislation.	52,000
11	Travel	71600	Travel costs for BCA and key agency and consultant visits to provinces and local communities during the process of preparation of permitting systems and developing guidelines for its operation and monitoring and tracking of its functioning.	33,922
12	Equipment	72200	Communication, information technology and software to be purchased for national Focal Points and NCAs identified as partners in the partnership panel for ABS management and monitoring	**35,000**
13	Miscellaneous	74500	Communications, photocopy, postage and related costs	**1,250**
Component 3				
14	International Consultants	71200	International consultant to conduct training of key agencies (government agencies, research institutions, private sector etc.) at the national level and produce training materials on aspects of ABS permitting and monitoring, including contract negotiation and agreements. Cultural Community protocols, benefit sharing arrangements and TK, regulation of ABS and TK, financial instruments for channelling revenues for conservation, etc.	18,000
15	Local Consultants	71300	National Consultant to support training and communication activities under	52,000

Note	ATLAS budget description	ATLAS code	Notes to budget	Amount
			Components 2 and 3 (44 month contract)	
16	Contractual Services	72100	Contractual agreement with firm to undertake an capacity needs assessment and awareness raising needs assessment for implementation of Nagoya Protocol and prepare a capacity development and awareness building plan and prepare communication and training programs and materials on ABS for various stakeholders	40,000
			Contractual agreement with firm to collect available data for GR and TK related profiles and design data base systems and clearing house mechanism	80,000
			Contractual services with firm or institution to provide regular update of ABS website	25,000
			Contractual services to firm for design of awareness raising materials on ABS (brochures, briefs, fact sheets, manuals, etc.)	40,000
			Contractual services to firm to produce media related awareness materials for broadcast (knowledge cafes, newspapers, radio, TV and internet broadcasts, etc.)	70,000
17	Training (workshops, meeting, study visits, etc.)	75700	Overseas study tours of key government agencies, NCAs and focal points and other targeted agencies to study successful implementation of ABS permitting and monitoring systems, including management and monitoring of legal contract arrangements on benefit sharing, implementation of benefit sharing arrangements between producers and consumers, management IPR concerns, etc.	50,000
			Workshops, meeting, consultations and other training programs for (i) capacity gap analysis and assessment and training needs; (ii) development of national plan/master scheme for ABS; (iii) training at national and provincial and district and local level on ABS and TK aspects, including development, management and monitoring of contract agreements, traditional knowledge use and protection, sustainable resource use and monitoring; (iv) training on database management, (v) training on preparation of cultural community protocols; (vi) training on development of TK registers, etc.	143,000
18	Travel	71600	Travel costs for BCA staff, consultants and other resource person for conduct of consultations and training programs	18,000
19	Miscellaneous		Communications, photocopies, advertisements, mailing costs, etc.	9,000
Component 4				
20	International Consultants	71200	Long-term visiting advisor to assist with design and drafting of pilot model agreements/contracts for enabling equitable between sharing between users and providers at pilot sites	12,000
			International consultant to provide international experience on GK and TK registration and provide technical assistance to preparation of TK registers at the local level	12,000
21	Local Consultants	71300	National consultant to assess existing models at pilot sites to help development improved implementation plans at selected project pilot sites.	12,000

Note	ATLAS budget description	ATLAS code	Notes to budget	Amount
			National consultant to assist with implementation at the pilot sites, including drafting legal agreements/ contracts, promoting negotiation process, conducting capacity building activities to ensure terms and obligations of the agreements are understood and acted upon accordingly and monitoring implementation of such contract agreements	50,400
			National consultant to guide and facilitate the preparation of registration dossiers for genetic resources and TK at the local level that would enable the conservation, future use and equitable sharing of benefits derived from genetic resources and associated traditional knowledge	15,000
			National consultant to develop manuals that would guide genetic resource and traditional knowledge registration process	15,000
			National consultant to prepare best practice note and briefs derived from ABS pilots	15,000
			National consultant(s) to undertake mid-term and final evaluation of the project as against agreed targets and outcomes and audit costs	24,000
22	Contractual Services - Companies	72100	Contractual firm or institution to undertake detailed survey of pilot province (Lao Cai) GR and TK in order to build up a provincial profile of GR and TK available in the province and for inclusion in provincial database systems	100, 000
			Contractual firm to conduct conservation measures (including in-situ methodology coupled with technical training and capacity building activities) to protect concerned biological resources at the pilot area	100,000
			Contractual firm to support research and development related to proposed three new products and commercialization of at least one product to be developed in pilot site.	40,000
			Contractual firm or institution to prepare audio-visual materials for dissemination of best practice and experiences	25,000
23	Training (workshops, meeting, study visits, etc.)	75700	Training workshops, meetings and consultations at the provincial, local and community level as well as involving research institutions and private sector entities for negotiation and management of private and public partnerships on ABS and traditional knowledge, in particular for (i) assessment and identification of activities to be implemented at the pilot sites; (ii) development of provincial genetic resource and traditional knowledge profiles; (iii) negotiation and development of ABS agreements among stakeholders; (iv) capacity building of providers to understand pilot agreements; (v) development of provincial registers/profiles of GR and TK; (vi) development of manuals to guide TK registration; (vii) preparation and dissemination of best practices in ABS; and (viii) exchange visits among pilot communities and stakeholders. This includes workshops for project launch, mid-term and final evaluation assessments	161,000
24	Travel	71600	Travel costs for BCA staff, provincial staff, resource persons and communities to participate in consultations, training and study tours related to development,	67,600

Note	ATLAS budget description	ATLAS code	Notes to budget	Amount
			implementation and monitoring of ABS pilot agreements. Also includes international travel in relation to mid-term and final evaluation	
25	Equipment	72200	Information technology equipment, audio-visual, and communications equipment for provincial and local communities in the pilot province	40,000
			Vehicle to support field activities	50,000
25b	Audio-Visual and Printing	74200	Audio-visual and material and printing costs for dissemination and documentation of lessons learnt and policy briefs on pilot activities	30,000
26	Miscellaneous	74500	Communications, photocopies, advertisements, mailing costs, etc.	4,000
Project Management				
27	Contractual Services - Individuals	71400	Full-Time Project Manager to be responsible for day-to-day management of project activities and the delivery of its outputs. The PM will support and coordinate the activities of all partners, staff, and consultants as they relate to the implementation of the project	59,616
			Part-Time Project accountant will be responsible for management and monitoring of all financial activities related to the project	28,800
			Full-time Project Assistant to support the project management board and under assignment of PMU and direct supervision of PM	39,840
28	Supplies	72500	Stationary, etc.	3,700
29	Travel	71600	Travel cost for Project Management team	6,400
30	Miscellaneous	74500	Bank transfer fees, telephone and communication costs, postage, insurance and security, etc.	1,722
31	Project Direct Cost	74599	Estimated UNDP Direct Project Service/Cost recovery charges. The costs that are related to operational and administrative support activities carried out by UNDP offices such as a) HR activities b) Procurement activities, and c) finance transactions.	15,000

SECTION IV: ADDITIONAL INFORMATION

PART I: CO-FINANCING LETTERS

-- See separate file—

PART II: LETTER OF AGREEMENT

-- See separate file—

PART III: TERMS OF REFERENCE FOR KEY PROJECT STAFF

The following are the indicative TORs for the project management staff to be recruited under the project TORs for these positions will be further discussed with UNDP so that roles and responsibilities and UNDP GEF reporting procedures are clearly defined and understood.

Project Manager (PM)

The PM will be responsible for the day-to-day management of project activities and the delivery of its outputs. The PM will support and coordinate the activities of all partners, staff, and consultants as they relate to the implementation of the project. The PM will report to the UNDP Project Officer and BCA´s Director (or its representative) and will be responsible for the following tasks:

Tasks:

- Prepare detailed work plan and budget under the guidance of the SC and UNDP;
- Make recommendations for modifications to the project budget and, where relevant, submit proposals for budget revisions to the SC, and UNDP;
- Facilitate project planning and decision-making sessions;
- Facilitate relevant agreements with stakeholders and the day to day liaison with them
- Organize the contracting of consultants and experts for the project, including preparing TORs for all technical assistance required, preparation of an action plan for each consultant and expert, supervising their work, and reporting to the UNDP Project Officer;
- Provide technical guidance and oversight for all project activities;
- Oversee the progress of the project components conducted by local and international experts, consultants, and cooperating partners;
- Coordinate and oversee the preparation of all outputs of the project;
- Foster, establish, and maintain links with other related national and international programs and national projects, including information dissemination through media such as web page actualization, etc.;
- Organize SC and other meetings as well as annual and final review meetings as required by UNDP, and act as the secretary of the SC;
- Coordinate and report the work of all stakeholders under the guidance of UNDP;
- Prepare PIRs/APRs in the language required by the GEF and the UNDP´s CO and attend annual review meetings;
- Ensure that all relevant information is made available in a timely fashion to UNDP regarding activities carried out nationally;
- Prepare and submit quarterly progress and financial reports to UNDP as required, following all UNDP quality management system and internal administrative process;
- Coordinate and participate in M&E exercises to appraise project success and make recommendations for modifications to the project;
- Prepare and submit technical concepts and requirements about the project requested by UNDP, or other external entities;
- Perform other duties related to the project in order to achieve its strategic objectives;
- Ensure the project utilizes best practices and experiences from similar projects;
- Ensure the project utilizes the available financial resources in an efficient and transparent manner;

- Ensure that all project activities are carried out on schedule and within budget to achieve the project outputs;
- Solve all scientific and administrative issues that might arise during the project.

Outputs:

- Detailed work plans indicating dates for deliverables and budget;
- Documents required by the control management system of UNDP;
- TORs and action plan of the staff and monitoring reports;
- Quarterly reports and financial reports on the consultant's activities, all stakeholders' work, and progress of the project to be presented to UNDP (in the format specified by UNDP);
- A final report that summarizes the work carried out by consultants and stakeholders during the period of the project, as well as the status of the project outputs at the end of the project;
- Minutes of meetings and/or consultation processes;
- Yearly PIRs/APRs;
- Adaptive management of project.

Qualifications (indicative):

- A graduate academic degree on natural sciences;
- Minimum 5 years of experience in project management;
- Experience on abs legislation, natural product development, research and development, knowledge on the institutional framework on abs and related issues.
- Experience facilitating consultative processes, preferably in the field of natural resource management;
- Proven ability to promote cooperation between and negotiate with a range of stakeholders, and to organize and coordinate multi-disciplinary teams;
- Strong leadership and team-building skills;
- Self-motivated and ability to work under the pressure;
- Demonstrable ability to organize, facilitate, and mediate technical teams to achieve stated project objectives;
- Familiarity with logical frameworks and strategic planning;
- Strong computer skills;
- Flexible and willing to travel as required;
- Excellent communication and writing skills in English;
- Previous experience working with a GEF-supported project is considered an asset.

Project Accountant

The Project Accountant is responsible for the financial and administrative management of the project activities and assists in the preparation of quarterly and annual work plans and progress reports for review and monitoring by UNDP.

The Project Accountant will have the following responsibilities:

- Responsible for providing general financial and administrative support to the project;
- Take own initiative and perform daily work in compliance with annual work schedules;

- Assist project management in performing budget cycle: planning, preparation, revisions, and budget execution;
- Provide assistance to partner agencies involved in project activities, performing and monitoring financial aspects to ensure compliance with budgeted costs in line with UNDP policies and procedures;
- Monitor project expenditures, ensuring that no expenditure is incurred before it has been authorized;
- Assist project team in drafting quarterly and yearly project progress reports concerning financial issues;
- Ensure that UNDP procurement rules are followed during procurement activities that are carried out by the project and maintain responsibility for the inventory of the project assets;
- Perform preparatory work for mandatory and general budget revisions, annual physical inventory and auditing, and assist external evaluators in fulfilling their mission;
- Prepare all outputs in accordance with the UNDP administrative and financial office guidance;
- Ensure the project utilizes the available financial resources in an efficient and transparent manner;
- Ensure that all project financial activities are carried out on schedule and within budget to achieve the project outputs;
- Perform all other financial related duties, upon request

Qualifications and skills:

- At least an Associate's Degree in finance, business management, or related fields;
- Experience in administrative work or related to project implementation;
- A demonstrated ability in the financial management of development projects and in liaising and cooperating with government officials, NGOs, etc.;
- Self-motivated and ability to work under the pressure;
- Team-oriented, possesses a positive attitude, and works well with others;
- Flexible and willing to travel as required;
- Excellent interpersonal skills;
- Excellent verbal and writing communication skills in Vietnamese and English;
- Good knowledge of Word, Outlook, Excel, and Internet browsers is required;
- Previous experience working with a GEF-supported project is considered an asset.

Project Assistant (PA)

This Project Assistant Position is responsible for Administrative support with the following duties:

- Provide assistance in the operational management of the project according to the project document and the NEX procedures.
- Provide support in preparing project events, including workshops, meetings (monthly, quarterly and annual), study tours, trainings, etc., as required.
- Take care of project telephone, fax, and email system;
- Assist with preparation of TORs and contracts for consultants for project activities.
- Prepare quarterly advance requests to get advance funds from UNDP in the format applicable.
- Support to organize meetings, workshops/training as required in the project quarter work plan, as per requested by the project coordinator/manager.

- Provide translation to maintain working flow among national and international consultants;
- Keep track of project documents and regularly report to PMU.
- Other tasks as requested by the PMU

Qualifications and Skills

- University degree in accounting, finance or related fields;
- Solid experience of budgeting, planning and reporting on foreign funded project.
- Knowledge in administrative and accounting procedures of the Government
- Good computer skills in common word processing (MS Word), spreadsheet (MS Excel), and accounting software.
- Appropriate English language skills, both spoken and written.

Technical Consultants to be Hired using GEF Resources

Position Titles	Component	Estimated Person Weeks	Tasks to be Performed
A. International Consultants			
ABS legal specialist No 1 (to guide development of new decree)	1	8	Long-term visiting advisor to provide technical guidance to project implementation including National Review Committee and MONRE for drafting of new ABS Decree, in particular to ensure complementarity with Articles of Nagoya Protocol and international best legal practice. This consultant tasks include the revision of existing reports and diagnosis; identification of gaps of the ABS legal system in Vietnam (Annex to the UNDP Project Document could be used as a basis for his/her work) and proposed legal interventions to overcome the gaps based on best practices including emerging measures developed or under development for the implementation of the Nagoya Protocol in other countries; review of international relevant processes affecting the drafting of the new decree; provide input and review relevant drafts of the decree and related documents prepared by the national consultant-
ABS legal specialist No 2 (to guide preparation of circulars for implementation of new ABS Decree)	1	12.5	Long-term visiting advisor to provide technical guidance to project implementation including work with MONRE in the development of circulars for the implementation of the new Decree on ABS. Consultant will provide advice on the content and approach of the measures required to implement the new decree; review the national consultant draft and proposal and provide feedback on key issues upon request of the national consultant or the committee.
ABS technical specialist (for preparation of manuals and guidelines)	2	2	Long-term visiting advisor to provide technical guidance to project implementation including to facilitate the preparation of guidelines, manuals, circulars, and other tools and protocols for establishing a functional permitting and administrative system for ABS
ABS Partnership Building Support Specialist	2	4	Long-term visiting advisor to provide international experience and expertise to support partnership building process
ABS capacity building and training specialist	3	2	International consultant to conduct training of key agencies (government, research, private sector institutions) at the national level and produce training materials on aspects of ABS permitting and monitoring, including contract negotiation and agreements. Cultural community protocols, benefit sharing agreements, regulation of ABS and TK, financial instruments for channelling revenues for conservation..
ABS Contract	4	4	Long-term visiting advisor to provide technical

Development Specialist			guidance to project implementation including to design and develop pilot agreements for enabling equitable between sharing between users and providers. The consultant will provide detailed guidance on the process negotiation and on content of the potential agreements to be negotiated and developed between the different users and providers working closely with the national legal consultant, national authorities and relevant stakeholders.
Traditional Knowledge Registration and Management Specialist	4	4	International consultant to provide advice in the preparation of genetic resource and traditional knowledge registers at the local level (pilot sites) as well as on the development of bio-community protocols
Project Evaluation Specialist(s)	1	4	International consultant to oversee the mid-term and final evaluation of the project to assess progress towards outcomes and targets
National Consultants			
ABS Legal Specialist Team (to support for development of new ABS Decree)	1	28	National ABS specialist team with different specialities (legislation, access and benefit sharing, organizational management, information technology, etc.) to support the review committee in assessments and analysis and help prepare drafting proposals. The team will provide technical support to the review committee on key ABS issues; participate in meetings and workshops; prepared draft proposal; work with the international consultant in the development of the drafts and in addressing comments from the stakeholders; and improve and finalize the proposal based on the feedback received from different stakeholders, the international consultant and the committee.
ABS Legal Specialist No 1 (to support development of circulars and guidelines for ABS Decree implementation)	1	36	National ABS consultant to work with MONRE in supporting the development of technical guidelines and circulars for the implementation of the ABS Decree. ABS national specialist will provide technical support to MONRE on key ABS issues; participate in meetings and workshops; prepared draft circulars and technical guidelines; work with the international consultant in the development of these documents and in addressing comments the stakeholders; and improve and finalize the documents, based on the feedback received from different stakeholders, MONRE and the international consultant.
ABS Legal Specialist No 2 (to support information and tools for coordination	1	12	National consultant to support the development and edit of legal documents for publication and promulgation of the new Decree on ABS and

amongst NCAs)			related supporting legal documents. This consultant task will be to prepare relevant materials including brief, brochures, information notes, and other types of outreach material for the proper dissemination of the new decree among different stakeholders.
ABS Technical Specialist	2	5	National consultant to support the Technical Advisory Committee to develop proposal for establishment of ABS monitoring and tracking protocols and guidelines. ABS national specialist will provide technical support to the review committee on key ABS issues; participate in meetings and workshops; prepared draft proposals for these documents; work with the international consultant in the development of the drafts and in addressing comments from the stakeholders; and improve and finalize the proposals based on the feedback received from different stakeholders, the international consultant and the committee.
ABS Operational Management Specialist	2	20	National consultant to help develop protocols, guidelines and manuals for facilitating the permitting system for ABS. The tasks for this national consultant will be similar than those provided for below but the scope of his/her work will be limited to the operationalization of a coordinating mechanism for the proper function of the permitting and administrative system
ABS Technical Management Specialist	2	13	National consultant to develop guidelines and protocols to facilitate partnership arrangements among involved parties (providers, users and user companies, researchers and communities). The tasks for this national consultant will be similar than those provided for below but the scope of his/her work will be limited to the facilitation of partnerships and arrangements between user and provider in the light of the permitting and administrative ABS system developed.
ABS Grant Agreement Specialist	2	12	National Consultant to develop technical reports for negotiation of ABS grant agreements.
ABS Training Specialist	3	44	National Consultant to support the conduct of training and communication activities under Components 2 and 3
ABS Pilot Project Implementation Technical Specialist	4	16	National consultant to assess the existing pilot projects for selection and development of enhanced implementation plan for the two pilot sites to enhance incomes, benefit sharing and conservation. This consultant will- based on the implementation plan prepared for the pilots- provide more detailed plan for the actions required for the improved implementation of the pilots.
ABS Legal Contract Specialist	4	36	National consultant to assist with the implementation at the pilot sites, including

			drafting and monitoring legal agreements and contracts, promoting negotiation process, conducting capacity building activities to ensure terms and obligations of the agreements are understood and acted upon. .
ABS Survey and Community Protocol Development Specialist	4	20	National consultant to guide and facilitate- in close coordination with the international consultant- the consultation, survey, documentation and preparation of registers at the local level (pilot level) as well as of bio-community protocols that would enable the conservation, future use and equitable sharing of benefits derived from genetic resources and associated traditional knowledge
Traditional Knowledge Registration and Management Specialist	4	20	National consultant to develop manuals, guidelines, dossiers, etc., that would guide traditional knowledge registration and the development of bio-community Protocols. The national consultant will work closely with the international consultant and will consult and guide his/her work based on international instruments and best practices developed for the registration of TK and for the development of bio-community Protocols.
ABS Documentation Specialist	4	20	National consultant to prepare best practice note and briefs derived from ABS pilots
Project Evaluation Specialist(s)	4	16	National consultant(s) to participate in the mid-term and final evaluation of the project
Project Monitoring Specialist	4	16	National consultant to facilitate monitoring of the project outcomes and impacts, including establishing of monitoring framework and systems, guiding and support local staff in monitoring and facilitating assessment of monitoring impacts
National Contractual Services			
ABS Stocktaking	1	20	Contractual Services (including field visit and consultation) to undertake stocktaking exercise to help assess and analyse relevant legal and administrative documents and procedures and institutional aspects relating to ABS
ABS Institutional Assessment	3	25	Contractual agreement with firm to undertake an institutional analysis of capacity and knowledge (including capacity gaps) for implementation of ABS decree and NP and prepare a capacity development and awareness building plan and prepare communication and training programs and materials on ABS for various stakeholders
ABS Database Development	3	55	Contractual agreement with firm to set up documentation and inventory of GR and TK related aspects. This would involve collection of available data on genetic resources, ABS and TK and design database system and clearing house mechanism, prepare GR and TK profiles.
ABS Website Update support	3	10	Contractual agreement to provide regular update on ABS and TK and related aspects in ABS

			website
ABS Awareness Program Design	3	20	Contractual services to firm for design of awareness raising materials on ABS (brochures, briefs, fact sheets, manuals etc.).
ABS Media Design Support	3	35	Contractual services to firm to produce awareness and publicity materials for broadcasting purposes (knowledge cafes, newspapers, radio and TV)
Traditional Knowledge Profile Development	4	80	Contractual firm or institution to undertake detailed surveys of pilot province/district and develop genetic resource and traditional knowledge profiles for potential inclusion in provincial register system at a later time
ABS Training Support for Management of Public-Private Partnerships	4	50	Contractual firm or community-based organization to train and enhance capacity of provincial and local authorities for management and monitoring of local initiatives on ABS
R & D Support	4	12.5	Contractual firm to support R&D related to product development and commercialization
ABS Dissemination support	4	25	Contractual firm or institution to prepare audio-visual materials for dissemination of best practice and experiences

PART IV: UNDP ENVIRONMENTAL AND SOCIAL SCREENING

ANNEX 5: UNDP ENVIRONMENTAL AND SOCIAL SCREENING

PART V: STATUS OF BASELINE ACTIVITIES IN PILOT PROJECT SITE

Overview

In the Sa Pa pilot site, in the mountains live a number of people that belong to the Red Dao group. The Ta Phin commune which is the focus of the pilot project has a total natural forest area of26.82km^2, a population of 2,937 (2009), and a population density of 72persons/km$^{2.}$ The commune is one of four sub-alpine communes of Sa Pa district in the Lao Cai Province, with an average elevation of 1,200–1,800m above mean sea level. The Ta Phin community have held traditional knowledge for natural medicinal plant products that they have used for generations for skincare, relaxation, relieving sore feet and pain, as skin cleansers, as natural skin moisturizers, and for treatment of rheumatism, arthritis and headaches and for treatment of women after birth. In 2006, a project on *commercialization of indigenous products of the Red Dao minority* was established by the Hanoi University of Pharmacy (HUP) and the Centre for Research and Development of Ethno-medicinal Plants (CREDEP) in collaboration with the Red Dao Community of Ta Phin village. The results of above-referenced project have supported the development and commercialization of some products arising from the genetic resources of the Red Dao community.

The pilot at Sa Pa involves the use of medicinal plants for preparation of bathing techniques and products. The suppliers of the genetic resources are largely the Red Dao group. Thirteen medicinal plant species are used for the bathing mix based on old traditional knowledge of medicinal plants by the Red Dao community. These include *Elsholtziapenduliflora*, *E. blanda*, *Fokienahodginsi*, *Litseacubebas*, *Amomumaromaticum*, *Schefflera* sp., *Sambacichinensis*, *Radix clematidis*, *Cinnamomumcassina*, *Sambuccussimpsonii*, *Cissampelopsisspelaericola*, *Lasianthuscoeruleaus* and *Stauntoniacavaleriana*. These plants are the source of raw materials for the pharmaceutical industry. The plant genetic resources are mostly exploited from the forest by the ethnic groups from the communes of Ta Phin, Hauthao and Supan in the Sa Pa district in Lao Cai Province. Of these 13 species, four species are at risk of becoming locally threatened due to overexploitation, namely *Cissampelopsisspelaeicola*, *Lasianthuscoeruleus*, *Stauntoniacavaleriana* and *Litseacubebas*.

SapaNapro[23]was set up to use and commercialize the resources of the community for bathing medicines and pharmaceutical products. The bathing products that have been commercialized are currently being used for treatment of diseases and other health conditions in many different ways. They cultivate medicinal plants, and apply zoning for the conservation and protection of forests and precious medicinal plants in order to ensure sustainable harvest. SapaNapro is also working on improving bathing techniques and oil massage products from these genetic resources. In addition, some new bathing products of Red Dao ethnic minority from plant genetic resource are also under investigation by SapaNapro that needs additional research and development.

This pilot project will be led by SapaNapro which was established in 2007 with USD 40,000 charter capital and 80 shareholders, of which 70 the members belongs to the Red Dao ethnic group and the remainder from local authorities from Ta Chai village and scientists. Of the Red Dao ethnic group representation over 25% are from the Ta Phin Commune. The Company's head office is located in Ta Chai Village, Ta Phin Commune of the Sapa District of Lao Cai Province. There is currently a contract

[23]http://www.floral.vn/san-pham.html

between SapaNapro and Red Dao ethnic group, but this agreement is not in full accordance with the ABS procedures under the Nagoya Protocol. The GEF increment intends to correct this situation by making the contractual arrangements fully compatible with the Nagoya Protocol and in line with international best practices.

Further, all community members are not part of the current agreement. However, as part of the existing contract agreement, the distribution of benefits from the sale of bathing products and bath services are as follows:

- Collectors of medicinal plants are paid according to the value of medicinal plant species collected;
- The local workers are paid a monthly salary;
- The shareholders are entitled to the annual profit;
- Benefits for the community are 5-10% of the profit that is used for community socio-cultural activities;
- Old women, who are the masters of the bathing techniques are paid 3 million VND (USD 150)/year; and
- Scientists (of HUP) are paid 5% of annual profits

While Sapanapro is one partner in the pilot site, it is useful to mention that as part of the baseline activities in the pilot site, a number of meetings have been held with the Ta Phin commune (representative body of the Red Dao community) to define the purpose of the establishment of Sapanapro (Red Dao private company) and seek the consent and willingness of the community to participate in this company. All Red Dao families were invited to participate as shareholders of Sapanapro and open meetings were held to elect representatives to the board of the company. The elected community representatives participate on decisions regarding operations of Sapanapro. The Red Dao community members (even though they might not be shareholders) participate in a range of activities of Sapanapro, including supply of raw materials, provision of information on collection techniques, harvest rates etc. and in decisions regarding products, and in benefits provided by the company (as discussed earlier).The elected community representatives participate in decisions regarding products, production and benefit sharing arrangements, as well as evaluation of the performance of the company. Over 51% of the shares of the company are held by the Red Dao group. This is the current situation in the pilot site. The project will further enhance and develop protocols on community representation, benefit sharing, roles and responsibilities etc. of the community groups based on the guidance from the Nagoya Protocol

The bathing remedies that have already been developedby SapaNapro are Dao'spa Mama; Dao'spa Relax; Women and Dao'spa.Other products expected in the future are an oil massage, children spa and improved Dao' spa. The GEF increment will support the development of the oil massage, children spa and improved Dao' spa with the support of SapaNapro and the involvement of research institutions, including HUP and VNUA.

Current Status of Research and Development

Although, SapaNapro and the Ta Phin community are keen on developing potential new products and have conducted very preliminary investigation on potential new products, it is highly unlikely that the research and development necessary for the development of new products (including the oil massage, children spa product and improved Dao' spa) and their commercialization and the subsequent negotiation of ABS agreements would materialize. With GEF resources.

However, in terms of the current status of research and development in the pilot site related to the existing products, the traditional knowledge and use of the plants: *Elsholtziapenduliflora; Elsholtziablanda; Fokieniahodginsi* and *Litseacubebas*have already been accessed and researched by private and social enterprises and national research institutes respectively. The plants have been accessed for two potential uses in the pharmaceutical and cosmetic industry. Firstly, private companies have already developed products based on the essential oil extracts of the plant *Elsholtziapenduliflora* for bathing and cosmetic products. The private companies intend to access and research leading compounds in the plants for analgesic properties, anti-bacteria, and anti-fungal properties in the future. Secondly, research institutes have conducted pharmacology studies and intend to conduct further studies to identify other potential active compounds on muscle analgesic and skin care properties. Hanoi University of Pharmacy has led research study on composition of prescriptions, effect and pharmacological activities, trials on volunteers and compiled results in a research paper (Report of the study on producing procedure for 3 bathing product from medicinal material, 2011, Hanoi University of Pharmacy). The research focused on the plants chemical composition and chemical responses in qualitative terms, on the quantification of the main substance of the medicinal plants and research and recommendations of standards for the manufacturing and production processes. The research on these genetic resources is at early stages of the R&D process.

The research has tested and validated the efficacy and active ingredients of the bathing products. The research findings have demonstrated thepharmaceutical effectiveness and value and include the following:

Amomumaromaticum (Zingiberaceae). The Cardamom seeds contain oil at a rate of 1-1.5%, including α-pinene 0.3%, β- pinene 0.2%, α-phelandren 0.2% and many other substances.

Elsholtziapenduliflora (Lamiaceae) The tree contains essential oil at a rate of 0.4-0.5%, mainly Cineol component (75-80%). There is also α- and β- pinene, and Terpineol.

The above-mentioned medicinal plants will be the two main species used in the formalization of an oil massage, children spa product and improved Dao' spa that would be supported by the GEF project.

In addition, current research and development has focused on the production of the three products, listed below,all of which also include ingredients from *Amomumaromaticum*and*Elsholtziapenduliflora*, the two main species for the new products to be supported by GEF funding:

<u>*Relax Spa product:*</u> The main plant species that are used for making this product are: *Caulis et folium Sambucichinensis, Caulis et folium Musaeandae, Folium Elsholtziaependuliflorae, Caulis et folium Fici, Caulis et folium Clematidis*and *Amomumaromaticum.* The procedure to make the relaxing spa paste liquid has been developed including: standard for material collecting, producing paste liquid. The effectiveness of the Relax Spa product has been tested on frogs' heartbeat, blood vessel of rabbit ears and on mice. It showed that the Relax Spa has the effect on increasing frogs' heartbeat, vasodilation in rabbit, and reduced pain in mice.

Sauna product: The raw plant materials used in this product are *Elsholtziapenduliflora*, *Elsholtziablanda*, *Fokienahodginsii* and *Amomumaromaticum*. The research results show that the quantity of essential oil in the three species is very high (above 60%). Further, the procedure to make the Sauna products has been developed; and safety tests of the product have been carried out in volunteer people for skin allergenicity, heartbeat, body temperature, and blood pressure.

Foot soaking product: The materials used for this preparation come from the plants *Sambucussimpsonii*, *Elsholtziapenduliflora*; *Schefflera sp*., *Cinnamomum cassia* and *Amomumaromaticum*. The research has helped develop the procedure to make the foot soaking product paste liquid, the standardization of material collecting, and production of liquid paste; the testing for effects on pain relief, vasodilation in rabbit, antibacterial and antifungal activity; and safety testing on skin allergenicity.

Need for the GEF increment.

In the on-going "baseline pilot", there are a number of constraints for improving negotiation and benefit sharing in accordance with the provisions with the Nagoya Protocol. In particular, there is no process for traditional knowledge registration or dealing with IPR concerns because the ethnic group is unaware of the process for addressing these issues. In the existing pilot, the providers have rightstoestablish MAT over the genetic resources and associated traditional knowledge. The genetic resources providers in the pilot have rights to manage genetic resources under Article 55, Chapter 5 of theLaw on Biodiversity (2008), but this arrangement is not sufficient to ensure that such agreements and benefit sharing meet the requirements of the Nagoya Protocol. Further, while, the Provincial People's Committee (PPCs) and other provincial authorities are interested in the management of genetic resources and improving benefit sharing, they have limited experience in granting PIC, and establishing and negotiation MATs and ABS Agreements in accordance with the Nagoya Protocol procedures. In addition, the process of collaborative decision-making among the providers is very rudimentary and unclear because of the low level of education of the ethnic group.

The project will support activities that will strengthen *in situ* conservation and provide additional information that might be useful to identify additional non-timber forest species and rare and valuable species conservation. Scientific studies and tests are necessary to further validate chemical compounds in the plants and the medicinal and pharmaceutical properties, and develop new products and commercialize them. Proven scientific effects will have to be determined for the new products by the users before production stage. The products will take the form of dietary supplements, essential oils, bathing products. However, it is acknowledged that the full R&D process will take longer than the project timeframe. The project will aim to support the negotiation and establishment of an ABS agreement at the research stage to regulate the access of companies and research centres to the resources and to secure fair and equitable share of the benefits in the event of product development.

Given the status of the pilot "baseline project" (as described above) and the willingness of the partners to work together for implementation of proposed in component 4.1(a) such as the advancement of research and development of existing and new products and their commercialization, improving monetary and non-monetary benefit sharing arrangements, enhancing technology transfer between user and provider of existing and the framing of new ABS agreement that conforms to the principles of the Nagoya Protocol. The private entity has confirmed willingness to provide USD 200,000 as co-financing during the period of the project. Given the strong ownership and commitment, it is very likely that these outcomes can be achieved within the project period.

PART VI: UNDP/GEF ABS CAPACITY DEVELOPMENT SCORECARD

Strategic Area of Support	Issue	Scorecard	Initial Evaluation	Evaluative Comments
1. Capacity to conceptualize and formulate policies, laws, strategies and programmes	The Access and Benefit-Sharing (ABS) agenda is being effectively championed / driven forward	0 -- There is essentially no ABS agenda; 1 -- There are some persons or institutions actively pursuing an ABS agenda but they have little effect or influence; 2 -- There are a number of ABS champions that drive the ABS agenda, but more is needed; 3 -- There are an adequate number of able "champions" and "leaders" effectively driving forwards an ABS agenda	1	Biodiversity Conservation Agency/MONRE is assigned as focal point of the Nagoya Protocol on ABS as well as the implementation agency on ABS as assigned under the Biodiversity Law (2008), but has limited influence
	There is a legally designated institution(s) responsible for ABS with the capacity to develop a national ABS framework (i.e., laws, policies and/or regulations)	0 -- There is no institution(s) responsible for ABS; 1 – The institution(s) has financial resources but has limited personal and expertise; 2 – The institution(s) has financial resources and personal but limited expertise; 3 – The institution(s) has sufficient financial resources, personal and expertise.	1	There is a single Division under BCA directly responsible for ABS-relevant issues. However, this Division consists of only 5 staffs who are assigned to develop ABS related policies and regulations
	There is a legally designated institution(s) responsible for ABS and able to update the ABS national framework	0 – The institution(s) does not have the financial resources, personal, and expertise; 1 – The institution(s) has financial resources but has limited personal and expertise; 2 – The institution(s) has financial resources and personal but limited expertise; 3 – The institution(s) has sufficient financial resources, personal and expertise.	0	Although BCA is the designed institution for ABS, there is limited financial provision and little or no participation of other line ministries and institutions. International expertise on ABS is also in lacking.

Strategic Area of Support	Issue	Scorecard	Initial Evaluation	Evaluative Comments
2. Capacity to implement policies, legislation, strategies and programmes	There is a legally designated ABS institution(s) responsible for ABS that can facilitate the implementation of the national ABS framework.	0 – The institution(s) does not have the financial resources, personal, and planning/management skills; 1 – The institution(s) has financial resources but has limited personal and planning/management skills; 2 – The institution(s) has financial resources and personal but limited planning/management skills; 3 – The institution(s) has sufficient financial resources, personal and planning/management skills.	0	As mentioned, a Division under BCA is mandated for this work, However, it is in short of financial and personnel resources
	The ABS institution (s) is effectively led	0 – The ABS institution(s) has a total lack of leadership; 1 – The ABS institution(s) has weak leadership and provides little guidance; 2 – The ABS institution(s) has a reasonably strong leadership but there is still need for improvement; 3 – The ABS institution(s) is effectively led	1	ABS is a new term and area of work in Vietnam. There is weak leadership from higher level and management is insufficient at the moment.
	Human resources for ABS management are well qualified and motivated	0 -- Human resources are poorly qualified and unmotivated; 1 -- Human resources qualification is spotty, with some well qualified, but many only poorly and in general unmotivated; 2 – Human Resources in general reasonably qualified, but many lack in motivation, or those that are motivated are not sufficiently qualified; 3 -- Human resources are well qualified and motivated.	1	BCA has limited human resources assigned to ABS work and lack of financial resources constraints motivation
	The ABS institution(s) is able to adequately mobilize sufficient quantity of funding, human and material resources to effectively implement their mandate	0 – The ABS institution(s) is severely underfunded and has no capacity to mobilize sufficient resources; 1 – The ABS institution(s) has some funding and is able to mobilize some human and material resources but not enough to effectively implement its mandate; 2 – The ABS institution(s) has reasonable capacity to mobilize funding or other resources but not always in sufficient quantities for fully effective implementation of their mandate; 3 – The ABS institution(s) is able to adequately mobilize sufficient quantity of funding, human and material resources to effectively implement its mandate	0	There is a lack of sufficient resources for implementation of the ABS mandate at BCA

Strategic Area of Support	Issue	Scorecard	Initial Evaluation	Evaluative Comments
	The ABS institution(s) is effectively managed, efficiently deploying its human, financial and other resources to the best effect	0 -- While the ABS institution(s) exists it has no management; 1 -- Institutional management is largely ineffective and does not deploy efficiently the resources at its disposal; 2 -- The ABS institution(s) is reasonably managed, but not always in a fully effective manner and at times does not deploy its resources in the most efficient way; 3 -- The ABS institution(s) is effectively managed, efficiently deploying its human, financial and other resources to the best effect	1	Management is largely in effective due to constraints of staffing, financial resources and management responsibility
	The ABS institution(s) is audited and publicly accountable	0 – The ABS institution(s) is not being held accountable and not audited; 1 – The ABS institution(s) is occasionally audited without being held publicly accountable; 2 – The ABS institution(s) is regularly audited and there is a fair degree of public accountability but the system is not fully transparent; 3 – The ABS institution(s) is highly fully audited, and publicly accountable	0	No specific auditing relating to ABS functions
	Enforcement of ABS regulations	0 -- No enforcement of regulations is taking place; 1 -- Some enforcement of regulations but largely ineffective; 2 -- ABS regulations are regularly enforced but are not fully effective; 3 -- ABS regulations are highly effectively enforced	0	There is an absence of appropriate legislation and administrative systems relating to ABS and enforcement in the country
	Individuals are able to advance and develop professionally	0 -- No career tracks are developed and no training opportunities are provided; 1 -- Career tracks are weak and training possibilities are few and not managed transparently; 2 -- Clear career tracks developed and training available; HR management however has inadequate performance measurement system; 3 -- Individuals are able to advance and develop professionally	1	There is no specific staffing positions that are exclusive to ABS related activities and consequently no career path
	Individuals are appropriately skilled for their jobs	0 -- Skills of individuals do not match job requirements; 1 -- Individuals have some or poor skills for their jobs; 2 -- Individuals are reasonably skilled but could further improve for optimum match with job requirement; 3 -- Individuals are appropriately skilled for their jobs	1	A few individuals have some skills in ABS, but there no recognized training and skills development available

Strategic Area of Support	Issue	Scorecard	Initial Evaluation	Evaluative Comments
	Individuals are highly motivated	0 -- No motivation at all; 1 -- Motivation uneven, some are but most are not; 2 -- Many individuals are motivated but not all; 3 -- Individuals are highly motivated	1	Motivation is restricted to one or two individuals, but not overall within the institution (BCA)
	There are appropriate mechanisms of training, mentoring, and learning in place to maintain a continuous flow of new staff	0 -- No mechanisms exist; 1 -- Some mechanisms exist but unable to develop enough and unable to provide the full range of skills needed; 2 -- Mechanisms generally exist to develop skilled professionals, but either not enough of them or unable to cover the full range of skills required; 3 -- There are mechanisms for developing adequate numbers of the full range of highly skilled ABS professionals	1	Limited training, that is largely dependent on internationally available training and funding
3. Capacity to engage and build consensus among all stakeholders	ABS has the political commitment	0 -- There is no political will at all, or worse, the prevailing political will runs counter to the interests of ABS; 1 -- Some political will exists, but is not strong enough to make a difference; 2 -- Reasonable political will exists, but is not always strong enough to fully support ABS; 3 -- There are very high levels of political will to support ABS	1	Limited political commitment, that is largely spotty
	Degree of public support on ABS issues	0 -- The public has little interest in ABS and there is no significant lobby for ABS; 1 -- There is limited support for ABS; 2 -- There is general public support for ABS and there are various lobby groups strongly pushing them; 3 -- There is tremendous public support in the country for ABS	1	Little public awareness about the benefits and usefulness of ABS.
	The ABS institution(s) is mission oriented	0 -- Institutional mission is not defined; 1 -- Institutional mission is poorly defined and generally not known and internalized at all levels; 2 -- Institutional mission well defined and internalized but not fully embraced; 3 – Institutional mission is fully internalized and embraced	1	As mentioned ABS interest rests with a few individuals and there is little or no internalization of the concept

Strategic Area of Support	Issue	Scorecard	Initial Evaluation	Evaluative Comments
	The ABS institution(s) can facilitate the partnerships needed to achieve its objectives	0 – The ABS institution(s) operate in isolation; 1 – The ABS institution(s) has facilitated some partnerships but significant gaps and existing partnerships achieve little; 2 – The ABS institution(s) has facilitated many partnerships with a wide range of national and local agencies, private sector and NGOs but there are some gaps and partnerships, are not always effective and do not always enable efficient achievement of ABS objectives; 3 – The ABS institution(s) has facilitated effective partnerships with national and local agencies, private sector and NGOs to enable achievement of ABS objectives in an efficient and effective manner	1	The lack of clear administrative arrangements and regulations have constrained the promotion of ABS partnerships
4. Capacity to mobilize information and knowledge	The ABS institution(s) has the information it needs to enforce the national legal/policy ABS framework and to facilitate ABS deals	0 -- Information is virtually lacking; 1 – The ABS institution(s) has access to some information, but is of poor quality, is of limited usefulness, or is very difficult to access; 2 – The ABS institution(s) has access to a lot of information which is mostly of good quality, but there remain some gaps in quality, coverage and availability; 3 – The ABS institution(s) has the information it needs to enforce the national legal/policy framework and facilitate ABS deals.	1	While there is access to information through the internet and other means, this is largely at the individual staff level rather than at the institution level
	Individuals from the ABS institution(s) work effectively together as a team	0 -- Individuals work in isolation and don't interact; 1 -- Individuals interact in limited way and sometimes in teams but this is rarely effective and functional; 2 -- Individuals interact regularly and form teams, but this is not always fully effective or functional; 3 -- Individuals interact effectively and form functional teams	1	Interaction largely takes place when there is a specific internationally funded project taking place rather than on a regular feature
5. Capacity to monitor, evaluate, report and learn	ABS policy or law is continually reviewed and updated	0 -- There is no policy or law or it is old and not reviewed regularly; 1 -- Policy or law is only reviewed at irregular intervals; 2 – Policy or law is reviewed regularly but not annually; 3 -- Policy or law is reviewed annually	1	The current policy related to ABS (Biodiversity Act) is lacking in details regarding monitoring and reporting

Strategic Area of Support	Issue	Scorecard	Initial Evaluation	Evaluative Comments
	Society monitors ABS projects	0 -- There is no dialogue at all; 1 -- There is some dialogue going on, but not in the wider public and restricted to specialized circles; 2 -- There is a reasonably open public dialogue going on but certain issues remain taboo; 3 -- There is an open and transparent public dialogue about the state of the ABS projects	0	There is little or no public dialogue on these issue due to lack of clear administrative arrangements and systems to promote public participation
	Institutions are highly adaptive, responding effectively and immediately to change	0 -- Institutions resist change; 1 -- Institutions do change but only very slowly; 2 -- Institutions tend to adapt in response to change but not always very effectively or with some delay; 3 -- Institutions are highly adaptive, responding effectively and immediately to change.	1	Institutions in the country are rigid in terms of work and are geared to adapt and respond to changes
	The ABS institution(s) has effective internal mechanisms for monitoring, evaluation, reporting and learning on ABS projects	0 -- There are no mechanisms for monitoring, evaluation, reporting or learning; 1 -- There are some mechanisms for monitoring, evaluation, reporting and learning but they are limited and weak; 2 -- Reasonable mechanisms for monitoring, evaluation, reporting and learning are in place but are not as strong or comprehensive as they could be; 3 -- Institutions have effective internal mechanisms for monitoring, evaluation, reporting and learning.	0	Administrative mechanisms and systems are absent
	Individuals from ABS institutions are adaptive and continue to learn	0 -- There is no measurement of performance or adaptive feedback; 1 -- Performance is irregularly and poorly measured and there is little use of feedback; 2 -- There is significant measurement of performance and some feedback but this is not as thorough or comprehensive as it might be; 3 -- Performance is effectively measured and adaptive feedback utilized	0	Performance is spotty and reactive

PART VII: STAKEHOLDER INVOLVEMENT PLAN

Stakeholder consultations was carried out during the course of project design, with three national level workshops and a number of workshops at the provincial level. Initial Project Design consultation were held on July 23, 2014 with a wide range of stakeholders to get general agreement on the broad scope and content of the proposed project and identify opportunities for potential collaboration during the design and implementation stages of the project. Subsequently, joint working sessions and bilateral meetings were held with the executing partners and key stakeholders at national level and provincial level. An assessment was made in consultation with provincial entities of potential sites for piloting under the project. A second stakeholder consultation was held in Hanoi on August 21, 2014, to reach consensus on the components and activities of the project and potentials sites for pilot activity. This was followed by a Final national stakeholder Workshop on November6, 2014, during which the revised log-frame, project components and activities, management arrangements and co-financing arrangements was presented to the project stakeholders. Participants at the national workshops included representatives from national agencies (such as MONRE, MOST, MARD (including its Department of Forestry, Department of Fisheries), MOH (including its Department of Traditional Medicine), NIMM, Plant Resources Center, Institute of Husbandry, Institute of Ecology and Biological Resources. Provincial entities that participated was the Lao Cai Peoples Committee, Department of Natural Resources and Environment (DONRE), Department of Agriculture and Rural Development (DARD), Department of Health (DOH), and staff of the Sa Pa district and Hoang Lien National Park. Non-governmental agencies that participated included Helvetas and the Center for Research and Development of Ethno-Medicinal Plants (CREDEP). Private sector participants included SapaNapro and Nam Duoc Pharmaceutical Company. Project design was a participatory process, in line with UNDP's and GEF's requirements. The project builds on earlier work led by the MONRE involving the consultation process to develop the Biodiversity Law that includes some provision for ABS, which involved a very wide range of stakeholders at all levels. Gender issues were specifically considered, both during national consultations and during the design of the pilot project outputs.

Stakeholder Participation Plan for Project Implementations:

The formulation of the stakeholder participation plan has the following objectives: (a) to clearly identify the basic roles and responsibilities of the main participants in this project in relation to the pilots to be developed under Component 4; and (b) to ensure full knowledge of those involved concerning the progress and obstacles in project development and to take advantage of the experience and skills of the participants to enhance project activities. The ultimate purpose of the stakeholder participation plan will be the long-term sustainability of the project achievements, based on transparency and the effective participation of the key stakeholders.

The stakeholders participation will be secured by using the following mechanisms: a) regular meetings and conference calls will be scheduled and organized (on a monthly basis for instance, etc.) to communicate and disseminate project progress or identify difficulties in achieving the research and development outcomes and milestones; b) face to face meetings will be also organized (e.g. each quarter or bi-annually) with the different stakeholders with the aim of discussing research progress, steps taken and future corrective actions needed for the full achievement of the project objectives; c) exchange of reports (written and oral) will be established to inform all the stakeholders adequately about project

implementation; and d) the contractual arrangement to be negotiated with the private companies involved in this project will also set coordination mechanisms. These mechanisms will promote and ensure that all the relevant shareholders receive and share information and provide technical advice on the project implementation**.**

A description of their roles is presented in the following table:

Stakeholder Participation in the Project

Stakeholders/Partners	Roles and responsibilities	Involvement Plan and mechanisms
1.Biodiversity Conservation Agency (BCA) under VEA/MONRE	BCA is the implementing agency for this Project within MONRE and the NCA for ABS of species of national priority. Its main role is the development and implementation of new ABS regulations in the light of the Nagoya Protocol, a functional permitting administrative system and financial mechanism, the establishment of coordinating mechanisms between the different institutions involved on ABS (as provider, national competent authorities and as monitoring agencies); and the support of capacity development and awareness raising activities for different stakeholders BCA is responsible for organizing and overseeing the pilot site activities in accordance with the implementation plan and on quarterly basis reporting to MONRE and UNDP on the progress as well as financial status of the project.	Participation in the Steering Group (SG); Leading role to engage stakeholders in implement plan and mechanisms, such as workshops, meetings, etc**.**
2. Provincial People's Committee of Lao Cai (Lao Cai PPC)	Provincial People's Committee of Lao Cai is the highest administrative authority in Lao Cai Province. According to the Biodiversity Law, 2008 and Decree 65/ 2010, the provincial People's Committee has the right to grant PIC on access to genetic resources which are out of list of genetic resource of priority protection Lao Cai PPC is national competent authority for ABS on GR in Lao Cai territory. The provincial authorities will be involved in enhancing the management and mechanism to institutionalize the ABS framework. In the project, the Lao Cai PPC will be involved in capacity development and awareness raising activities at the pilot site. The Lao Cai PPC will also be responsible for establishing a collaborative Framework with a research institution for identification of potential genetic resources for commercial use.	Membership of the SG; Workshops, meetings, participation in consultation activities, etc**.**
1. People’s Committee of Sa Pa district	People's Committee of Sa Pa district is the highest administrative authority in district. The Economic Department is responsible as district authority for the monitoring the implementing of MAT and PIC agreement at Sapa community level. In addition of being the legal entity which unites the local beneficiaries (producers, harvesters, regional contractors), it is an important political actor in the validation of benefit-sharing schemes for access to genetic resources (in accordance with Article 58.2 of the Biodiversity Law)	Workshops, meetings, participation in consultation activities, etc**.**

	People´s Committee will also contribute in the process of registration of ABS- related knowledge. It will support and be involved in the awareness campaigns, capacity building activities, etc. The local communities will be directly involved in the demonstration activities.	
4. Ta Phin Commune Committee	In the project, the People's Committee of Ta Phin community is responsible for motivating and mobilizing local community members to participate in Pilot activities within its area of competence. It is responsible for the certification of the ABS contracts in accordance to article 58.2 of the Biodiversity Law.	Workshops, meetings, participation in consultation activities, etc.
5. Related communes/communities (including in particular ethnic minorities)	The local communities will be directly involved in the pilot activities as providers of genetic resources (and in the process of improving the cultivation, collection and preparation of the plants) and as parties to the ABS contracts. In addition, the Red Dao ethnic minority group will be directly involved in the process of developing bio-cultural community protocol (Output 4.2b) which would define the means of participation of stakeholders in the pilot site activities, free and open consultation, PIC as well as governance system of the group for access and use of genetic resources and their associated traditional knowledge, the conservation of genetic resources and biodiversity conservation and on sustainable use, the conditions for granting access and MAT requirements as well as the potential terms for any future ABS agreements	Workshops, meetings, participation in consultation activities, etc. The proposed ABS contract will set additional participation and involvement responsibilities on the commune and community, in particular the Red Dao ethnic minority group
6. Related institutes and universities	1) Hanoi University of Pharmacy (HUP) in general and its Botanical Department, in particular, have a long history in the study on medicine plants. The Botanical Department has conducted extensive research on the medicinal plants of the Dao, Thai, H'mong, Tay, Muong, Cao Lan ethnic minorities in the mountains. The Department has also supported SapaNapro (a private company) in creating new bathing products. VNUA in general and industry and medicinal faculty, in particular have a mandate to study medicinal plant propagation and cultivation in mountainous areas. The researchers have supported the TaPhin famers to propagate some medicinal plants. 2) Plant Resources Center (PRC) is focal point agency of the National Network on Plant Genetic Resources conservation. PRC is responsible for the national task of Conservation and sustainable use of plant genetic resources of Vietnam. 3) National Institute of Medicinal Material (NIMM) is the main organization for the conservation and use of medicinal plants. With a long history of collaboration with the local communities in implementing conservation, research and development and sustainable use of medicinal genetic resources.	Workshops, meetings, consultation activities, etc. The proposed ABS contract will set additional participation and involvement responsibilities on these agencies.
7. National Agencies	1) MOST has central role in coordination of genetic resources conservation activities that are conducted by relevant government agencies and research institutions.	MOST, MARD and MOH will be part of drafting committee for preparation

	The work conducted by MOST will be very relevant to provide baseline information on on-going development and cooperation with relation to genetic resources. MOST is also responsible for coordination of with relevant agencies in guiding registration of TK and copyright related issues on genetic resources 2) MARD is responsible for management of genetic resources related to agriculture, livestock, fisheries and forestry and will play an important role in enforcement of ABS agreements and contracts. 3) MOH is the focal point for national plan for development of medicinal plants to 2020 and vision toward 2030. They are responsible for development of medicinal plants toward commodity production to meet market demand	of ABS decree and under decrees and guiding documents. MOST will be involved in supporting the registration of TK; MARD in terms of enforcement of ABS agreements and MOH will support the broadening of technical advisory support for National Competent Authorities and National Focal Point. MARD, MOST and MOH will also support capacity building and awareness raising activities
8. Sa Pa Napro company	SapaNapro is a community-based company established with support of HUP and VNUA in 2007 for the sustainable use of forest products in the Sapa district. Its stock structure, as per the statutes of the company and the informal agreements is already in place amongst stakeholders, aims for the final owners to be Bathing techniques and local producers, in equal proportions per group. Profits from the sale of the Bathing products and Bath services are shared equally for the Bath product production group and the bathing medicinal material supply. SapaNapro will also participate in the awareness raising campaigns capacity building activities, research and development in access to genetic resources. Will be responsible for the registration, commercialization and sales of the products. SapaNapro will be directly involved in pilot benefit-sharing agreements.	Partner in proposed ABS Agreement and will also participate in awareness raising, R and D and commercialization
9. Civil Society Organizations	CSO's are active at the national and provincial level to raise awareness with regard to ABS economic opportunities and positive social impacts.	CSO's will play an active role in liaising with local populations and raising public awareness with regard to ABS. They are also expected to enrich and contribute to the design and implementation of a coherent ABS legal framework

Component 1 of the project will involve an extensive process of stakeholder engagement in the review and adoption of the national ABS decree and under decrees, including circulars, guidelines and other instruments to facilitate the implementation of the national ABS decree. While, this process will be led by MONRE, the drafting team for development of the ABS decree and related under-decrees will include representatives from MOST, MARD, MOH, MOIT and MOF. Component 2 primarily aims to improve the capacities of the BCA and other entities and National Focal Point (NFA), National

Competent Authority (NCA) and related agencies regarding the implementation of the national ABS policy and their obligations under the CBD, Nagoya Protocol and other related international treaties. Component 3 of the project will engage with the above-mentioned agencies to provide training and awareness raising to enable their understanding of the ABS rules and procedures, including granting of permits, assessment of access applications, core principles of PIC and MAT and their application, and rights and roles of ILCs; understand and keep abreast of negotiations at WIPO and FAO to ensure a coordinated national approach; negotiate ABS agreements; and monitor and track access. These will ensure better understanding of national and international provisions of ABS, and enhance the implementation of the proposed national ABS law at all levels.

In terms of Component 4, the development of pilot ABS agreements that are compliant with Nagoya Protocol, with attention to the core ABS principles of Prior Informed Consent (PIC) and Mutually Agreed Terms (MAT) including the fair and equitable sharing of benefits, will be conducted through a single pilot project involving private sector company partnerships under the guidance and supervision of BCA and PPC. In addition, key agencies such line MARD, MOST and MOH will be directly involved in supporting the pilot activities through their respective national, provincial and district level institutions and agencies. Research institutions involved with genetic resources use and conservation will provide relevant support for assessing potential medicinal and other genetic resources for commercialization, while the support of the private sector will be key to improve product marketing and commercialization. The Lao Cai PPC and Sapa district agencies will play a direct role in promoting ABS Agreements and supporting research and development, documentation and inventory of plant genetic resources and traditional knowledge use and protection. Of particular, significance would be the participation of the Red Dao ethnic minority group in the process of development of the bio-cultural protocol and in particular decisions therein that relate to terms and means of participation of stakeholders in the pilot site activities, free and open consultation, PIC as well as governance system of the group for access and use of genetic resources and their associated traditional knowledge, the conservation of genetic resources and biodiversity conservation and on sustainable use, the conditions for granting access and MAT requirements as well as the potential terms for any future ABS agreements. They will also be directly involved in decisions regarding the pilot activities, particularly as providers of genetic resources (and in the process of improving the cultivation, collection and preparation of the plants) and as parties to any new ABS contracts, as well as contribute towards the preparation of the traditional knowledge registry for the pilot site.

The proposed project proposes a mechanism to achieve broad-based stakeholder involvement in the project preparation and implementation processes. For this purpose the project will support a Project Steering Committee (PSC), and Project Management Unit (PMU), the latter within BCA/MONRE that will be finalized during the project inception workshop.

Project Steering Committee (PSC)	Project Management Unit (PMU)
Chair: Director, MONRE Secretariat: BCA Members will consist of senior representatives	National Project Director (BCA) National Deputy Project Director (BCA) National Project Coordinator

Project Steering Committee (PSC)	Project Management Unit (PMU)
from MARD, MOST, MOH, MOIT, MOF, PPC, NGOs, UNDP, and from the private sector.	(BCA) National Project Accountant, Support Officer (Contracted) Other contracted technical experts

The local management arrangements for the pilot project will be described in the related collaboration agreements between the pilot project executing partners, and are expected to specify representation of principal stakeholders including relevant government authorities, ILCs, commercial organizations and other partners in their implementation. There will be equitable participation of women and ethnic minorities on local level committees and groups related to PIC negotiations, community co-management, training and awareness activities.

Long-Term Stakeholder Participation

The project will provide the following opportunities for long-term participation of all stakeholders, with a special emphasis on active participation of women and ethnic minorities, and enhancement of inter-sectoral coordination for implementation of the proposed national ABS regime.

Decision making: Through the establishment of the Project Steering Committee. The establishment of the structure will follow a participatory and transparent process involving the confirmation of all key project stakeholders; conducting one-to-one consultations with all stakeholders; development of Terms of Reference and ground-rules; inception meeting to agree on the constitution of the PSC.

Capacity Building: At systemic, institutional and individual levels, one of the key strategic interventions of the project and will target all stakeholders that have the potential to be involved in implementation of the national ABS regime in Viet Nam, including the pilot activities at the community level. Women and ethnic groups will be proactively considered for capacity building activities based on specific needs assessments

Communication: This include the participatory development of an integrated communication strategy. The communication strategy will be based on the following key principles; (i) providing information to all stakeholders; (ii) promoting dialogue between stakeholders; and (iii) promoting access to information.

The project design incorporated several features to ensure on-going and effective stakeholder participation during project implementation. The mechanisms to facilitate involvement and participation of different stakeholders in project implementation will be achieved through a number oif means.

Project Inception workshop: The project will be launched by a multi-stakeholder workshop. This workshop will provide an opportunity to provide all stakeholders with the most updated information on the project, refine and confirm the work plan, and will establish a basis for further consultation as the project's implementation commences.

Constitution of Project Steering Committee: The Project Steering Committee will be constituted to ensure broad representation of all key interests throughout the project's implementation. The representation, and broad terms of reference, of the PSC are described in the Management Arrangements of the Project Document.

Establishment of Project Management Unit: The Project Management Unit will take direct operational responsibility for facilitating stakeholder involvement and ensuring increased local ownership of the project and its results. The PMU will be located in the BCA office in Hanoi to ensure coordination among key stakeholder organizations at the national level during the project period.

Establishment of Working Groups: At the pilot level, local or specialist working groups (e.g., legal ABS drafting team, capacity development team, monitoring and evaluation team, pilot project involvement team) will be established, as required, to facilitate the active participation of affected institutions, organizations and individuals in the implementation of the respective project activities. Different stakeholder groups may take the lead in each of the working groups, depending on their respective mandates. There will be equitable representation of women and ethnic minorities in community level activities such as TK documentation, negotiation of ABS agreements, capacity building, livelihoods and awareness programmes.

Project Communications: The project will develop, implement and annually update a communications strategy to ensure that all stakeholders are informed on an on-going basis about: the project's objectives; the project's activities; overall project progress; and the opportunities for stakeholders' involvement in various aspects of the project's implementation.

Implementation Arrangements: Pilot activities in component 4 have specifically been designed to directly involve local stakeholders during implementation, and to ensure that they benefit from the capacity building, awareness raising and final outcomes (e. ABS agreements) of these activities. Women and ethnic minority groups will be proactively involved in the pilot activities.

This include the participatory development of an integrated communication strategy. The communication strategy will be based on the following key principles; (i) providing information to all stakeholders; (ii) promoting dialogue between stakeholders; and (iii) promoting access to information.

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PART VIII: COMPARATIVE ANALYSIS OF NAGOYA PROTOCOLS AND PROVISIONS OF EXISTING LEGISLATION IN VIET NAM

Nagoya Protocol (Summary of the Articles)	**National Level Actions/Assessment required**	**Legal framework in Vietnam**
Article 1: Objective. The objective of the Protocol is the fair and equitable sharing of benefits arising from the utilization of genetic resources, including by appropriate access to genetic resources and by appropriate transfer of relevant technologies… thereby contributing to the conservation of biological diversity and the sustainable use of its components	Any legal, administrative or policy measure must consider the general objective of the instrument. Fair and equitable benefit sharing must guide any legal, administrative and policy measures to be adopted by Parties in their national legislation	The existing Legal framework on ABS is the **Biodiversity Law (2008**) and **Decree 65 Detailing and Guiding a Number of Articles of the Biodiversity Law (2010).** Both these instruments do not provide for any specific objective for the access and benefit sharing component of the framework (however, Article 5.3 of the BL refers to state policies on biodiversity in relation to the issue of traditional knowledge).
Article 2: Use of Terms The terms defined by Article 2 of the Convention and those enlisted in this Article shall apply to this Protocol.	Legal instruments usually incorporate new definitions: "derivatives" and "utilization", as it had happened in the past with the CBD definitions included in ABS legislation (e.g. genetic resources, etc). National legislation can provide some clarity on how to understand, from a practical point of view, the issues of utilization and derivatives and expand the glossary of terms. Drafting of legislation should take into consideration the protocol´s objectives.	National legislation does not consider the term "utilization" or "derivatives" (Biodiversity Law Article 3). Review legislation and ensure that these terms are defined and incorporated in the national legal framework is necessary. The new decree should include new definitions and therefore provide more clarity on the scope of the ABS regimen
Article 3: Scope The Protocol shall apply to genetic resources within the scope of Article 15 of the Convention and to the benefits arising from the utilization of such resources. The Protocol shall also apply to traditional knowledge associated with genetic resources within the scope of the Convention and the benefits arising from the utilization of such knowledge.	Some of the contentious issues arising out in the negotiations are not included expressly in the text of the Scope. National legislation may provide greater clarity about the scope by defining a list of exceptions or a "positive" list of issues covered by the legislation.	BL does not include any exceptions to the access regimen. This may be considered in the process of drafting the new decree.
Article 4: Relationship with International Agreements and Instruments 1. The provisions of this Protocol shall not affect the rights and obligations of any Party deriving from any existing international agreement, except where the exercise of those rights and obligations would cause a serious damage or threat to biological diversity. 2. Nothing in this Protocol shall prevent the Parties from developing and	Recognition at the national level of any specialized ABS systems. Is required if the country is a member of the legal instrument or treaty. National level actions must create a synergistic implementation between the international obligations, especially those related to the specialized ABS systems. Relevant processes and instruments should be identified. Room of space should be available for	Vietnam is not a member of the International Treaty on Plant Genetic Resources for Food and Agriculture. Design of the new decree should consider obligations and processes under WHO, WTO, and others.

implementing other relevant international agreements, including other specialized ABS agreements, provided that they are supportive of and do not run counter to the objectives of the Convention and this Protocol. 3. This Protocol shall be implemented in a mutually supportive manner with other international instruments relevant to this Protocol. Due regard should be paid to useful and relevant on-going work or practices under such international instruments and relevant international organizations, provided that they are supportive of and do not run counter to the objectives of the Convention and this Protocol. 4. This Protocol is the instrument for the implementation of the access and benefit-sharing provisions of the Convention. Where a specialized international access and benefit-sharing instrument applies that is consistent with, and does not run counter to the objectives of the Convention and this Protocol, this Protocol does not apply for the Party or Parties to the specialized instrument in respect of the specific genetic resource covered by and for the purpose of the specialized instrument	new and emerging ABS sectoral regulations	
Article 5: Fair and Equitable Benefit-Sharing Each Party shall take legislative, administrative or policy measures on: 1. Fair and equitable benefit-sharing arising from the utilization of genetic resources; 2. Fair and equitable benefit-sharing arising from the utilization of genetic held by indigenous and local communities; and 3. Fair and equitable benefit-sharing arising from utilization of traditional knowledge associated with genetic resources.	Direct obligations to "adopt" measures (paragraphs 2, 3 and 4) Three types of situations are addressed here: - Fair and equitable sharing arising out of utilization of genetic resources - Fair and equitable arising out of utilization of GR in possession of indigenous and local communities lands - Fair and equitable arising out of utilization of associated TK	National legislation is compatible with this provision (Biodiversity Law Articles 56 c, 58 and 61) and Decree No. 65, Article 19).
Article 6: Access to Genetic Resources Parties are called on to adapt their legal, administrative, and policy frameworks on access to genetic resources considering:	Obligation to design legal, administrative or policy ("take") frameworks considering the general principles outline in article 6.3. Conditional obligation is presented in	National legislation is compatible with this provision (Biodiversity Law Article 55-61, and Decree 65 Articles 18 and 19) Biodiversity Law creates a PIC system

1. The principles of Prior and Informed Consent Procedures (PIC); and 2. Clear rules and procedures for Mutually Agreed Terms (MATs).	the situation of Article 6.2 ("in accordance to domestic law" and "as appropriate"). Analysis of the basic conditions in the legal regimen for processing and granting permits in the light of the Protocol provisions is necessary. Implementation of this article may require gathering information about rights of indigenous and local communities over the genetic resources which are in their possession, including any relevant international obligations.	and provides references to the content of the MAT (contracts). Lack of implementation of these provisions is related to lack of awareness, capacity, information and administrative procedures (manual, forms, guidelines, etc).
Article 7: Parties use domestic law to guarantee access to traditional knowledge (TK) and genetic resources based on: - PIC and - MATs	Obligation to adopt or take measures qualified for the terms "in accordance to domestic legislation "and "as appropriate". In the process of the enactment of national measures articles 7 and 12 could be considered jointly Equity and public participation should guide any actions regarding implementation of this article.	PIC and MAT from ILC is required in the BL (Articles 55, 56, 58 and 61). BL refers only to access to GR and not expressly to access to associated TK. Article 64 provides for the development of a system for protection of TK which has not been created yet. More clarity on the issue of access to genetic resources and associated TK could be considered in the new decree.
Article 8: Special Considerations Development and implementation of access and benefit-sharing (ABS) legislation or regulatory requirements mindful of: 1. Promoting non-commercial research for conservation and sustainable use; and 2. Implementing measures to expedite procedures and secure benefit-sharing in cases of national or international emergencies. 3. Consider the importance of genetic resources for food and agriculture and their role for food security	Mix of different levels of actions required (shall): "Create" conditions to promote, **including** through simplified Access for research (a). "Pay due regard" to…(b) "Consider" (c) Implement these provisions may require the following actions: > Identify needs of the national basic research community. > Review patterns of utilization of GR for the non-commercial sector in the country and identify needs. > Determine how to address genetic resources for food and agriculture and whether there is a need or not to create ABS specific provisions, etc. National measures should be put in	Biodiversity Law does not provide for simplified procedures for non-commercial research. No particular and expeditious procedure for access to pathogens exists.

	place to implement these general obligations, including the simplified procedures for non-commercial research, taking into consideration the practical difficulties to draw the line between commercial and non-commercial research. Some examples found in comparative legislation These obligations should be considered in the process of the development of national ABS measures.	
Article 9: Contribution to Conservation and Sustainable Use The Parties shall encourage users and providers to direct benefits arising from the utilization of genetic resources towards the conservation of biological resources and the sustainable use of its components.	Obligation to "encourage" users and providers Linking conservation and ABS should be a goal for the entire ABS legislation and should be reflected and integrated in the ABS measure	National legislation provides for the development of a mechanism which could potentially be used to channel this contribution (Article 61.3 of the Biodiversity Law). However, new measures could be explored in the process of drafting the new decree.
Article 10: Global Multilateral Benefit-Sharing Mechanism Parties shall consider the need for and modalities of a global multilateral benefit-sharing mechanism to address the fair and equitable sharing of benefits derived from the utilization of GR and TK associated with GR that occur in trans-boundary situations or for which it is not possible to grant or obtain PIC. The benefits shared by users of GR and TK associated with GR through this mechanism shall be used to support the conservation of biological diversity and the sustainable use of its components globally.	Collective action to be taken by the COP/MOP of the Nagoya Protocol. Had there been extraterritorial and temporal application of the NP been resolved then the function of this provision would have been clearer	No particular actions needed at the national level so far.
Article 11: Trans-boundary Cooperation 1. In instances where the same genetic resources are found in situ within the territory of more than one Party, those Parties shall endeavour to cooperate, as appropriate, with the involvement of indigenous and local communities concerned, where applicable, with a view to implementing this Protocol. 2. Where the same traditional knowledge associated with genetic resources is shared by one or more indigenous and local communities in	Obligation to "endeavour" cooperate for the Parties with shared GR or associated TK. National implementation of this article may require the assessment of potential situations of trans-boundary or shared GR and associated TK National legislation should consider concrete mechanisms to implement this general provision, including examples established in comparative legislation.	National legislation (Biodiversity Law and Decree No 65) is silent in this aspect

several Parties, those Parties shall endeavour to cooperate, as appropriate, with the involvement of the indigenous and local communities concerned, with a view to implementing the objective of this Protocol.		
Article 12: Traditional Knowledge Associated with Genetic Resources Parties have the obligation to: 1. Ensure that domestic law takes into consideration indigenous and local communities' customary laws, community protocols and procedures, as applicable, . with respect to traditional knowledge associated with genetic resources; 2. Establish mechanisms to inform potential users of traditional knowledge associated with genetic resources about their obligations; 3. Support indigenous and local communities develop community protocols for access to TK and ABS; minimum requirements for MATs; and model contractual clauses for benefit sharing arising from utilization of TK.	Language conditional " in accordance with domestic laws" "take into consideration" 12.1 12.2 Direct obligation to "establish" 12.3 obligation to "endeavour to support" Assessment of the legal status of customary law and the role and value of community protocols should be carried out in order to implement this provision Concrete measures, should be put in place to create more equity and legal certainty in the negotiations, particularly by improving the indigenous peoples and local communities opportunities and to empower them properly.	National legislation does not address the issue of Bio-cultural Protocols or customary law. Support of the development of minimum requirements and model contractual clauses should be included in the list of functions of the NCAs (The Biodiversity Law and Decree 65 does not mention these functions). .
Article 13: National Focal Points and Competent National Authorities Obligation to designate a national focal point on ABS and establish the functions described in this article	Immediate obligation to designate these authorities and establish the functions described in this article. Legal or administrative measures should allow authorities to develop these functions properly	National Competent Authorities (NCAs) exist (Decree No 65 Article 18) A revision and addition of new functions is required to fully comply with the different obligations assigned to the Parties in the Protocol.
Article 14: The Access and Benefit-Sharing Clearing-House and Information-Sharing ABS CHM is established and some functions are described.	Obligation to submit/make available information to the ABS CHM	Appropriate Communication and information technologies need to be in place. No reference in the legal framework to the use of an ABS CHM (some provisions in the BL are set for the development of a GR data base Articles 63 and 64 which have a different purpose).
Article 15: Compliance with Domestic Legislation or Regulatory Requirements on Access and Benefit-Sharing	Measures to be determined at national level with the possible guidance of the COP/MOP (Article 15.1 and 15.1).	No measure is provided for in the Biodiversity Law or the Decree 65 to comply with this obligation.

Parties shall take legislative, administrative or policy measures to provide that GR utilized within its jurisdiction have been accessed in accordance with PIC procedures and that MATs have been established. This includes Party efforts to: 1. Address non-compliance; and 2. Cooperate in cases of alleged violations regarding PIC and MATs	Conditional obligation to: " as far as possible and as appropriate ¨cooperate (Article 15.3) At the national level countries can to immediately begin to create appropriate measures to secure compliance with other countries legislation and provide measures for cooperation in cases of breaches in national law A set of options is available	Lack of "User measures" required under this article is a key gap and challenge for the new decree
Article 16: Compliance with Domestic Legislation or Regulatory Requirements on Access and Benefit-Sharing for Traditional Knowledge Associated with Genetic Resources Parties shall take appropriate, effective and proportionate legislative, administrative or policy measures, as appropriate, to provide that TK associated with GR utilized within their jurisdiction has been accessed in accordance with PIC or approval and involvement of ILCs and that MATs have been established, as required by domestic access and benefit-sharing legislation or regulatory requirements of the other Party where such indigenous and local communities are located. This Includes Party efforts to: 1. Address non-compliance; and 2. Cooperate in cases of alleged violations	Same explanation of Article 15.	No measure is provided for in the BL or the Decree 65 to comply with this obligation. Lack of "User measures" required under this article is a key gap and challenge
Article 17: Monitoring the Utilization of Genetic Resources Take measures, as appropriate, to monitor and to enhance transparency about the utilization of GRs, which shall include: 1. Designate check points to collect/receive information related to PIC, the source and utilization of GRs, and MATs; 2. National information and permit system that will produce internationally	Direct obligation to "take measures". Measures will include at least one check point - to be determined- and sanctions to be determined. Other measures are qualified as "to encourage" Permit (or equivalent) will become the international certificate (mandatory content in Article 17.4) It is possible for countries to immediately exercise this option and create appropriate measures to secure mandatory disclosure of information at	Identify possible check points in accordance to the description presented in this article and the best options available for an appropriate implementation of this provision n the light of the Protocol objectives is a task for Vietnam. No check points have been designated and regulated until now. No particular reference to the issuance of a certificate of compliance

recognized certificates of compliance according to the specifications of paragraphs 3 and 4; and 3. Encourage users to include information-sharing provisions in MATs to facilitate monitoring and transparency.	appropriate check points and sanctions in cases of non- compliance by the users. This could require legally binding measures depending on the country legal system fines, etc.) Set of options/check points available	
Article 18: Compliance with Mutually Agreed Terms For compliance with MATs, Parties should: 1. Encourage providers and users of GRs and/or TK to include provisions in MATs to cover, where appropriate, dispute resolution; 2. Ensure the opportunity to seek recourse is available under their legal systems, consistent with applicable jurisdictional requirements, in cases of disputes arising from MATs; and 3. Take effective measures, as appropriate, on access to justice and the utilization of mechanisms regarding mutual recognition and enforcement of foreign judgments and arbitral awards.	Obligation to "encourage" users and providers (Article 18.1) Stronger obligations to ensure (Article 18.2) and take measures (Article 18.3) Relevant understanding of existent mechanisms established in the legal system regarding access to justice and recognition of foreign sentences and awards could be required to implement this article	New Decree on ABS could provide more guidance on the implementation of this article, especially in relation to the issue of access to justice. BL provides that any dispute arising from the MAT (contracts) must be settled under the laws of Vietnam (Article 58.5).
Article 19: Model Contractual Clauses Each Party shall encourage, as appropriate, the development, update and use of sectoral and cross-sectoral model contractual clauses for MATs	National obligation to "encourage"	No reference in the BL to these practices or a particular function of the NCA in relation to these issues. No reference to the development and value of model clauses New decree should consider the establishment of model clauses.
Article 20: Codes of Conduct, Guidelines and Best Practices and/or Standards Each Party shall encourage, as appropriate, the development, update and use of voluntary codes of conduct, guidelines and best practices and/or standards in relation to ABS.	National obligation "to encourage" National recognition of best practices and a special treatment for the adherents to some Code of Conducts could be considered taking into account the need to promote compliance and certainty.	No reference in the Biodiversity Law to these codes of conduct or a particular function of the NCA in relation to this issue exist. No information available on current codes of conduct or those under development.
Article 21: Awareness-Raising Each Party shall encourage, as appropriate, the development, update	Direct obligation to take measures to increase awareness raising. Indicative list of actions is provided.	No reference in the Biodiversity Law or as a function of the NCA

and use of voluntary codes of conduct, guidelines and best practices and/or standards in relation to ABS.	National legislation should provide guidance on effective awareness raising e.g. with the research community	
Article 22: Capacity Cooperate in the capacity building, capacity development and strengthening of human resources and institutional capacities, in a manner that facilitates the involvement of indigenous and local communities and relevant stakeholders, including non-governmental organizations and the private sector.	At the national level countries "should" facilitate participation…and. "should" identify its needs and priorities… Some of the national actions required are: > Identify the national and sub-national capacity needs and priorities of stakeholders on key areas, as specified in paragraph 4, particularly those of legal nature like legal and institutional development, the promotion of equity and fairness, and monitoring and enforcement compliance. > Facilitate participation in line with basic principles of sustainable development law.	No reference in the Biodiversity Law or as a function of the NCA