

Readiness Preparation Proposal (R-PP)

Socialist Republic of Vietnam

October 2010

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Forest Carbon Partnership Facility (FCPF)

Readiness Preparation Proposal (R-PP)

Country Submitting the Proposal: Socialist Republic of Vietnam

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R-PP Table of Contents

General Information	6
1. Contact Information	6
2. R-PP Development Team.....	6
3. Executive Summary	8
Component 1: Organize and Consult	12
1a. National Readiness Management Arrangements.....	12
1b. Stakeholder Consultation and Participation	17
Component 2: Prepare the REDD+ Strategy	25
2a. Assessment of Land Use, Forest Policy and Governance	25
2b. REDD+ Strategy Options	40
2c. REDD+ Implementation Framework.....	47
2d. Social and Environmental Impacts.....	53
Component 3: Develop a Reference Scenario	59
Component 4: Design a Monitoring System	65
4a. Emissions and Removals	66
4b. Other Benefits and Impacts.....	71
Component 5: Schedule and Budget	77
Component 6: Design a Program Monitoring and Evaluation Framework	87
Annexes	90
Annex 1a: National Readiness Management Arrangements	90
Annex 1b-1: Stakeholder Consultations held so far on the R-PP.....	93
Annex 1b-2: Consultation and Participation Plan.....	97
Annex 2a: Assessment of Land Use, Forest Policy and Governance	109
Annex 2b: National REDD Strategy Options	121
Annex 2c: REDD+ Implementation Framework	125
Annex 2d: Social and Environmental Impact Assessment	127
Annex 6.1: Program Monitoring and Evaluation.....	139
Annex 7: Examples of driving forces and REDD Options	144

Acronyms

5MHRP	Five-Million Hectare Reforestation Programme (also the “661 Programme”)
ADB	Asian Development Bank
BDS	Benefit Distribution System
BMU	<i>Bundesministerium for das Umwelt</i> (German Environment Ministry)
CARE	International humanitarian organization fighting global poverty (Cooperative for American Remittances to Europe)
CDM	Clean Development Mechanism
CER	Certified Emission Reductions
CFM	Community Forest Management
CITES	Convention on International Trade in Endangered Species
CoP	Conference of the Parties
CPC	Commune Peoples’ Committee
CSO	Civil Society Organization
DFID	Department For International Development (UK)
DoF	Directorate of Forestry
DPC	District Peoples’ Committee
EC	European Commission
EIA	Environmental Impact Assessment
FAO	Food and Agricultural Organization of the United Nations
FCPF	Forest Carbon Partnership Facility
FFI	Fauna and Flora International
FIPI	Forest Inventory and Planning Institute
FLEG	Forest Law Enforcement and Governance
FLEGT	Forest Law Enforcement, Governance, and Trade
FOMIS	Forest Management Information System
FORMIS	Forest Management Information System project
FPD	Forest Protection Department
FPDF	Forest Protection and Development Fund
FSC	Forest Stewardship Council
FSDP	Forest Sector Development Plan

FSIV	Forest Science Institute of Vietnam
FSSP	Forest Sector Support Partnership
FSSP-CO	FSSP Coordination Office
GDLA	General Department of Land Administration
GHG	Green House Gases
GOFC-GOLD	Global Observation of Forest and Land Cover Dynamics
GoV	Government of Vietnam
GTZ	<i>Deutsche Gesellschaft für Technische Zusammenarbeit</i> (German Technical Assistance Agency)
ICD	International Cooperation Department (MARD)
ICRAF	World Agro-Forestry Centre
IPCC	Inter-governmental Panel on Climate Change
IUCN	International Union for the Conservation of Nature
JICA	Japanese International Cooperation Agency
KfW	<i>Kreditanstalt für die Wiederaufbau</i> (German Development Bank)
MARD	Ministry of Agriculture and Rural Development
MODIS	Moderate Resolution Imaging Spectroradiometer
MoF	Ministry of Finance
MOIT	Ministry of Industry and Trade
MONRE	Ministry of Natural Resources and the Environment
MPI	Ministry of Planning and Investment
MPS	Ministry of Public Security
MRV	Monitoring, Reporting and Verification
NFA	National Forest Assessment
NFI	National Forest Inventory
NFIMAP	National Forest Inventory, Monitoring and Assessment Program
NGO	Non-Governmental Organization
NOAA-AVHRR	National Oceanic and Atmospheric Administration - Advanced Very High Resolution Radiometer
NTP-RCC	National Target Programme to Respond to Climate Change
OP	Operational Plan
PAMB	Protected Area Management Board
PES	Payment for Ecosystem Services

PFES	Payment for Forest Ecological Services
PPC	Provincial Peoples' Committee
REDD	Reducing Emissions from Deforestation in Developing Countries
REDD+	Reducing Emissions from Deforestation and Forest Degradation, Sustainable Forest Management, Forest Conservation, and Enhancement of C-stocks
RL	Reference Level
REL	Reference Emission Level
R-PIN	Readiness Project Identification Note
R-PP	Readiness Preparation Proposal
SEA	Strategic Environmental Assessment
SEDP	Social and Economic Development Plan
SESA	Social and Environmental Strategic Assessment
SFE	State Forest Enterprise
SFM	Sustainable Forest Management
SNV	<i>Stichting Nederlandse Vrijwilligers</i> (Netherlands Development Organisation)
SOC	State-Owned Company
SPOT	<i>Système pour l'Observation de la Terre</i> (Earth Observation Satellite System)
SRD	Centre for Sustainable Rural Development
TFF	Trust Fund for Forests
TWG	Technical Working Group
UNFCCC	United Nations Framework Convention on Climate Change
UN-REDD	United National Programme to Reduce Emissions from Deforestation and Forest Degradation
WB	The World Bank
WG	Working Group

General Information

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3. Executive Summary

The Readiness Preparation Proposal (R-PP) outlines the process by which the Government of Vietnam will develop its national strategy for participating in an evolving international mechanism for reducing emissions from deforestation and forest degradation, sustainable forest management, forest conservation, and enhancement of C-stocks (REDD+)¹. Vietnam is now preparing the proposal for second phase of the UN-REDD Program under support of Norway to submit by the end of November 2010. The FCPF is kindly requested to support for MRV-related activities, so that this R-PP will only provide detailed information on some sections.

According to the UNFCCC conference in Bali, Vietnam is one of the most severely affected by negative impact of climate change in the world, with potential extensive economic damage and loss of life. Its extended coastline with land just above sea level houses most of the country's population and harbours most its economic activities, good for some 90% of the GNP. For this reason the country has much to gain when joining the international struggle against the effects of global warming.

Vietnam is one of the nine countries identified for country programming under the QuickStart Initiative of the UN-REDD Programme, and was one of the first countries to receive approval of the R-PIN under the current FCPF initiative. It therefore is much committed to achieve substantial results in the field of climate change and mitigation.

The forests of Vietnam are under serious threat. Increasing deforestation and rapid degeneration of forests in the country have led to loss of habitat and made entire landscapes susceptible to changing climate conditions. Much forest cover was removed between 1943 and 1993 declining the national coverage from at least 43% to 20%. Since then considerable efforts have been made to increase overall forest cover. According to official statistics Vietnam's actual forest area has increased to 13.26 million ha in 2009 (some 39% of the land area). With the *Five Million Hectares Reforestation Program* it aims to reach 43% by 2010. Much of the increase has been realized through plantations, re-designation and inclusion of previously omitted limestone forests, and natural regeneration - predominately of bamboo forest area. However, albeit some net increase in forests is observed, Vietnam has clear pockets of serious deforestation and extensive degradation occurs. Furthermore, it is generally acknowledged that the quality of natural forests are considered poor or regenerating and continues to be more fragmented and degraded. Lowland forests supporting their full natural biodiversity have been almost entirely lost, while Vietnam's mangrove forests have been significantly degraded.

The factors driving deforestation in Vietnam have changed throughout the course of history. Much of this was a result of war and agricultural expansion by people migrating into forested areas. Currently it is the fast economic growth within the country and the drive to export commodities to be the underlying drivers of deforestation and forest degradation. Changing natural forests into alternative land use, such as coffee or rubber, has rapidly changed the landscape. Such opportunities are a serious threat to standing natural forest. It is of much importance that the benefits of REDD+ outweigh the opportunity costs from current land uses.

Fully implementing a mechanism on REDD+ is a challenging task and requires cross-sectoral planning and coordination, as well as a revision of policies, programs, laws and institutions. Vietnam has, through its parallel UN-REDD activities, already established a well-defined institutional structure to initiate the REDD+ process. All participating parties are organized

through two established groups: the National REDD Network and the Technical Working Group, each with its clearly defined roles and responsibilities. Government Decree No. 99/2010/ND-CP dated 24th September 2010 on Policy on Payment for Forest Environmental Services (PFES), in which carbon sequestration and conservation are considered as forest services, paid an important legal foundation for the REDD+ implementation in Vietnam.

Under the auspices of the Secretariat of the National REDD Network and the REDD Working Group, the National REDD Strategy is now under preparation. As part of the development of the R-PP, and particularly to promote *ownership* during the entire process and ensure the success of REDD+ implementation, there has been a wide consultation process with key stakeholders. Such consultation is part of the Strategic Environmental and Social Assessment (SESA), which provides a platform for discussions with and involvement of stakeholders and partners as well as a mechanism for taking their opinions into account during the REDD+ strategy preparation and implementation. This process has resulted in the preliminary identification of 'strategic options' for addressing deforestation and forest degradation and provide the basic elements of a National Strategy. The strategic options identified are a direct response to the key drivers of deforestation and underlying causes mentioned above. Embedded in the concept National REDD Strategy is linking the REDD+ process to the Socio-economic Development Plan (SEDP) operating at the provincial level.

Effectively measuring the development of the forests, thus the potential reduction of emission levels and increase of carbon stock exchange, is key to REDD+. Determining the actual impact of REDD+ requires the best available information on trends in carbon sequestration. This generally is supplied by using Reference Scenarios. Though it is understood that all technical considerations await the final decision by the Conference of Parties to the UNFCCC, Vietnam is arriving at some convergence on technical methodologies appropriate for the development of RELs/RLs. Incorporating consultations with stakeholders (e.g. through the National REDD Network and numerous Sub-Technical Working Group), basically RELs and RLs will be developed for all carbon related activities within the scope of the REDD+ mechanism. Currently much work on developing these reference levels is performed by JICA and Finland.

To arrive at the difference between the calculated stocks in the reference scenario and those data collected through actual and verified measurements, data on both deforestation and forest degeneration needs to be available. Historical RELs will be developed based on historical deforestation trends dating back to at least 1991 and is based on the full available record of satellite imagery for Vietnam at medium spatial resolution and the highest possible temporal resolution. Generation of historical RELs for forest degradation involves greater complexity. For the latter, the option is considered to forego accounting for historical emissions from forest degradation as the level of detail and coverage of available data is difficult to match with current data sets and information. Instead, sub-national RELs/RLs will be developed based on stratification of the national territory into more homogeneous eco-regions.

Local people can play a role in monitoring emissions, but are especially valuable in identifying, reporting, and enforcing the interventions and tasks required for REDD+. Participatory monitoring will strengthen their understanding and commitment while providing a degree of comfort to investors that REDD+ is sustainable. Key stakeholders on the ground will be asked to register land changes that result in effectively reducing emission levels and increasing removals. Information from such land changes will be integrated with historical data on land cover change to assess the success of REDD+ and to administer the claims Vietnam can make in the international carbon stock market. Associated benefits of such

grass-root level approach is the ultimate requirement to have land tenure ship secured, and increase of overall ownership and support for the REDD+ process.

A financial mechanism shall be developed to reach the local beneficiaries participating in REDD+, and ensure the fund has a sound governance structure which includes how funds are monitored. Such an appropriate off-budget mechanism should meet international expectations regarding transparency, equity and performance linkage. This implies the need to “fire-wall” REDD+ revenues to prevent co-mingling with other sources of funding. The mechanism also needs to be able to accommodate the disbursement of REDD+ revenues to sub-national and local levels, as well as to follow strict monitoring and performance requirements. Having already several mechanisms of funding in place, Vietnam has to choose the most viable one in REDD+ terms, currently subject of the study *Design of a REDD-compliant Benefit Distribution System (BDS) for Vietnam*.

The proposed measurement, reporting and verification (MRV) system will closely follow the guidelines defined by the UNFCCC, as well as adopting functions specially pertaining to forest and forest land management, and socio-economic development of provinces, districts and communes. It will be implemented to quantify the actual success in emission reduction and increase of removals, as well as monitoring of REDD+ interventions and actions, revenue disbursement, and financial transactions (auditing).

Data will be collected using the same methods proposed by the UN-REDD Vietnam Programme, i.e. developing Participatory Carbon Monitoring for households, communes and Community Forestry Management groups. The field data collection will be supplemented by satellite based monitoring. All relevant stakeholders will have access to specific functionality relevant to the specific tasks, role or interest of the stakeholder. It is proposed they will gain access to data and information through a web-based interface.

Reporting will be managed through a national data infrastructure for the MRV system. The main communications options will be the internet and the mobile phone network, both readily available and relatively easy to implement in Vietnam, except in the most remote areas.

An independent (international) auditor will review and assess all the data and information, including provincial and district Socio-economic Development Plans relevant to REDD+. The MRV system will thus work as the principal repository for all data pertinent to the report on emission reductions and removals.

The REDD+ readiness preparation phase is achieved through various activities leading to the anticipated outcome and ultimately to REDD+ readiness implementation. As in Vietnam already much is in motion concerning REDD+ or activities closely related to this, certain activities are already deployed and no budget is required for the same under FCPF. For instance, the UN-REDD Vietnam Programme together with JICA and Finland are much involved in developing adequate RELs for Vietnam. Hence, no funding is required here. On the other hand, few initiatives have been undertaken in developing an effective MRV system and FCPF financial assistance would be much welcomed. The activities leading to REDD+ implementation have been calculated individually, and the sum total of the actions amounts to \$15,108k², of which \$3,619k is requested from the FCPF. A breakdown of costs is given in Component 5.

¹ Viet Nam is preparing to support all eligible activities under REDD+. The mechanism is commonly referred to as “REDD” in Viet Nam. While programmes, bodies, texts, presentations, including this R-PP, etc, refer to “REDD” (as in the “National REDD Programme”, “National REDD Strategy”) these should be understood to encompass all aspects of REDD+, if adopted by the UNFCCC.

² These amounts only include current activities and firm pledges from donors. Other contributions are expected, in particular contributions from Norway (UN-REDD Phase II), GTZ and AusAid.

Component 1: Organize and Consult

1a. National Readiness Management Arrangements

Prime Minister has approved the National Target Program to Respond to Climate Change (NTP-RCC) in December 2008, in which REDD is one of important component. The National Steering Committee for the NTP-RCC implementation consists of representatives from line ministries and is chaired by Prime Minister. Under the NTP-RCC structure, the Directorate of Forestry of Vietnam (VNDof) is authorized to be the focal agency for the REDD component and is responsible for coordinating all efforts and activities among government agencies, private organizations, NGOs, CSOs and international development partners in the REDD+ implementation.¹ Furthermore, the VNDof is requested to report to the National Steering Committee on the progress of the REDD+ activities. At the proposal of the VNDof upon official letter No. 637/LN-TTr-QLR Decision No. 2614/QĐ-BNN- LN, dated 16/09/2009, the National Network and Working Group for REDD was established. At the first REDD Network meeting it was agreed that the REDD Network is chaired by the Vice Minister of the Ministry of Agriculture and Rural Development (he is also the Director General of the VNDof) and co-chaired by an international development partner on a rotation basis - with the Norwegian Embassy taking the role for the first cycle of two years. The Directorate of Forest (VNDof) is in charge of the overall development of the Forestry Sector. The Forest Sector Support Partnership (FSSP) was formed in 2001 as an agreement between the Vietnamese government and international partners to support implementation of the National Forest Strategy 2006-2020 and the Coordination Office (FSSP-CO) will provide Secretariat for both the National REDD Network and the REDD Working Group. Vietnam After one year, it is shown that the Network is an useful and effective platform to support the decision making processes of the VNDof and the National Steering Committee of the NTP-RCC in the REDD+ implementation. In order to enhance the coordination between the MARD and MONRE in the NTP-RCC implementation, a joint working group is established in December 2009 and chaired by a Vice Minister of MONRE.

Membership of the National REDD Network is open-ended and VNDof has invited all interested stakeholders at any level to participate in the Network. Current members of REDD network include representatives of MARD Departments, including Directorate of Forestry, International Cooperation Department (ICD), Planning Department, Finance Department, Department of Science, Legislation Department, and Coordination Office of the Forest Sector Support Partnership (FSSP), Forest Science Institute (FSIV), Forest Inventory and Planning Institute (FIPI). Representatives from Department of Meteorology and Climate Change of Ministry of Natural Resources and Environment (MONRE), Department of Agro-economics of Ministry of Planning and Investment, and Office of Government are also invited to participate. International Development Partners are also encouraged to participate on voluntary basis. This includes international development partners, such as JICA, GTZ, ADB, WB, Norwegian Embassy, Finnish Embassy, SNV and CARE international. In addition research institutions, such as ICRAF, RCREE, Universities and national and international NGOs are encouraged to participate. The private sector is just starting to show interest in the subject. However, there

is no substantial involvement of the private sector and local communities at present because i) they may not see any direct benefits in short run from the network participation; ii) the Network does not provide financial support for their participation (at least costs for travelling and accommodations), and iii) they might not have enough information on the REDD program. In order to promote the participation of these types of stakeholders, the VNDoF has launched public awareness campaigns and discussed with the UN-REDD Program and other potential partners for providing support. However, it is aware that it is not easy all interested local communities to be involved in the national REDD Network. Therefore, the VNDoF is considering the establishment of sub-national REDD Networks and organization of meetings at regions and provinces to enable local communities and organizations (e.g., ethnic committee, farmer association, women union, ect.) to take parts in the REDD activities. In its pilot area - Lam Dong province, the UN-REDD Program in Vietnam has conducted FPIC exercise and organized numerous meetings with local stakeholders to introduce on climate change and REDD. In addition, the VNDoF also promotes the activities of the Sub-Technical Working Group on Local REDD implementations that is aimed to encourage participation of private sector and local stakeholders.

As approved by the Policy Executive Board of the UN-REDD Program in Vietnam, the Program will support for recruiting one staff for strengthening the Network's secretariat. In the fourth quarter of 2010, the UN-REDD Program will support a study on analysis of effectiveness of the National REDD Network and needs for improvement. The updated list of member of the National REDD Network and their main activities is shown in Annex 1a-1.

A proposed Terms of Reference of the Network and Working Group was endorsed and identifies the following tasks:

The National REDD Network

The National REDD Network has the overall coordination function and is to support the development of REDD+ readiness in the context of efforts by the Government of Vietnam to address Climate Change mitigation and adaptation, as reflected in the National Target Programme on Climate Change Response for the period 2009-2015 (NTP-CCR). The tasks of the National REDD Network in Vietnam include:

- Prepare an action plan, including a road map, for the design and implementation of all elements of an effective national REDD+ system for Vietnam;
- Establish milestones and deadlines for delivery of each component of the action plan;
- Co-ordinate the inputs of international development partners, and ensure that bilateral and multilateral funding is directed to support implementation of specific components of the action plan in a way that is consistent with the comparative advantages of the international partners and meets the financial needs of each component;
- Undertake regular reviews and assessment of the status of implementation of the action plan, and design and implement measures to address any shortcomings in implementation;
- Ensure that all activities in support of the development and implementation of REDD+ measures in Vietnam full under, and are consistent with the action plan;
- Carry out other tasks assigned by the Chairs.

The National REDD Network meets on quarterly basis. Based on the feedback provided during

the meeting, different participant's comments are incorporated and final meetings notes are produced and disseminated. Membership of the National REDD Network is open to any group.

To date there has been a high level of interest and attendance of such meetings. Further efforts are needed to ensure the participation of representatives from across different Ministries and departments. This may require further outreach and targeted meetings to highlight the relevance of REDD+ to their work. Also efforts are needed to ensure more groups representing local communities attend these meetings. This may require financial assistance to support their attendance.

Technical Working Group

The Technical Working Group (TWG) on REDD+ assists operations of the National REDD Network on technical and administrative aspects. This TWG is currently chaired by a VNDof Leader with the REDD National Focal Point as the Deputy Head of the TWG. It has the following functions:

- Develop and update the donor mapping for REDD+ development and implementation in Vietnam;
- Identify a pilot scheme of REDD+ application in Vietnam in cooperation with respective stakeholders;
- Review the current and planned programs of international development partners related to the action plan;
- Prepare annual reports on the implementation of the action plan;
- Prepare national report of Vietnam for COP 15 and other related international conventions.
- Perform administrative work, financial management which are allocated to the National REDD Network and TWG to ensure their continuous operation and functioning;
- Organize National REDD Network meetings.

As the same as the National REDD Network, the membership of the TWG is open-ended. The TWG meets more regularly, about every two months. Some of these meetings have focused on specific themes. For example, Reference Emission Levels, which is being supported by work from the UN-REDD Vietnam Programme, JICA and the Embassy of Finland, has been the focus of two such meetings. Given the fact there are many technical issues pertaining to REDD+ the TWG proposed to establish sub-working groups to allow interested parties to get into greater depth on particular issues. Four sub-working groups are in the process or have been formed, these consist of:

- (i) *Sub-working group on REDD+ Governance*, which cover issues on REDD+ governance; government structures and capacity building; forest policies, rules and regulations; external linkages with other government agencies;
- (ii) *Sub-working group on MRV* which cover issues on forest data, forest inventory, data management and MRV. This group is being coordinated by FAO who have already held a number of meetings on this topic;
- (iii) *Sub-working group on REDD+ financing and benefit distribution*; and
- (iv) *Sub-working group on Local Implementation of REDD+* which cover issues of REDD+

implementation at districts and communities, capacity building, interventions, alternative rural livelihoods, ethnic communities. This aims to build on the lessons from ongoing REDD+ field projects. SNV Vietnam has been requested to coordinate this group; the first meeting was held in August.

Although the linkage between REDD and FLEGT is still in the international debates, the VNDoF decides to support for this activity in the REDD Program and it is a part of the UN-REDD program in Vietnam. An agreement was reached in August 2010 to prepare a Voluntary Partnership Agreement (VPA) with the EU's Forest Law Enforcement and Government - Trade Initiative (FLEGT). On 5th October 2010, MARD's Minister has submitted a proposal to Prime Minister to i) establish a National FLEGT Taskforce lead by a MARD's Vice Minister and a Standing FLEGT Office in VNDoF; ii) develop a Timber Legality Assurance System - TLAS), and iii) a public awareness campaign on FLEGT and the Lacey Act. A sub-Technical Working Group on FLEGT will be set up and supported by the UN-REDD Program.

The Chairs of the sub-working groups are required to send in the notes and recommendations from any meetings to the Secretariat. For some of the meetings notes have been posted on the FSSP website. The FSSP-CO as the Secretariat of the TWG is in charge of sending out invitations and announcements on meetings. The FSSP has a web site and a dedicated web page to REDD+ (go to http://www.Vietnamforestry.org.vn/list_news.aspx?ncid=115); more on this in section 1.b. FSSP also has a bulletin which provides information on key forestry issues, such as REDD+. Authorized activities of the National REDD Network and TWG will be financed by FSSP-CO, TFF, the UN-REDD Vietnam Programme and other development partners with government in-kind contribution.

The idea of establishing a Technical Working Group at the sub-national level has also been discussed. This would allow similar discussions to start at lower tiers of government and provide channels for the groups affected by REDD+ (e.g. the communities, forest managers, FPD) to discuss the realities of introducing REDD+ at this level. The actual modus operandi of operations needs to be further elaborated.

To date there has been a considerable interest in REDD+ and many REDD+ projects in Vietnam (see Annex 1a-1). This has placed considerable demands on the FSSP-CO and the DoF as Chair of the TWG. As new sub-working groups are established there is a clear need for further support to the TWG.

Component 1a: Summary of National Readiness Management Arrangements Activities and Budget						
Main Activity	Sub-Activity	Estimated Cost (in thousands US\$)				
		2010	2011	2012	2013	Total

Support mechanisms to enable participation by other stakeholders		\$88	\$30	\$30	\$20	\$168
Outreach activities to GoV ministries and departments		\$85	\$300	\$30		\$415
Technical Working Group management	Meetings (e.g. travel for stakeholders on TWG)	\$8	\$20	\$40	\$30	\$98
	Dissemination of reports		\$10	\$10	\$10	\$30
Technical Working Group support	Info/outreach specialist		\$24	\$24		\$48
	Technical specialist		\$24	\$24		\$48
Establish sub-national Working Group	Identify structure and implement required logistics		\$20	\$20		\$40
	Engage (inter)national stakeholders		\$70	\$20		\$90
Total		\$181	\$498	\$198	\$60	\$937
Government ²		<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>
FCPF		\$0	\$168	\$198	\$60	\$426
UN-REDD Programme ³		\$181	\$330			\$511

¹ Vietnam has a coordinating body and a national office for implementation of the NTP-RCC that is under the Ministry of Natural Resources and Environment (MONRE) and REDD is a part of the NTP-RCC, so that it does not need to set up a REDD Office under the Government Office. Vietnam is different from other countries as the Office of the Prime Minister and National Assembly do not chair any sectoral network. Each Ministry is responsible for establishment and management of relevant networks under the government administrative areas of that ministry.

² The Government of Viet Nam is contributing on a large number of levels to the implementation of the National REDD Programme. Support is given at the level of the Government itself, in particular through MARD but other Ministries as well, through provincial and district authorities, and through para-statal organizations. Additional support comes from logistical and operational support (e.g. office use, use of other infrastructure). The scope of the National REDD Programme is such that an accurate estimate of Government contributions, in particular when specified per component, is not feasible. A *very conservative estimate* puts the Government contribution to the National REDD Programme at \$4,000k per year, with emphasis on staff time dedicated to activities specified under Component 1.

³ All UN-REDD Viet Nam Programme contributions reflect only relevant activities in the context of this proposal (workshops, material, procurement, etc). Staff time and other forms of overhead are not included, but consultant fees are.

1b. Stakeholder Consultation and Participation

Consultations in the development of the R-PP

Consultation and participation of relevant stakeholders and partners is one of the key pre-conditions for the efficient implementation of a National REDD Programme. Stakeholder involvement has to be ensured both within the R-PP preparation as well as later when developing and implementing specific project and activities after the funding is provided to the country through the National REDD Programme.

Vietnam strives to ensure effective consultations and stakeholders' involvement which will ensure the transparent process of the R-PP and National REDD Programme preparation and implementation. It is also recognised that this will contribute to improved decision-making processes relevant to the National REDD Programme by providing a platform for expressing and taking into account the opinions of all relevant stakeholders and partners; as well as contributing to equal distribution of benefits achieved through the REDD+ implementation.

Given the fact that many of the pressures on the forest are as a result of activities outside the forest sector it is critical that stakeholders from across all these sectors are included. Also given that the decisions made at different administrative levels ultimately affect land use, it is critical that a broad range of stakeholders from the national, provincial and local levels are included.

It can be stated that except authorities and organizations directly involved in preparatory works for the National REDD Programme implementation in Vietnam, the REDD-related issues are still not widely known (especially at the provincial and lower administrative levels) in the country. Thus the successful consultation process has to also include capacity development and raising awareness activities. Currently, the UN-REDD Program in Vietnam has worked with provincial departments and local communities on establishment of an appropriate mechanism that allows local stakeholders to widely participate in the REDD Network. A provincial REDD working group is established.

Since the social and environmental strategic assessment (SESA) will be conducted as a part of the R-PP and REDD+ preparation (see section 2.4), the consultation and participation activities should be used also for purposes of the SESA in order to avoid overlaps and duplication of the effort.

Activities carried out within R-PP preparation

As recommended by the FCPF¹ the consultation process should already be a part of the R-PP preparation. To meet this aim, a number of meetings with relevant organizations and institutions were organized during the R-PP preparation. This included different government ministries and departments, multilateral and bilateral donor agencies, national and international Non Government Organisations, research organisations and institutes and organisations supporting ethnic minority and forest dependent communities. Recognizing the importance of participation of high-ranking decision makers in the R-PP preparation process, the VNDoF has invited Director General of Department of Economic Sectors of the

Prime Minister Office to join the working team. The list of organisations and topics discussed is shown in Annex 1.b-2a. These meetings were mainly aimed at:

- (i) finding out relevant information on the past and current activities relevant to potential REDD+ priorities and activities;
- (ii) consultation on key social and environmental issues relevant to the REDD+ (as a part of preparation of the Terms of References for SESA); and
- (iii) identification of relevant stakeholders and methods to be suggested by the consultation and participation plan for efficient stakeholders' involvement especially at the local level.

The process of the R-PP preparation as well as suggested content of the R-PP was presented at the regular meetings of the Technical Working Group since April, 2010 which is chaired by the Directorate of Forestry (VNDof). In order to present and discuss the initial findings of the draft R-PP a national consultation workshop was organized by VNDof in Hanoi on July 8th, 2010. There were around 30 attendees, covering a range of government departments, donors and NGOs. A list of attendees is shown in 1b-1.

The following draft parts of the R-PP were presented and discussed at the initial national workshop on the R-PP:

- Consultation and Participation Plan (i.e. Component 1b);
- Assessment of Land Use, Forest Policy and Governance (i.e. Component 2a);
- REDD+ Strategy Options (i.e. Component 2b); and
- ToR for Social and Environmental Strategic Assessment (i.e. Component 2d).

The background information on these sections which was completed by the consultants was also sent to the invitees in advance of the workshop. All documents were translated into Vietnamese. The workshop provided the opportunity for the different organisations to comment on the presentations. This information was collected and integrated into a final version of Components 1b, 2a, 2b and 2d.

The draft parts of the RPP were also displayed at the web page of the MARD, and distributed through Climate Change Working Group (coordinated by CARE International), Vietnamese NGOs & Climate Change Network (coordinated by SRD) and Gender and Community Development Network.

A first full draft of the R-PP was completed in time for a second national consultation workshop held on August 13th. Again comments from the participants were noted and integrated into the final document.

The complete version of the R-PP will be displayed at the web page of the MARD.

Consultation and Participation Plan

Specific objectives

The specific objectives of the consultation and participation process for REDD+ preparation and implementation in Vietnam can be defined as follows:

- To ensure all key stakeholders are involved in the formulation of the National REDD Strategy (including proposals of the specific projects and activities). This means: (i) they have opportunity to provide comments; (ii) comments raised will be taken into account in the REDD+ preparation, which means that comments can be integrated in the National REDD Strategy or it will be explained why certain comments haven't been used.
- To ensure all relevant stakeholders are involved in the REDD+ implementation (including monitoring and evaluation) i.e. when carrying out specific projects and activities, in order to provide the opportunity to influence their implementation.
- To ensure that vulnerable groups (especially indigenous people) affected by the REDD+ implementation receive appropriate benefits.
- To contribute to minimizing potential adverse effects and enhancing positive effects of the REDD+ implementation by involving relevant stakeholders in the SESA procedure.
- To raise awareness and increase general understanding of the REDD+ importance and its contribution to sustainable development.

Stakeholders identification

Based on the stakeholders' analysis (see Annex 1.b-2a) the following target groups can be defined.

National level

The Government and the Office of Government: The Prime Minister will approve the official notification on the National REDD Programme submitted by the MARD, thus it is necessary to keep the Office of Government informed on the progress in the REDD+ preparation in order to avoid the "last minute" discussions on its content.

Government ministries and departments: Besides the MARD, which is directly responsible for the REDD+ coordination, it is important to involve other ministries in charge of issues which relate to REDD; in particular the Ministry of Natural Resources and Environment, Ministry of Finance, Ministry of Planning and Investment Ministry for Labour, War Invalids and Social Affairs, Ministry of Health, Ministry of Construction, Ministry of Culture, Sports and Tourism, Ministry of Industry and Trade, Ministry of Transport and the Ministry of Education and Training. The most relevant departments within the ministries should be targeted.

Other governmental organizations: There are a number of committees, which are focusing on issues related to REDD+ (e.g. Central Committee for Flood and Storm Control, National Committee for Ethnic Minorities, National Water Resource Council, Committee for Intangible Cultural Heritage, Vietnam National Administration of Tourism) who should also be invited to participate in the REDD+ preparation and implementation.

International organizations and donor agencies have already funded projects closely related to the REDD+ and/or will directly provide funding for REDD+ preparation and/or implementation. In particular UN-REDD, the World Bank, FAO, JICA, GTZ, the Royal Norwegian Embassy, Embassy of Finland, who are all supporting REDD+ related activities in Vietnam. Information on these projects can be found at the Forest Sector Support

Partnership website: go to (http://www.vietnamforestry.org.vn/view_news.aspx?ncid=115&nid=226) goto (http://www.Viet_NamVietnamforestry.org.vn/view_news.aspx?ncid=115&nid=226).

Non-governmental organizations (NGOs): Both international and national NGOs are directly involved in REDD+ activities (several of them are members of the National REDD Network) as they directly focus on the REDD+ or on related social and environmental issues. Groups such as SNV, Winrock and ICRAF all have on-going National REDD Programmes. A network of national NGOs working on REDD+ has also been formed. Their involvement should continue, since they can contribute significantly to the REDD+ strategy development as well as they can be involved in implementation of the specific projects and activities.

National Universities and institutions: there are various universities and institutions, often linked to a government department which can provide technical support to particular aspects of the REDD+ process. For example Xuan Mai Forest University, Research Centre for Forestry Ecology and the Environment, Nam Long University, etc.

Provincial level

Provincial People's Committees: They play a crucial role and make the decisions pertaining to activities within the provinces. They can also play a critical co-ordination function between ministries and departments. They must be involved in planning and implementing of activities.

State Operating Companies (previously State Forestry Enterprises): They continue to manage much of the forest estate in Vietnam so will be important in any efforts to reduce deforestation and forest degradation. *Private and state companies:* Both directly focusing on the forests, as well those working in the other sectors, which might create a pressure on the forests (agriculture, shrimp farming etc.) can be potentially influenced by the REDD+ implementation.

District and local level

District People's Committees: They will be the most directly involved in administration of the specific projects and activities, so their involvement is important for successful implementation. They will closely coordinate with lower tiers of administration - at the commune and down to the village level.

Local communities: This group includes land users, forest dwellers, ethnic minorities - they will be directly affected by the REDD+ implementation and must be involved in formulation of the specific projects and activities, as well as in their implementation. Without the support of local communities any efforts are unlikely to have a long lasting impact.

NGOs and Civil-Society Organizations (CSOs): Those working at the district or local level should be involved in implementation of the specific projects and activities and they can also effectively provide services for ensuring communication with the local communities as well as play an important role in coordination of the involvement of indigenous people, ethnic minorities, land users etc.

Private and state companies: Both directly focusing on the forests, as well those working in the other sectors, which might create a pressure to forests (agriculture, shrimp farming etc.) can be potentially influenced by the REDD+ implementation.

Means of consultation

Following tools, approaches and methods can be used to ensure proper consultation and participation process:

Technical Working Group

Since already established and active, the Technical Working Group (TWG) serves as a key platform for consultations at the national level. Although it is open for any organizations to participate there continues to be many key government departments and groups missing from the TWG. More proactive efforts are needed to identify key stakeholders and encourage them to participate in the TWG. The TWG acts as a platform for discussion on the more technical aspects of REDD. Currently four sub Technical Working Groups on Governance, MRV, Benefit Distribution and Local Implementation have been established. Although these may appeal more to those organizations already working on REDD+ there should be proactive efforts to encourage widespread participation, particularly amongst the national groups.

For dissemination of information and getting feedback on the draft R-PP/REDD+ versions the existing networks shall be used - especially Climate Change Working Group (coordinated by CARE International) and Vietnamese Vietnamese NGOs & Climate Change Network (coordinated by the Center for Sustainable Rural Development, SRD). These networks can be also used for identification of partners at local level (since local NGOs as well as individuals are members of both networks) if needed for preparation and implementation of specific projects and activities.

National workshops

Several national workshops should be organized during the REDD+ preparation. This includes a national workshop once the R-PP is formally accepted and when the National REDD Strategy has been agreed. This will serve for presenting the final version of the National REDD Programme and a work plan for its implementation including SESA procedures and consultation and participation plan.

Regular national workshops during the REDD+ implementation to present progress achieved, specific activities and projects, and to discuss further steps of implementation.

Internet

The internet can be used for dissemination of information especially for organizations and institutions at the national and provincial levels. Already existing web pages maintained by MARD see <http://www.vietnamforestry.org.vn> contain information on REDD. The UN-REDD Vietnam Programme has also supported the establishment of a web page dedicated to REDD+ in Vietnam <http://vietnamwww.Vietnam-redd.org/> which will increasingly serve as an important source of information on REDD+ activities in Vietnam.

SESA procedure

Several focused meetings should be organized for purposes of the SESA procedure.

Scoping meeting: After the SESA team prepares the list of the key social and environmental

issues, which are associated with priorities and actions suggested by the National REDD Strategy, the scoping meeting will be organized to validate findings. Members of the National REDD Network will and authorities in charge of administration of the key social and environmental issues should be invited to validate the findings and conclusions.

There then should be a series of meetings within the context of the evaluation of the potential effects. A National REDD Network meeting should be organized to present and discuss the potential effects of REDD+ to key social and environmental issues. The SESA team shall present the preliminary findings at the meeting.

If specific activities/projects are suggested by the REDD strategy and evaluated within the SESA, provincial meetings should be organized in provinces, where these projects and activities will be implemented.

A series of bilateral meetings and consultations with authorities in charge of administration of the key social and environmental issues and with communities potentially affected should be held in order to discuss suggested mitigation and enhancement measures and a monitoring framework.

Final SESA meeting: The SESA report should be presented and discussed at the national workshop, where all National REDD Network members will be invited. Comments and suggestions received will be considered when finalizing the SESA report.

Provincial and district workshops

Besides provincial workshops within SESA there also needs to be meetings at the provincial and district levels. The fact that knowledge of REDD+ is limited in the provinces highlights the need for awareness raising workshops in key provinces and districts. There is consideration of establishing a pilot provincial level Technical Working Group, though this has still to be introduced. This would be encouraged. It is important to start to get the interest and support of the provinces and districts. As they will ultimately play a pivotal role in stopping deforestation and must be involved in formulating the specific projects and activities within the National REDD Programme before starting their implementation.

Public dialogue at the community level

The public dialogue at the community level has to be initiated already during formulation of the specific activities and projects within the National REDD Programme and has to continue during its implementation. For initiating the dialogue an information campaign and capacity building is necessary. The public dialogue shall provide a consultation framework for ensuring free, prior and informed consultation (FPIC) with an informed participation of the affected peoples throughout project implementation, including monitoring and evaluation. An action plan shall be formulated for each specific area (community) during the initiation of the public dialogue. The UN-REDD Vietnam Programme has developed a methodology for conducting FPIC and piloted this in 78 villages in Lam Dong province. This methodology may be applied at a larger scale and with a broader scope.

The public dialogue should serve several purposes (i) to get information on the real situation and specific context in the area including existing problems and needs - this should be used for formulation and/or modification of the specific projects and activities; (ii) to directly involve community members in implementation of the specific projects and activities; (iii) to ensure the community is not adversely affected by implementation of the

specific projects and activities; and (iv) to involve community members in specification of mitigation measures - if adverse effects are unavoidable.

The public dialogue also aims to ensure that vulnerable groups (including ethnic minorities) receive social and economic benefits that are culturally appropriate. Thus the action plan may include, if necessary, measures to enhance the capacity of the institutions with responsibilities for addressing the needs of ethnic minority groups.

Information campaign and capacity building

The information campaign should be organized at two levels - (i) national level to promote the National REDD Programme and its contribution to sustainable development; and (ii) community level to create a basic platform for further public dialogue.

The following activities should be carried out at the national level:

- Preparation of press news (at least after formal approval of the R-PP and when important projects are successfully implemented) and its dissemination to media (national newspapers, TV news).
- Preparation of information leaflets explaining the purpose of the National REDD Programme and benefits of its implementation, aimed at the general public.
- Translation of selected REDD-relevant publications into Vietnamese language and possibly to languages of the ethnic minorities (which need to be specified when specific projects and activities are proposed to be implementation within REDD+).
- Maintaining the web page (see above)
- Organizing national workshops (see above)

At the community level following activities should be carried out:

- Training on the REDD+ issues for the local facilitators.
- Preparation of posters explaining activities and projects to be carried out and their potential effects to the community.
- Conducting consultations with the community leaders (heads of villages) to explain the process and steps to be carried out within implementation of the specific projects and activities.
- Organizing a series of informal meeting with communities

The consultation work plan is further elaborated in Annex 1.b-2b

Component 1b: Summary of Stakeholder Consultation and Participation Activities and Budget²						
Main Activity	Sub-Activity	Estimated Cost (in thousands)				
		2010	2011	2012	2013	Total
Co-ordination of consultation process	Overall	\$10	\$15	\$15		\$40
	Public dialogue and community	\$20	\$20	\$20		\$60

	capacity building					
Workshops	National	\$81	\$15	\$15		\$111
	Provincial and district	\$80	\$70	\$20		\$170
Community capacity building	Training of local facilitators	\$30	\$60	\$10		\$100
	Meetings & Consultations	\$30	\$60	\$40		\$130
	Translations		\$20	\$20		\$40
National information & awareness raising campaign	Workshops	\$50				\$50
	Leaflets, posters	\$20	\$20	\$10		\$50
	Web-page maintenance	\$8	\$10	\$10	\$5	\$33
	Audio-visual materials	\$20	\$50	\$20		\$90
	Other promotional material	\$20	\$10	\$10	\$10	\$50
Total		\$369	\$350	\$190	\$15	\$924
Government		<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>
FCPF		\$0	\$250	\$190	\$15	\$455
UN-REDD Programme ³		\$369	\$100			\$469

¹ Forest Carbon Partnership Facility (FCPF): Note FMT 2009-2 – Readiness Mechanism National Consultation and Participation for REDD+ (May 6, 2009)

² Various activities related to stakeholder consultation are included in other components, in particular Components 2d and 3. Similarly with training activities.

³ All UN-REDD Viet Nam Programme contributions reflect only relevant activities in the context of this proposal (workshops, material, procurement, etc). Staff time and other forms of overhead are not included, but consultant fees are.

Component 2: Prepare the REDD+ Strategy

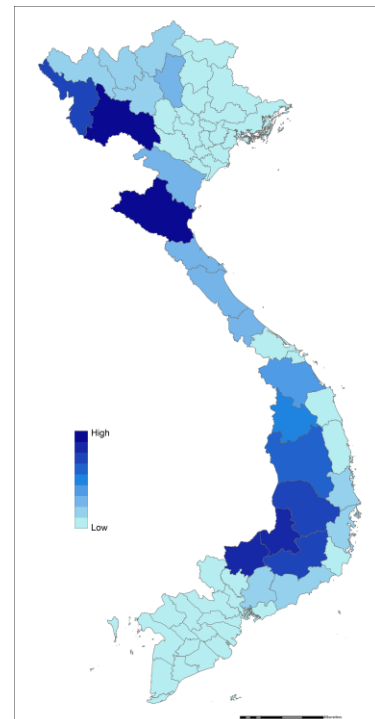
2a. Assessment of Land Use, Forest Policy and Governance

Background on the State of the Forest in Vietnam

Much of Vietnam's forest cover was removed between 1943 and 1993 declining from at least 43% to 20%.¹ Since then Vietnam has made considerable efforts to increase its overall forest cover. According to official statistics the actual forest area in Vietnam has increased to 13.564 million ha in 2009 (which equates to 39% of the land area) from 9.2 million ha in 1992.² Much of the increase has been down to plantations, which account for 2.9 million hectares; the re-designation and inclusion of previously omitted limestone forests; and natural regeneration - predominately of bamboo forest area.³ It is generally acknowledged that the quality of natural forests continues to be more fragmented and degraded. Over two-thirds of Vietnam's natural forests are considered poor or regenerating, while rich and closed-canopy forest constitutes only 4.6 percent (in 2004) of the total.⁴ Lowland forests supporting their full natural biodiversity have been almost entirely lost. Between 1999 and 2005 the area of natural forest classified as rich decreased by 10.2% and medium forest reduced by 13.4%.⁵ Given the state of the forests in Vietnam it is likely the issue of forest degradation would be particularly relevant. This requires further investigation. *Annex 2.a.2: ToR I: exploring forest degradation in Vietnam).*

A number of studies have mapped deforestation and forest degradation in Vietnam^{6,7}; although they may show a slight net increase in national forest cover, at the sub national level there are certain areas (indicated by darker blue on the adjoining Map) undergoing serious deforestation and forest degradation.⁸

Vietnam's mangrove forests have been significantly degraded; between 1943 and 1999, the national area of mangrove forests declined from 409,000 to about 155,000ha or by 62 percent.⁹ The rate of mangrove forest loss in the period 1985-2000 is estimated to have been about 15,000 ha/year.¹⁰ The last comprehensive national inventory of mangroves was carried out in 1999, but a range of site-specific data suggests that the combined controls and replanting programs in all regions appears to have slowed the decline.¹¹ At the meeting of Steering Committee for implementation of National Forest Monitoring and Assessment Program for the period from 2010-2015, the Minister of MARD stated that Vietnam was successful in promoting reforestation in last decades but the government



will pay great attentions on sustainable forest management and improvement in forest quality in coming years.

Overall Forest Policy Directions

The land management agency at central level is the Ministry of Natural Resource and Environment (MONRE) with the General Department of Land Administration functioning as the Advisory body. The state administration of forest and forestry land at the central level is the Ministry of Agriculture and Rural Development (MARD). The Directorate of Forestry is the Agency to advise the Minister in the state management and to implement state management tasks in respect to forestry issues nationwide, including the administration of mangrove forests.

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

Vietnam's overall policy direction for the forest sector, as framed by the Central Communist Party Strategy for industrialization and modernizations, identifies five clear objectives to be met by 2010:¹² (i) increasing overall forest coverage to 43 percent of the national land area; (ii) completing the allocation of forestry land to households and other entities; (iii) promoting forestry-based livelihoods; (iv) protecting 10 million hectares of natural forests through management contracts with smallholder households; and (v) accelerating the development of forest plantations. Subsequent Party resolutions have stressed the need to conserve watershed and coastal-protection forests;¹³ and reform State Forest Enterprises (SFEs).¹⁴ All subsequent laws, decrees, policies and strategies pertaining to the forest sector have been guided by these decisions.

Since 2000 the National Assembly has passed a number of laws with implications for how forests are owned and managed in Vietnam; most notably the *Land Law (Decision 13/3003/QH11 dated 26/11/2003)* which helped to clarify the framework for forestry land tenure and created for the first time the opportunity to allocate forestry land to communities as well as to individual households; and in 2005 the *Forest Protection and Development Law (Decision 29/2004/QH11 dated 3/12/2004)* which recognizes distinct categories of forest ownership, with varying responsibilities and rights for forest management.

Key Policies, Programs and Strategies in the Forest Sector

Vietnam has a raft of decrees, circulars, laws and policies on *Forest Law Enforcement*. Crimes are classified within the Penal code, which contains four different types of forestry crimes. The Law on Forest Protection (*Article 12*) specifies a range of "prohibited acts", including illegal logging, hunting and collection; forest destruction; ignoring forest fire prevention; encroachment on forest land; illegal forest products transport; illegal grazing; and various other practices. The laws assign the main responsibility for ensuring compliance with forest protection to MARD. As part of an effort to improve progress on Forest Law, Enforcement and Governance (FLEG), MARD and the European Commission (EC) have established a joint *FLEG-T (Trade) Working Group*. As above-mentioned, Vietnam and EC have reached an agreement in August 2010 to prepare a Voluntary Partnership Agreement (VPA) with the EU's Forest Law Enforcement and Government - Trade Initiative (FLEGT). It

is expected that the negotiation will be completed by the end of 2012.

In 1992 the government introduced *Program 327* aimed at "regreening the barren hills". This was replaced by a larger more ambitious program which continues to be the cornerstone of forest protection and development efforts in Vietnam: *the Five Million Hectares Reforestation Program (5MHRP)* or the '*661 program*'. This sets out targets and provides subsidies to reach the overall forest coverage of 43% by 2010. Of the five million hectares, two million hectares were planned as protection forests and three million hectares as production forests. The results from the program have been mixed. Although it has gone a long way in meeting its targets for protection forest, it has fallen below its expectations for regeneration, particularly for plantations. As a result *Program 147* "support for development of forest plantations" (2007-2015) which focuses on production forests was introduced. Various revisions have been made to the program though a number of problems persist, which have been documented in various reports.^{15,16,17} These highlight the need for more involvement of local communities in the overall decision-making process, the introduction of provisions for improved planning, controls and audits and a lack of externally verified information highlighting the actual situation at the field level.

Both Programs 327 and 661 have invested in protection of existing natural forests and promotion of reforestation. Successes and failures of previous forest policies and causes behind that have been analyzed in many studies conducted by WB, GFA and other institutions. They are also highlighted in the report of the Benefit Distribution Study (BDS) that is supported by the UN-REDD Program and GTZ and is uploaded in the UN-REDD website. Several major reasons of these policies' failure to protect forests were identified i) a lack of reliable information for the program formulation and poor planning, ii) a lack of adequate benefit sharing mechanisms to provide enough incentive for local people to halt deforestation; iii) unclear land tenure and insecure property rights; iv) poor management and coordination among relevant agencies at central and local levels, and v) a lack of systematic and regular monitoring and evaluation system.

The *reform of State Forest Enterprises* has been a major policy push since the late 1980s. These enterprises, which were recently transformed into State Operating Companies (SOCs), continue to control around 37% of forest land.¹⁸ The objective of the reform has been to separate business activities [mainly logging] from those of public goods management (protecting watersheds and conserving biodiversity). However, progress has been slow. In September 2010, the Minister of MARD decided the VNDof will take the lead of SFEs reform process instead of the State Enterprises' Renovation Board.

The current national strategy for the forest sector is the *National Forest Development Strategy (NFDS) 2006-2020*. This builds on previous strategies and programs, setting out new ambitious targets for plantations, policy reform, as well as further subsidies for protection and plantations and a greater role and responsibility for the local communities. Through *Directive 38/2005/CT-TTg* there has been a process of *Forest Land Reclassification* to reduce the area of protection forest requiring government support in order to increase the area of production forest available for private sector investment. Part of this Directive aims to encourage forest production in degraded forest areas.

Since 1993 there have been a series of laws, policies and decrees to transfer land use rights for forestry lands away from the state. By 2006, only 55 percent of land classified as forestland had been allocated to households based on land use rights certificates as compared to 81 percent of all agriculture land.¹⁹ In order to enhance forest use rights and improve land tenure security, the MARD's Minister approved the proposal on facilitation of the forests and forestland allocation processes for the period from 2007-2010 (Decision No.

2740 /QĐ- BNN- KL dated 20th September 2007). The program was aimed to complete forest allocation and leasing to local communities and legal entities by the end of 2010. Furthermore, the Government has invested about VND 700 billion (equivalent to USD 37 million) in establishment of basic cadastral maps at a scale of 1/10,000 that have been used for forest land allocation and management during the period from 2002-2008. However, these *Forest Land Allocation Programs* have tended to be hampered by a lack of funding and the overlapping mandates of MONRE, which oversees land allocation, and MARD, which is in charge of forest land. As of 2010, most of forests in the northern provinces have been allocated to different economic entities but large areas of forests in the South are still under management of state agencies and local authorities. In 2006 the Department of Forestry implemented the *Community Forestry Pilot Program* (CFM) which highlights a growing interest and move towards community forestry in Vietnam. The Prime Minister also signed the Decision No. 178/2001/QĐ-TTg dated 12/11/2010 on responsibilities and rights of individuals and households on their allocated or contracted forests and forestland. However, this policy was not brought into practice as it was too complicated and did not provide enough incentive for forest managers to protect forest effectively.

VietnamVietnamVietnam is the first country in Southeast Asia to pilot a scheme of *Payments for Forestry Ecological Services* (PFES) (as promoted under *Decision 380/QĐ-TTg in 2008*). The focus has been on capturing the value of watershed protection services provided by intact forests in two pilot sites in Lam Dong and Son La Provinces. Based on the success of the pilots, Government has approved the Decree No. 99/2010/ND-CP dated 24th September 2010 on Policy on Payment for Forest Environmental Services (PFES), in which carbon sequestration and conservation are considered as forest services, paid an important legal foundation for the REDD+ implementation in Vietnam.²⁰

A policy on *Reduced Emission from Deforestation and Forest Degradation* (REDD) is evolving in Vietnam. Since 2008 MARD has been supporting the implementation of the National REDD Programme, including participation in the World Bank Forest Carbon Partnership Facility and the UN-REDD Vietnam Programme. There are also a host of REDD+ projects supported by international donor agencies; in particular JICA, SNV, GTZ and NORAD. The National REDD Network and Technical Working Group (see section 1a.) co-ordinate and support REDD+ readiness. Given that REDD+ is a relatively recent development in the forestry sector it was not highlighted in many of forest sector plans and strategies. In October 2010, the MARD decides to integrate REDD+ into National Forest Development and Protection Plan for the period from 2011-2020, this plan is expected to be submitted to Prime Minister for approval at third quarter of 2011. At present, the UN-REDD program in Vietnam provides support to synergize REDD+ activities into master land-use planning of Lam Dong province.

In order to support for the REDD+ implementation, the Prime Minister has requested MARD to prepare a proposal of the National Forest Monitoring and Assessment Program (NFMAP) for the period from 2010-2015. This program is aimed to provide more reliable forest data through setting up a regular forest monitoring system and promoting participation of local stakeholders in the forest assessment activities. The UN-REDD Program in Vietnam will support for piloting in 2 districts of Lam Dong province and the FAO will support for some other provinces. It is the first time forest carbon measurement and estimation to be included in the NFMAP in Vietnam.

In December 2008 the Prime Minister issued *Decision No 158/2008/QĐ-TTg* to approve the *National Target Program to respond to Climate Change*. Although the focus has been on adaptation this plan also covers mitigation. MONRE is the focal agency, tasked to collaborate with relevant agencies to assist the Government in responding to Climate

Change. A National Standing Office is established with the representatives of different ministries to be responsible for coordinating efforts for the NTP-RCC implementation.

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

Drivers of Deforestation and Underlying Causes

The dynamics and causes of deforestation and forest degradation are multiple and highly complex. The factors driving deforestation in Vietnam has changed throughout the course of the country's history. The period of greatest forest loss occurred between 1943 and 1993 where it has been estimated that forest cover declined from at least 43% to 20%.²¹ Much of this was a result of war and agricultural expansion by the predominately lowland Kinh people migrating into forested areas.

By the middle of the 1990s with the forest estate severely depleted and degraded this precipitated a change in policy to stabilise and increase the forest areas through the introduction of national forest initiatives - most notably the '661 Program'. Great achievements have been made to reverse the trend of deforestation and forest degradation. With these improvements have come new challenges and threats. The current main direct causes of deforestation are generally agreed to be a result of: (i) conversion to agriculturally cultivated land (particularly to industrial perennial crops); (ii) the impacts of infrastructure development and hydropower plans; (iii) unsustainable logging ; and (iv) forest fires. There might be other direct drivers but are not significant at present such as invasive species, mining, bio-fuels and climate change. Although the impact of these may grow in the future, currently their impact is deemed less significant and therefore they are not examined in this report. Nevertheless, it is important they continue to be monitored as they are recognised as 'direct' or 'proximate' causes of deforestation. However, they are not the 'root' or 'underlying' causes which need to be tackled in order to make a lasting impact to stop deforestation. The information on direct drivers and underlying causes provides the basis on which to determine the appropriate National REDD Strategy. The most important direct cause of forest degradation in Vietnam in last decades is unsustainable logging (notably illegal logging).

In order to better understand the drivers of deforestation and degradation, and underlying causes requires comprehensive studies and consultation with many experts; the list of experts who provided input to this section is shown in Annex 2.a.1' along with a list of the main publications reviewed. At present, the UN-REDD Program in Vietnam plans to carry out a such study. A background paper was produced which provides further details than the information in the R-PP.²²

I. Conversion of forest lands for agriculturally cultivated land

Vietnam continues to be one of the world leaders in the export of agricultural commodities, including coffee, cashew, pepper, shrimps, rice and increasingly rubber. In 2009 the agricultural sector accounted for 20% of overall GDP, with a growth rate of 3.84% per annum between 2006 and 2008.²³ Over the past five years the expansion of industrial crops has grown faster than planned, increasing from 1.634 million ha in 2005 to 1.886 million ha in 2008. There has also been a large increase in the area used for aquaculture, primarily shrimp. Between 1991 and 2001, the total area of coastal and marine aquaculture in Vietnam almost doubled. Future agricultural policies and plans intend to stabilise the total

area for coffee and tea while rubber areas are projected to expand more than 120,000 ha to reach an area of 800,000 ha; and cashew crops are expected to expand 30,000 ha to reach a target of 430,000 ha by 2015.²⁴ Most of the recent expansion in the perennial industrial crops has concentrated in two of Vietnam Agro-ecological zones, the Central Highlands and the Southeast. Much of the planned expansion is also in these Agro-ecological zones which are particularly suitable for the production of coffee, rubber and cashew. Over the past 10 years these Provinces have experienced some of the highest levels of deforestation as highlighted in a number of reports.^{25,26} The government also continues to set high targets for the increase in the value of aquaculture.

The main transformation of the Central Highlands, in particular Dak Lak and Lam Dong provinces, has been through the expansion of coffee. High world market prices beginning in the 1990s and new land tenure rules led to a rapid expansion in coffee in the area. Between 1990 and 2000 the area for coffee plantations increased from 50,000 to 500,000 hectares.²⁷ There was large scale in-migration to the area. As prices dropped some farmers were forced to move out of coffee. Regions such as Dak Nong Province represent some of the last remaining areas for agricultural expansion into naturally forested area. With relatively high forest cover remaining and good soils such areas will come under further pressure from agricultural expansion and therefore are highly relevant for REDD. Similarly in coastal areas government policies and market signals have directly or indirectly led to the large-scale conversion of rice lands and coastal mangrove forest areas to shrimp farms.²⁸

These market signals are taking place within a supporting agriculture policy and planning framework geared towards export orientated agricultural growth. Current and future policies and plans for the expansion of agriculture point to a large scale expansion of rubber and to a lesser extent cashew as highlighted in the first draft of the Five Year Plan of 2011-2015 Agriculture and Rural Development; as well as *Decision 25/2008/QĐ-TTg dated 5/2/2008* and *Decision 750/2009/QĐ-TTg dated 03/6/2009* allowing the development of 100,000 ha of rubber in the Central Highlands. This will lead to large areas of exhausted natural forests being clear cut for new rubber plantations. This expansion will occur mainly in the Central Highlands and also in the Southeast Agro-ecological zone. As part of any National REDD Strategy it is therefore recommended to carry out further analysis on the possible impacts of the rubber expansion on the natural forested areas. *Annex 2.a.2: ToR II: An assessment of rubber expansion on the natural forest areas in the Central Highlands and Southeast Agro-ecological zones.*

The issue is further complicated by the current forest classification systems and approval procedures which can lead to situations where forests that are healthy and/or are naturally regenerating are converted for reforestation, primarily to rubber or acacia. The regulation on forest management *Decision 186/2006/QĐ-TTg* which was followed by the *Circular 99/2009 dated 6/11/2009* ascribes the criteria of degraded forest and the types of degraded forest which are allowed for afforestation. According to some experts this could affect much of natural forest in the Central Highlands.²⁹ In addition, the system to carry out the forest inventory and verification of the criteria that determines the degraded forest and types of forest to be eligible for afforestation are open to influence. Given the concerns surrounding forest classification systems and approval procedures it is recommended this is re-examined. *Annex 2.a.2: ToR III: An examination of the forest classification and approval processes to provide recommendations.*

There is a general lack of capacity and ability to ensure that the 'plans' for agriculture and forestry are adhered to. Various studies point to widespread illegal conversion of land for

agriculture due to the limitation of the forest protection forces and weak law enforcement.³⁰ According to statistics in 2009, 4,356 cases of deforestation were found with the loss of 1,998ha.³¹ However, the issue of unclear land tenure, policy and planning, as well as incentives for non detection and a lack of monitoring would imply the figure be considerably higher.³² Work carried out by ICRAF in Dak Nong Province found that the main direct driver of deforestation is the conversion of natural forest to industrial perennial crops and its interaction with shifting cultivation in acquiring land. Local groups, such as ethnic minority groups, were acquiring this land in order to sell it on for producing industrial perennial crops.³³

An underlying reason why economic agents have an incentive to convert forested areas to agriculture is that they do not adequately account for the economic value of the forests goods and services. Parts of the forest products industry tends to be highly inefficient and is not maximising the potential value from the forest. This is down to various reasons of training, poor processing, marketing and inability to tap into different markets. This is clearly recognised with ongoing efforts to improve the efficiency of this sector. In addition there are considerable ecological services provided by forests which are neglected. Through Decision 380/QĐ-TTg in 2008 Pilot Projects have been introduced and have paved the way for a broader introduction of PES in Vietnam.

There continues to be persistent poverty in Vietnam particularly amongst the ethnic minority who predominately live in upland forested areas. Although ethnic minorities comprise only 14.5 per cent of the population, they constitute 44.7 per cent of Vietnam's poor and 59 percent of the hungry.³⁴ There is pressure from them to convert land to produce sufficient food for subsistence in order to alleviate poverty.

There has been much debate on the impact of the traditional agricultural practice of shifting cultivation on forest loss. The government policy for the past 30 years has been to try and eradicate this practice in favor of sedentary agricultural systems. It would appear the impact of shifting cultivation has a varying impact depending on the Agro-ecological zone it is taking place. In the Central Highlands much of the cultivation into new forested areas would appear to be motivated by acquiring more lands, often sold on for commercial purposes to grow industrial crops. In the North Central where there are fewer opportunities for industrial crops shifting cultivation is practiced more for subsistence purposes. It is unclear how much current expansion is into new forested areas. It is important that further analysis is carried out to provide clarity. *Annex 2.a.2: ToR IV: Assessment of the impact of shifting cultivation on deforestation and forest degradation in the three Agro-ecological zones of the North West, North Central and Central Highlands.*

A final underlying factor which drives both expansion of industrial crops and subsistence is the growing population from both in-migration and population increase. Generally, spontaneous migration is diminishing due to the scarcity of arable lands, the restriction applied by the host Provinces, and partly due to the increasing availability of off-farm employment in the home regions. The remaining areas where there is in-migration is where there are still areas of fertile land available, such as the Eastern parts of the Central Highlands. The fertility rates are higher amongst ethnic minority groups (roughly 3.4 children compared to 2.1 for Kinh), which implies that more population growth pressures may come from such groups.³⁵

2. Unsustainable logging

Forest degradation is mainly caused by unsustainable logging, which is mainly a result of poor management practices and/or illegal activities as well as timber harvesting by rural

households for their consumption.

The scale of illegal practices is difficult to estimate but it is generally regarded as an important driver of the loss of forests in Vietnam. According to recent statistics in 2009 there were 25,817 violations of state regulations (with 48,605m³ of timber of all types confiscated) in respect to illegal logging, timber and forest products trade.³⁶ However, due to a lack of monitoring, poor case handling and incentives which discourage local authorities to provide accurate and complete reports, it is likely that considerably more violations go undetected and unreported.³⁷ This will lead to the gradual degradation of the country's forest estate due to selective logging. Some forest crimes are committed by local households driven by poverty and desperation, while much is driven and controlled by criminal gangs and networks.

In response to illegal forest practices a raft of policies, strategies and decrees to tackle this problem have been introduced, most notably the *Law on Forest Protection and Development* and the establishment of a Task Force on forest protection. Even with these efforts forestry law violations continue to be prevalent. There are a number of underlying forces continuing to drive illegal logging.

There is the demand for timber for inexpensive furniture made from tropical hardwood. Vietnam has become a major hub for the export of furniture, making wood products Vietnam's fifth largest export earner.³⁸ The issue of the illegal trade in timber as well as the illegal extraction in Vietnam has serious implications for the future of the industry as well as the potential benefits from REDD. With stricter requirements to show proof of legal provenance (e.g. the US Lacey Act and the EU FLEG-T initiative) there is a growing need for Vietnam to stamp out the use of timber from illegal sources. Under any REDD+ scheme possible leakage will need to be taken into account. If forest protection simply leads to the displacement of forest conversion into neighbouring countries then this will impact on the amount of credits Vietnam is entitled to.

Even though the government has made considerable efforts to introduce new legislation to tackle the problem the legal framework continues to be insufficient. The deficiencies were clearly highlighted elsewhere: *'the legal framework is still ambiguous, over-complex and contains loopholes that enable criminals to make easy financial gains with little risk of legal sanction. Prosecutions are minimal and fines for forest crimes are extremely low in relation to gains that can accrue'*.³⁹ One such loophole is the current legal constraints to inspecting wood processors and sawmills for the use of illegal timber; another is that proof of legal provenance is not required for imports of species other than those listed under CITES. This leads to a situation where wood imports are deemed legal even though they may have been illegally exported from elsewhere, in particular from Laos and Cambodia from areas where there are log and sawn wood export bans.⁴⁰ Underpinning this there is currently no standard definition and verification system for legal wood, sourced nationally or internationally.

The current enforcement strategy focuses on catching perpetrators violating forest laws in the proximity of the forest or subsequent transportation of the illegal timber. Such a strategy is highly resource intensive requiring a large number of forest guards. Their low wages and remote locations make them particularly vulnerable to bribes. This strategy entails high costs and has low impact mainly affecting the local households dependent on the forest for their livelihood and/or the foot soldiers for organised gangs, often poor households, hired to extract the timber. Those who benefit most from forest crime, businessmen and local officials, often go unpunished. The establishment of the Forest Protection Department Task Team will go some way in tackling this. A strategy focusing

more on the points of sale enforcement (e.g. at saw mills, wood processing units etc) which are they major drivers of illegal logging, would help in addressing them.⁴¹

For effective enforcement there needs to be close collaboration of the Forest Protection Department with other agencies. Recognising the need for inter agency co-ordination various directives (most notably the Prime Minister's *Directive 08/2006/CT-TTg*) have been introduced. Even with these efforts there continues to be obstacles to improving inter-agency co-operation, most notably a lack of financing, conflicting legislation, policy or guidelines and a lack of human, physical or financial resources.⁴²

As well as those underlying factors specifically driving illegal logging there are also more general factors within the forestry sector which are leading to unsustainable wood extraction. This includes some of the current forest policies and programs. Examples include the forest land classification process which opens up possibilities for the unnecessary removal of natural forested areas, the current logging ban in some Provinces' and the setting of the harvesting quota system at such low levels it encourages the illegal extraction of timber. This harvesting quota system needs to be replaced with a system to maximise the amount of timber which can be procured.⁴³

Another key issue is the current administration of the forest sector. For example the *661 Program*, as highlighted; so long as the current planning, budget and controls are in place, this will foster a misuse and abuse of budget resources. A critical aspect is to ensure those involved in implementing activities supported by this program have no connection to those monitoring it. The whole process of decentralization which is ongoing in Vietnam has the potential to bring greater benefits to the local communities. However, unless this process is carried out in a participatory manner it can further marginalise the poor while creating and placing greater powers with the local elites.⁴⁴ There is the issue of a lack of participatory approaches to decision making within the forestry sector which does not ensure the needs and interests of the local communities are always served. Past programs have experienced some difficulties in successfully engaging local communities in forest dependent poverty alleviation activities.⁴⁵

One of the underlying problems is the continuing lack of allocation of adequate forest use rights to the local communities. Giving the ownership to households or communities where they can benefit from the forest area will provide incentives for them to protect the area and help to stop encroachment. By 2006, only 55 percent of land classified as forest land had been allocated (i.e. granted land use rights certificates as compared to 81 percent of all agriculture land).⁴⁶ More broadly there is the issue that even when communities receive forest land use rights they are not always able to benefit from it. Any forest use rights allocation process must also provide more assistance to enable the local communities to prosper from their new rights. *Annex 2.a.2: ToR V: A study looking at the land allocation process and recommendations to improve the current system to benefit local communities.*

Some of the ethnic groups traditionally collectively manage their forests. There are clear advantages of community forest management, but until recently there has been a lack of support for CFM in Vietnam. According to official statistics only about 1% of land is owned by communities. Surveys, however, show that the area of land under community management is much higher.⁴⁷ Recently with the policy to decentralise ownership and management there has been more interest in CFM as a model of use rights in Vietnam. In the context of REDD+ CFM would be highly relevant.

People also need forest products to satisfy their basic needs for fuel, construction and food.⁴⁸ The use of fuel wood for charcoal puts pressure on the forested area. These basic

needs can compel people to degrade or clear natural forest.

III. Infrastructure development

Necessary infrastructure is required for countries to be able to keep developing. Of all the potential infrastructural developments, road building and dam construction are the most destructive in terms of forest loss. Vietnam's roads have more than doubled in length since 1990.⁴⁹ While the forest cleared to make way for the construction may not be significant, the greater accessibility of such areas to encroachment and unsustainable exploitation has a highly detrimental impact. In the pursuit of rapid economic growth and efforts to curb poverty, roads and dams need to be built. In order to ensure an optimal use of resources it is important that environmental and social costs are accounted for and that efficient and sustainable forms of economic growth are promoted in order to maximise social welfare.

Hydropower plays an important role in electricity generation in Vietnam. It is expected in 2010 hydropower will provide 9,412 MW out of a total 26,209 MW. There are plans to double hydro capacity by 2025 to 10,766MW, exploiting most of the remaining technical potential of the country.⁵⁰ The North West region of Vietnam is the area where there is the most current production, as well as offering the greatest potential for hydropower. The underlying factor driving hydro development is the burgeoning demand for electricity. Demand for electricity is projected to grow at 11 % year to 2015. In order to meet this rapidly growing demand, the power industry has struggled to expand and improve the power system. An assessment of the options to meet Vietnam's energy needs concluded that hydropower development can be justified when compared to the feasible alternative sources of power generation, having higher economic, social and environmental costs.⁵¹

The construction of dams along the Dong Nai has already destroyed more than 15,000 hectares of natural forest.⁵² The estimated impact of 21 planned large scale dams (with a capacity over 4610MW) will lead to an estimated loss of around 21,133ha (including 4,227 ha of natural forests, 1,367 ha of plantations). The total resource value of the forest lost (including environmental service functions) was estimated to be \$72.4 million.⁵³ This study also estimated the indirect impacts on the forested areas from in-migration and resettlement of people' with an expected 61,571 people being displaced from the 21 schemes. In three of the schemes where there was already a high population density resettlement was considered a very serious risk to the surrounding forest areas - all in the North West Agro-ecological zone.⁵⁴ This highlights the importance of effective mitigation and compensation measures which could have a considerable effect on the long term social and environmental impacts of these large dam developments.

Besides these large schemes, there are many medium and small hydro schemes. Small hydro and pumped storage are estimated to produce 3,860MW up till 2025, having impacts on a smaller area but in many more places.⁵⁵ These smaller schemes have lower requirements and scrutiny in terms of Environmental Impact Assessments. The weak accountability mechanisms for planning and approval of such development projects open up the process to local level fraud and corruption. Given the fact that many such schemes have been proposed without adequate assessment of economic, social and environmental impacts it would be sensible to carry out a review of some of the proposed dams in particularly sensitive areas to determine whether they should go ahead and what mitigation measures they must introduce. *Annex 2.a.2: ToR VI: Strategic environmental assessment of the current plans for medium and small scale hydropower dams with recommendation to reduce impact on forests (focus on key Provinces).*

Current mechanisms to address social and environmental issues in hydropower development are not adequate. The detrimental effects stem largely from the lack of adequate consideration of environmental impacts during the planning stage and a lack of legal safeguards. Stronger legal measures are needed to safeguard important natural forests to prevent avoidable damage to these important remaining assets. Most of these potential impacts can be moderated—and some avoided altogether—through careful planning, project design, and siting.

IV. Forest Fires

Between 1992 and 2002, an average of 6,000 ha of forest was lost to fires annually.⁵⁶ Between 2004 and 2008 there were 3,659 cases of forest fire reported which damaged 15,479ha (this equates to 3,096 ha/year on average).⁵⁷ The project ‘Strengthening Capacity of Prevention and Fighting against Fire for Forest Rangers 2007-2010’ was approved by the Prime Minister in *Decision No 02/ QD-TTg dated 2/1/2007*. MARD has issued Document No 1266/ BNNKL on guiding the development of the project under *Decision No 02/ QD-TTg*.⁵⁸ This has been introduced in the relevant Provinces to help them prevent and fight fires in the dry season. According to government statistics in 2009 there were 314 fires causing damage to 1,492 hectares, which was slightly lower than the previous year. However, in 2010 there has been a surge in the number of forest fires. As of April 2010 there were around 500 cases of fire damaging about 3,000 ha, the main associated cause this year the dry weather due to the El Nino phenomenon.

About six million ha of Vietnam's forests are considered to be vulnerable to fire. In particular the whole area of the Northwest, the Central Highlands (Kon Tum, Lam Dong and Gia Lai), the Southeast and the Mekong Delta (Kien Giang, Ca Mau, Dong Thap). Even with the new program to build capacity on fire management it is clear there is no sufficient capacity to fight potential fires, although there has been some collaboration between FPD, the Police and Army to prevent and fight fires. Collaborating with the local communities can be an effective way to ensure that there are enough people.

Forest fires have shown to originate from a number of sources. Slash and burn practiced by the upland communities is believed to be the main cause. Tillage or clearing of fields after the harvest occurs at the same time as the dry season. Slash and burn is less practiced in the Mekong Delta where it is more likely fires are started by honey collectors and/or hunters to flush wildlife or accidentally by people living around the areas. A critical issue in the Delta is the fire-water management strategies practiced in the areas. There are ongoing efforts in Tram Chim National Park, U Minh Thuong National Park and U Minh Ha National Park to introduce fire-water management strategies which would allow the forests to grow while addressing concerns around fire. It is critical that the correct fire-water management strategies are introduced to meet these twin goals.

The cause of fire has been estimated as follows: i) slash and burn to clear crop fields after harvest: 60.8%; ii) use of fire in hunting, collecting honey, collecting wasted materials: 18%; iii) carelessness: 5%; iv) intentional setting of fires: 5%; v) others: 11.2%.⁵⁹ A further underlying cause is the warmer weather conditions. 2010 has seen a large increase in fires due to the much dryer conditions, which have been attributed to El Nino. Projections of climate change show that the North West and the Mekong Delta are two of the areas which will likely experience warmer conditions. It would therefore be prudent to look into the possible impacts of climate change on these areas to assess further fire risk.

The current program on fighting forest fires ends in 2010 and a proposal for the next phase

(2010 to 2015) has been submitted. Better equipment for forest rangers, awareness enhancement and improved collaboration between FPD, Army, Police and local communities are considered as crucial components of any strategy to prevent and fight forest fires.

Component 2a: Summary of Assessment of Land Use, Forest Policy and Governance Activities and Budget						
Main Activity	Sub-Activity	Estimated Cost (in thousands)				
		2010	2011	2012	2013	Total
Follow up studies	Exploring forest degradation and opportunities from REDD+	\$45	\$30	\$20		\$95
	Assess the impacts of rubber on the natural forests of the Central Highlands and Southeast Agro-ecological zones		\$20			\$20
	An examination of the forest classification and approval processes to determine impacts on forest loss and recommendations		\$30			\$30
	Assess the current land allocation process and recommendations to improve the current system to benefit local communities		\$30			\$30
	Understand the impacts of shifting cultivation on forest cover in North West, North Central and Central Highlands		\$30			\$30
	SEA of the current plans for medium/small scale hydropower dams with recommendation to reduce impact on forests (focus NC, NW, Central Highlands)		\$30			\$30
Total		\$45	\$170	\$20	\$0	\$235
Government		<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>
FCPF		\$0	\$170	\$20	\$0	\$190
UN-REDD Programme ⁶⁰		\$45	\$0			\$45

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⁶⁰ All UN-REDD Viet Nam Programme contributions reflect only relevant activities in the context of this proposal (workshops, material, procurement, etc). Staff time and other forms of overhead are not included, but consultant fees are.

2b. REDD+ Strategy Options

The Components of a National REDD Strategy

The Vietnam National REDD Strategy is under preparation and it is expected to be submitted for Prime Minister's approval by mid-2011. As part of the development of the Readiness Preparation Plan there has been a wide consultation process with key stakeholders (*section 1.b*). This process has resulted in the preliminary identification of 'strategic options' for addressing deforestation and forest degradation. Although these only represent *preliminary ideas* they provide elements of a National REDD Strategy on which to refine and build upon. The strategic options identified are a direct response to the key drivers of deforestation and underlying causes outlined in (*section 2.a*). The Strategy is centred on six core components outlined below (more detail on each of these components can be found in Annex 2.b.1). Each of the components needs to be further worked upon as part of the Preparation Phase.

Component One: Land Use Planning and Zoning

Given the current plans for expansion in the agricultural sector, in particular for rubber, as well as the current plans for road and infrastructure development, it is clear that in order to minimize the impact in terms of forest loss requires integrated planning and zoning. It will be necessary to assess current sectoral plans (e.g. for agricultural, socio economic development plans, etc.) both nationally and provincially to begin to identify plans likely to lead to high forest cover loss. Efforts will be needed to adjust planning and zoning to minimize the impact on the forest areas. More broadly there is the need to integrate REDD+ into future provincial land use plans which are currently being devised for 2011-2015 (as well as is the case for district and commune plans). It is also critical that any plans are properly monitored to ensure adherence through having systems in place for appropriate third party verification.

Component Two: Forest Use Rights Allocation Process

Providing forest use rights to households, or communities where they can benefit from the forest area, will provide incentives for them to protect the area and help to stop encroachment. It will also ensure that local communities will benefit from REDD. Therefore, any National REDD Strategy must contain an element on ensuring forest use rights to local groups. There is already an ambitious National Program in place to achieve this aim which needs to be built upon.

Further efforts needs to go into improving coordination and execution between MARD and MONRE on land and forest area allocation, as well as more support and investment to enable local communities to better understand how to benefit from forest use rights. Community Forest Management has been recognized as a potentially promising management system to introduce which should be further trialled and introduced as part of any REDD+ mechanism. This will require introducing clear guidelines and a comprehensive approach for integrating aspects of CFM into land use planning, forestland allocation, benefit sharing arrangements, forest management plans. Given the conflicts which often accompany issues around land allocation and use rights, it is critical that there is an appropriate independent body to resolve land conflicts and disputes. These issue need to be further examined and

introduced as part of the REDD Strategy.

Component Three: Forest Policy, Legislative and Administrative Reform

As highlighted in *Section 2a* there are a series of reforms needed in forest policy, legislation and administration in order to address deforestation or forest degradation. This includes greater efforts to increase awareness at the sub-national level (province, district, commune, village) about existing/future forest programs and policies and the opportunities they create for local communities.

A number of policies which have been highlighted in need of examination include: (i) the current logging ban in a number of provinces and the setting of low harvesting rates in others; (ii) improvements to the current system for granting permits for afforestation on 'degraded forest lands', including the process of classification of degraded land; (iii) the need to introduce legal requirements to show provenance of imported wood; (iv) the current forest fire management strategies; and (v) the closing of legal loopholes preventing detection, for example those preventing or deterring inspections of vehicles and/or saw mills. In terms of necessary administrative reform further attention will need to be given to improve planning, budgeting and control provisions for the 661 program. There is a need to look at forest policy, legislative reform right at the beginning of the Preparation Phase.

Component Four: Enforcement of planning and environmental requirements

Given the rapid economic growth and the demands for development projects, which ultimately have impact on forest areas, the quality of EIAs will be critical to ensure proper planning and safeguards are in place. It is necessary to undertake regular checks of the quality of EIAs to ensure they adhere to high standards, including safeguard policies. It is also important that the appropriate systems are in place, which provides necessary independence from companies carrying out EIAs from those undertaking the projects. It would be prudent in key areas to assess current development plans and cancel any plans likely to incur high forest loss. In cases where high impacts are unavoidable then environmental management/mitigation activities would need to be introduced. In general there is a need to move towards a stricter and more transparent licensing of development projects in forested areas, including greater consultation. There is also need for improved systems for data and intelligence sharing and monitoring adherence to national and provincial plans through appropriate third party verified monitoring. This should include a strengthened dispute mechanism for people affected by development projects in forested areas, as well as awareness raising/support mechanisms to groups who may be unaware or lack resources to make use of dispute mechanisms.

It would be prudent to examine the current judicial system and provide recommendations on necessary changes to effectively punish perpetrators.

Component Five: Promote alternatives to forest conversion and forest degradation

In order to encourage households, companies and state entities to stop cutting down forests it is necessary to provide alternatives. Efforts need to start as soon as possible to assess the possibilities and introduce the alternatives. This should include examining options and providing support in a range of areas, such as more intensive agricultural cultivation, encouraging production of higher-value crops and vocational training for off-farm income opportunities. This will require the introduction of skill based training opportunities targeting forest dependent groups. There is also the need to be provide support and facilitate investment in more efficient timber technologies, like timber drying, treatment, processing and to assist the timber industry in responding to changes in the international market place (for example the Lacey Act, FLEG-T and the growing demand for FSC etc.). In

order to tackle the issue of forest degradation caused by fuel wood collection (for example from charcoal) there is the need to assess, explore and introduce options for alternative fuels such as improved cook stoves and biogas digesters. One area of particular importance is around providing alternatives to slash and burn agriculture which may be an important factor for deforestation, both directly and indirectly through fires. A support program specifically targeting opportunities for REDD+ and shifting cultivation could be introduced. There would also need to be targeted efforts to encourage households engaged in practices which increase fire risk (e.g. hunters, honey collectors) to engage in alternatives. Further analysis of the options needs to be carried out.

Annex 2.b ToR 1: Exploring alternatives to forest conversion and forest degradation as well as capacity needs.

The UN-REDD Program in Vietnam is now recruiting some international and national experts to carry out a study on cost-benefit analysis of the REDD+ implementation in Lam Dong province. The ICRAF is also conducting a similar study in Dak Nong province.

Once the study is complete then capacity support should be provided in pilot sites to help introduce the alternatives.

Component Six: Establishment of a benefit sharing mechanism

The success of any REDD+ scheme will ultimately depend on how effectively it is designed and introduced. This requires that forest-using communities have real and reliable incentives to conserve forests. To this end how the Benefit Distribution System (BDS) is designed and works is critical. The UN-REDD Vietnam Programme has identified BDS as a crucial element and has carried out a study to look at the most appropriate system for Vietnam. This work will continue into 2011. It is likely that there will be a follow up Phase II where the BDS system will be piloted in a number of provinces. The major legal, institutional and policy issues recommended by this study are presented in section 2c. The Decree No. 99/2010/ND-CP dated 24/09/2010 on policy on payment for forest environmental services enables a suitable benefit distribution system to be quickly developed.

Vietnam pretends to adopt a national approach on the REDD+ implementation. It means that there is no domestic leakage in forestry sector when the REDD+ program is fully implemented in the future. However, it is likely that project-based or stepwise approach will be carried in the short run due to availability of the financial and technical support from international development partners and capacity of the VNDoF. If it is the case, REDD+ implementation in some pilot provinces may cause domestic leakage. However, the risk may not be high as the government is implementing a series of policies and programs on forest management. A study on risk of domestic leakage might be conducted during the implementation of the 2nd phase of the UN-REDD Program.

National REDD Strategy preparation process

These components represent initial ideas from a first round of consultations. For the next steps it is necessary to refine the elements of the Strategy and to consult a wider audience. This will also help in understanding which elements are currently being supported by the government and where the financing gaps remain. There are a number of recommended steps in moving the process forward:

Step 1: Carry out follow-up studies to better understand deforestation and forest degradation in Vietnam

A number of studies need to be completed to better understand the drivers of deforestation, as well as recommendations to address them. The information provided from these studies will help in further refining the National Strategy. The studies include: (i) exploring forest degradation and opportunities from REDD; (ii) assess the impacts of rubber on the natural forests of the Central Highlands and Southeast Agro-ecological zones; (iii) an examination of the forest classification and approval processes to determine impacts on forest loss; (iv) assess the current land allocation process and recommendations to improve the current system to benefit local communities; (v) understand the impacts of shifting cultivation on forest cover in North West, North Central and Central Highlands; (vi) strategic environmental assessment of the current plans for medium/small scale hydropower dams with recommendations to reduce the impact on forest areas (focus North Central, North West, Central Highlands). The ToRs are provided in Annex 2.a-2. Once some or all of the studies are completed then the National REDD Strategy will need to be revised.

Step 2: Refinement and further consultation for the National REDD Strategy

It is necessary to refine and add more detail to the Strategy based on further findings from the studies. At this stage it is also necessary to map out which activities are already supported by the government, as well as different donor agencies. This will allow funding gaps to be identified. As highlighted a number of these activities already have high political and financial support, so the issue is how to build on the ongoing efforts. To date much of the focus of donor support for REDD+ has been on improving the forest inventory and defining the Reference Emission Levels (see sections 3 and 4). At this stage it would be prudent to carry out a preliminary assessment of costs and benefits of the different REDD+ strategic options. This will allow for a prioritization of options.

It is also at this stage that a more comprehensive consultation process must be undertaken to garner support and feedback on the National REDD Strategy. To help ensure ownership of the process and the success of REDD+ implementation, the Strategy will include national and sub-national, multi-sectoral and multi-stakeholder consultations, including the participation of representatives from the private sector, NGOs, University, government officials, indigenous peoples, local communities, Women Groups and civil society. Given the cross cutting nature of REDD+ it is critical that REDD+ is debated across a range of government Ministries and Departments; this should include MARD, MONRE (in particular GDLA), MPI, MOF, MOIT, MPS, MND and NGOs, the private sector etc. Based on the awareness raising and consultation process this will allow for the National REDD Strategy and REDD+ priority options to be decided. These can then be incorporated into National and Sectoral strategies, plans and policies, such as the Five Year Socio-economic Plans, the agricultural sector strategy 2010-2015, as well as provincial, district and communes plans. As above mentioned, MARD is now preparing the National Master Plan on Forest Protection and Development for the period from 2010-2020 and the REDD+ activities will be integrated in. Furthermore, the UN-REDD Program is supporting to synergize the REDD+ implementation and Master Land Use Planning of the Lam Dong province.

Step 3: Establishment of REDD+ institutional arrangements to introduce the REDD Strategy at the National Level

Presently a National REDD Network and Technical Working Group have been established to help design and introduce the National strategy on REDD. As highlighted many of the issues relevant to addressing REDD+ fall outside the forestry sector so it is necessary to garner the support and interest of many different ministries and departments. As highlighted in

Section 1 further outreach activities need to be carried out to ensure the active participation of all relevant ministries and departments.

Step 4: Piloting REDD Strategy: National and provincial Level

The final step is to introduce the Strategy at both the National and provincial levels. Pilot provinces could be chosen. In order to choose the provinces it is worth examining current studies showing the extent of deforestation and forest degradation. Provinces such as Dak Nong, Nghe An, Son La and Lam Dong may be of particular interest given the higher levels of deforestation and forest degradation. These provinces also represent a range of drivers of deforestation and cover different parts of the country. Given the importance of mangrove forests in buffering the impacts of climate change, it would also be of interest to pilot in an area of high mangrove cover under threat, such as Ca Mau province in the Mekong Delta. As well as plotting the extent of deforestation and forest degradation it is important to look at the opportunity costs of different land uses to try and pinpoint those areas where the costs are lower and where it may be easier to arrest deforestation. For example areas of shifting cultivation.

There will be the need for an additional assessment of drivers of deforestation at the level of the province and discussion and agreement across the provincial departments on the best strategy forward. The pilot provinces can begin to implement the National REDD Strategy. This will require incorporating REDD+ into important planning cycles, such as the Five Year Socio-economic plans. Such an exercise will need to be repeated at sub-Provincial levels to ensure actual implementation happens at the field level.

As above-mentioned, the NTP-RCC and government Decree on policy on payment for forest environmental services in September 2010 and the National REDD+ Strategy, which is now preparing and is expected to be approved by Prime Minister next year, are legal frameworks for implementation of these REDD strategy options. Apart from support of other development partners, the second phase of the UN-REDD will be submitted to Norway this November will allow Vietnam to pilot REDD+ at the provincial level and will endeavour to establish provincial Technical Working Groups and introduce performance based payments (see 2.c)

Annex 7 shows examples of linkages between the driving forces behind deforestation and possible REDD Options in Vietnam.

Component 2b: Summary of Strategy Activities and Budget		
Main Activity	Sub-Activity	Estimated Cost (in thousands)

		2010	2011	2012	2013	Total
Further studies	Exploring alternatives to forest conversion and forest degradation as well as capacity needs		\$100			\$100
	Analysis of cost-benefits of the REDD+ implementation in province of Lam Dong	\$25	\$40			\$65
Introduce elements of National REDD Strategy	Assess, recommend and trial for land use planning and zoning (and monitoring)	\$145	\$90	\$180	\$120	\$535
	Support to the Forest Land Use rights allocation process to households and communities		\$200	\$120		\$320
	Examine Forest Policy, Legislative and Administrative Reform	\$60	\$80	\$40	\$40	\$220
	Enforcement of planning and environmental requirements		\$140	\$80	\$80	\$300
	Capacity support for alternative livelihood options, inclusive of training		\$130	\$80		\$210
	Assessment of costs and benefits of alternative National REDD Strategy options	\$30				\$30
Review National REDD Strategy	Update National REDD Strategy	\$350				\$350
	Total	\$610	\$780	\$500	\$240	\$2,130

Government	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>
FCPF	\$0	\$340	\$500	\$240	\$1,080
UN-REDD Programme ¹	\$610	\$440			\$1050

¹ All UN-REDD Viet Nam Programme contributions reflect only relevant activities in the context of this proposal (workshops, material, procurement, etc). Staff time and other forms of overhead are not included, but consultant fees are.

2c. REDD+ Implementation Framework

The UN-REDD Vietnam Programme has already explored a number of options on the issue of REDD+ implementation as part of the study on Design of a REDD-Compliant Benefit Distribution System for Vietnam.¹ The recommendations provide credible and transparent institutional, economic, legal and governance arrangements that would be necessary to enable Vietnam to implement REDD+, and to meet potential country obligations under any future REDD+ regime. For some of these issues, additional studies or trials will need to be carried out in order to indicate appropriate policy decisions. Such additional work will be carried out by the UN-REDD Vietnam Programme in 2010/11. The major legal, institutional and policy issues recommended by this study are highlighted in 1-10 below.

1. Legal framework for REDD+

International requirements concerning the management of REDD+ revenues are likely to require approaches to governance and a degree of legal certainty that have not been encountered in similar national schemes such as PFES or the 661 program. Furthermore, REDD+ brings with it legal concepts that are novel to Vietnam, such as ownership or rights to forest carbon. It is therefore necessary to examine this issue further. *Annex 2.c.1: ToR 1: A study examining carbon ownership in the context of REDD+ in Vietnam.*

For REDD+ any legal framework should clearly define rights, particularly those of communities living in and around forest areas, allow for a financial mechanism that enables REDD+ funds to reach the local beneficiaries, and ensure the fund has a sound governance structure which includes how funds are monitored. The same framework should also address the roles, rights, and responsibilities of all major stakeholders.

Three specific legal issues need to be addressed as a priority in Vietnam: (1) the rights to carbon, land and forests, particularly forest allocation and associated land use rights; (2) coordination of the action of the government authorities involved with REDD, in particular MARD and MONRE; and (3) ensuring that all legitimate beneficiaries are recognized, in particular addressing the legal status of local communities.

Pending the clarification of the international REDD+ legal framework, a REDD+ specific decree needs to be introduced that addresses governance issues associated with international funding of REDD, so as to ensure that implementation of REDD+ is consistent with Vietnamese law. This decree should be issued after a pilot phase (over at least 2 years) during which REDD+ modalities would be tested. This approach is similar to how PFES has been implemented with a decree being prepared following a 2-year pilot phase. Plans are being developed for piloting REDD+ in a small number of provinces and districts, and establish a system to ensure that lessons are captured and analyzed in preparation for the issuance of a decree on REDD+ at some time in the future (target 2012 or 2013).

2. Classification of REDD+ revenues and possible creation of a dedicated REDD+ fund

An appropriate off-budget mechanism needs to be identified which meets international

expectations regarding transparency, equity and performance linkage. This implies the need to “fire-wall” REDD+ revenues to prevent co-mingling with other sources of funding. The mechanism also needs to be able to accommodate the disbursement of REDD+ revenues to sub-national and local levels, as well as to follow strict monitoring and performance requirements.

Several possible mechanisms exist. One option is to place payments into the existing Forest Protection Development Fund, created in part to manage PFES revenues. This exists at different tiers of administration. The principle of transparent governance of REDD+ revenues implies the need for broad participation in the governance of the revenues which may be difficult to meet under current arrangements. The Trust Fund for Forest (TFF) is another example of an off-budget financial mechanism which already exists in the forest sector and which has more transparent decision making processes.

Given limitations in participatory governance of the FPDF it may be necessary to consider amendments to the FPDF to allow for more participatory governance or establish a new, ‘REDD+ Fund’. This could be modelled on the TFF, so as to allow participatory governance, and with equivalent provincial and district funds. The REDD+ Fund should be governed by a broad-based multi-stakeholder board and subject to independent external audit. International examples of REDD, or Climate Change Funds (e.g. in Indonesia) should be studied, together with existing financial instruments in Vietnam, such as the TFF, so as to identify the characteristics and necessary actions required for the creation of a Vietnam REDD+ Fund. MARD’s Minister suggests to use existing FPDF and create a branch for the REDD+ payment with special regulations that meet both national and international requirements on financing management. These studies are ongoing.

3. Sub-national levels at which REDD+ revenues should be managed

The national government will receive REDD+ funding from the international community. These revenues will then need to be disbursed to those who have incurred costs in reducing emissions, with distribution to the ultimate beneficiaries, particularly people living in and around forest areas who have changed their behaviour in response to REDD+ incentives. There are trade-offs to be considered in this regard. The greater the numbers of hierarchical levels at which revenues are managed, the less cost-effective the mechanism is likely to be. There will tend to be higher implementation costs and a higher risk of rent-seeking and corruption.

It is recommended that for the initial piloting of REDD+, revenues should be managed at national and provincial levels. However, once experience has been developed, provided the additional transaction costs are not prohibitive, and especially when appropriate capacity has been built at the province and district level, REDD+ revenues should be managed at national, provincial and district levels.

Piloting of REDD+ revenue management structures in a small number of provinces and for capacity building at province and district level should be undertaken over a period of at least two years to gain lessons concerning the costs, efficiency and effectiveness of management of REDD+ revenues at multiple levels.

4. Institutions to be involved in monitoring of the REDD+ interventions and actions

There are four different types of monitoring required for REDD: (i) monitoring of emissions (C-stocks); (ii) monitoring of REDD+ interventions and actions; (iii) monitoring of revenue disbursement; and (iv) monitoring of financial transactions (auditing). The range of

expertise required is therefore broad. For monitoring of emissions, technical agencies such as FPD and FIPI must be involved given their experience in forest resource monitoring at national and local levels. For monitoring of actions and disbursements at sub-national levels, the provincial (and possibly district) Peoples Committees need to be involved. Mass organizations such as the Farmers' Association, Women's Union, and Youth Union may also be involved in REDD+ monitoring since they have branches down to commune/village level.

The need for comprehensive monitoring needs to be balanced with the transaction costs. Care also needs to be taken to avoid any conflict of interest between the monitoring agency and recipients of REDD+ funding. The study recommended a REDD+ monitoring body to oversee and coordinate all REDD+ monitoring to be established. Members of this body should come from Government Inspection, Ministry of Finance, an independent financial auditing company (e.g. Vietnam National Independent Auditing Company Ltd.), FPD, FIPI, and Vietnamese civil society organizations. Except for the secretariat, members of this body may work part-time in the initial stages. Such a body would be established both nationally and provincially. To reduce costs, lower level bodies would not be created; the provincial bodies would be responsible for monitoring down to the local level. As a follow up an assessment of monitoring needs and costs through a review of current monitoring processes, taking into account the higher standard of monitoring expected under REDD, will be carried out. Results of this assessment can then be used to develop a detailed plan for national and provincial REDD+ monitoring.

5. Revenue retention by Government

Administration of a payment distribution system incurs administration and management costs. This needs to be balanced with the requirement of ensuring that the major portion of REDD+ funds are used as efficiently and effectively as possible to reduce deforestation. In relation to national-level government-administered funds in Vietnam, there are currently no standard procedures for determining permissible management fees. The specified amount or percentage of revenues retained by government should be performance-based, and set at a level which approximates closely to actual transactions and implementation costs, plus a small incentive for participation in REDD. The magnitude of these costs, and indicative retention levels, will be determined by further studies to be conducted.

6. Local payment levels and payment structuring

The level and nature of benefits provided should reflect opportunity costs and losses incurred in avoiding deforestation and forest degradation, both monetary and non-monetary. Although it may be most practical to use a standardised formula to compute payments, this should allow for weighting to reflect variation in the costs of generating emissions reductions between different areas and groups and under different production systems and ecological conditions.

In terms of follow up work broad opportunity cost norms need to be investigated for different areas, groups, production systems and ecological conditions. Further work will include design of checks and balances and guidance on calculation of payment weights (“R-Coefficients”, similar to the “K-factors” used in current PFES schemes).

7. Types of forest owners eligible to receive REDD+ benefits

Most benefit distribution programs in Vietnam target payments to individual households, SOCs, and Protected Area Management Boards (PAMBs). However, there are problems with

such an approach, including unclear, contested or overlapping rights to forest carbon and the possibility of conflict resulting from some households receiving benefits and others not. Many of these problems of rights can be avoided by targeting payments to village communities, which may be better positioned to produce gains in carbon stocks than other types of forest manager. However, currently targeting communities faces a legal constraint as the community is not a legally recognized entity under the Civil Code.

The legal constraints that prevent village communities being eligible to receive REDD+ payments under the same conditions as SOCs, PAMBs and individual households need to be addressed. Independent evaluations of experience from community forestry projects, including the community funds established under the KfW-6 project and the TFF-funded Community Forestry Pilot Programme should be provided. The evaluations should inform the formulation of enabling legislation on community forestry and corresponding measures to strengthen the capacities to support community forestry.

8. Strengthened law enforcement for performance-based distribution

Issues such as illegal logging and encroachment have the effect of counteracting other initiatives undertaken to reduce emissions. Without more effective forest law enforcement, the risk exists that stakeholders who are successful in reducing emissions go unrewarded due to the non-performance of others who are responsible for illegal activities.

Operational structures for effective forest law enforcement in the medium term need to be produced. These will most likely include a Central Forest Inspectorate with a hotline for reports on illegal operations and complaints about local law enforcement activities. In the short term, it may be necessary to define the conditions (such as timely reporting) under which payment recipients are exempt from liability for non-performance due to factors beyond their control.

Recent experiences with community-based law enforcement require assessment and translation into national regulations. The new General Department of Forestry and forest protection units at the district and provincial levels will need technical assistance to improve their law enforcement capacities. The REDD+ pilots will make appropriate law enforcement a central component of project design from the beginning. They will indicate ways to determine the liability of forest managers under different circumstances.

9. Participatory monitoring

Local people can efficiently record information about numerous variables and events affecting their livelihoods. Participatory monitoring creates a culture of questioning (or social control) and acts as a catalyst for learning the cycle of planning, action, assessment, and learning. Participatory monitoring also builds confidence in the overall system and a sense of equity and transparency. Local people can play a role in monitoring emissions, but are especially valuable in identifying, reporting, and enforcing the interventions and tasks required for REDD. Participatory monitoring will strengthen their understanding and commitment while providing a degree of comfort to investors that REDD+ is sustainable. Currently there is limited experience with participatory forest monitoring approaches. Different participatory monitoring methods with a demonstrated history of success are being reviewed. Based on this review, principles for participatory REDD+ monitoring will be introduced. The UN-REDD Vietnam Programme is developing protocols for participatory carbon monitoring. Participatory monitoring is considered part of MRV, and is briefly dealt with in Section 4.

10. Design of a socially acceptable recourse mechanism

Any benefit distribution system, however well designed, will inevitably give rise to complaints by those who think that they have not been rewarded appropriately and/or are losing out to free-riders who receive benefits but have made no contribution to forest protection and reducing carbon emissions. Given the importance of managing complaints to ensure that the benefit distribution system rewards those who deserve to be rewarded on the basis of emissions reductions and to generate information that can be used to improve the benefit distribution system, a credible recourse mechanism is required. A recourse mechanism that allows complaints to be managed transparently and efficiently and how Vietnamese civil society organizations can be most appropriately integrated into such a mechanism should be considered. The Recourse Law in 2005 would be a good legal basis for development of a detailed recourse mechanism or guidelines for the REDD+ implementation.

A more detailed analysis of the appropriate institutional structure of a participatory recourse mechanism will be undertaken. This should lead to a communications strategy through which information on the proposed recourse mechanism is widely disseminated to all stakeholders.

For most of these areas further studies are planned to be completed in 2010 and 2011. This will help further refine and determine the National REDD Strategy in Vietnam.

Component 2c: Summary of Implementation Framework Activities and Budget						
Main Activity	Sub-Activity	Estimated Cost (in thousands)				
		2010	2011	2012	2013	Total
Initiate and complete follow-up studies	Examining carbon ownership in the context of REDD+ in Vietnam		\$30			\$30
	Assessment of financial instruments in Vietnam to create a Vietnam REDD+ Fund		\$30			\$30
Review of current monitoring process	Assessment of monitoring needs and costs		\$80	\$30		\$110
Prepare concept revenue distribution system	Piloting BDS and revenue management structures at provincial level	\$78	\$100			\$178

	Standard procedures for permissible Government retention	\$30	\$60	\$30		\$120
	Opportunity costs	\$40	\$100			\$140
Total Component 2c		\$148	\$400	\$60	\$0	\$568
Government		<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>
FCPF		\$0	\$120	\$60	\$0	\$180
UN-REDD Programme ²		\$148	\$280			\$428

¹ UN (2010), Design of a REDD-Compliant Benefit Distribution System for Viet Nam, UNDP, UNEP and FAO, Hanoi

² All UN-REDD Viet Nam Programme contributions reflect only relevant activities in the context of this proposal (workshops, material, procurement, etc). Staff time and other forms of overhead are not included, but consultant fees are.

2d. Social and Environmental Impacts

Background

The Strategic Environmental and Social Assessment (SESA) for the National REDD Programme will contribute to the efficient implementation of the REDD+ mainly by:

- Identifying social and environmental risks as well as benefits potentially caused by the REDD+ implementation and informing responsible authorities and decision-makers about these risks;
- Providing recommendations towards the institutional and/or regulatory arrangements needed for the REDD+ implementation and for addressing potential adverse social and environmental effects caused by the REDD+ implementation;
- Suggesting measures to mitigate potential adverse effects and enhance likely positive effects respectively of the REDD+ strategy implementation to be included in the National REDD Strategy and to be considered when implementing specific activities and projects within the REDD+ implementation; and
- Ensuring stakeholders' and partners' involvement in the National REDD Strategy preparation and implementation.

The SESA will provide a platform for consultations with and involvement of stakeholders and partners relevant to REDD+ as well as a mechanism for taking their opinions into account during the National REDD Strategy preparation and implementation.

It will also analyse the links of REDD+ to the relevant World Bank's Safeguard Policies in order to ensure the REDD+ implementation complies with their requirements. The World Bank Safeguard Policies are shown in Annex 2d-1a.

The SESA team will work in a close cooperation with the team preparing the National REDD Strategy and with the authority responsible for the REDD+ implementation (MARD) and the Technical Working Group.

In accordance with the FCFP's guidelines¹ the SESA will follow the approach commonly used for conducting the Strategic Environmental Assessment (SEA) as recommended by the guidance on SEA for development cooperation prepared by the OECD Development Assistance Committee². As obvious from existing international good practice with SEA, the most efficient results can be achieved if an assessment is carried out as an integral part of the policy, plan or programme development.

Considering this, the SESA for the National REDD Programme will run in parallel with the National REDD Strategy preparation (i.e. will be conducted through a series of activities and analytical tasks, which will be linked to the relevant steps of the National REDD Strategy preparation and implementation). Such an approach will enable (i) immediate reaction of authorities responsible for the R-PP and the National REDD Strategy preparation and implementation to the suggestions raised by the SESA, (ii) allowing for stakeholders involvement and public participation jointly for the SESA and National REDD Programme.

Consultations with the relevant stakeholders and their participation are an inseparable part

of SESA. The needs for consultation and participation and its main purpose are indicated for each SESA activity and analytical task. However considering the structure of the R-PP these are described in full detail in the Consultation and Participation Plan (i.e. Component 1b of the R-PP).

As one of the important inputs, the SESA shall use the results from the SEA for Vietnam's Forestry Master Plan 2010 - 2020 (to be finalized by October 2010) , especially if it can utilize following expected outputs: (i) analysis of environmental issues related to the forestry sector in Vietnam; (ii) evaluation of potential adverse and positive environmental impacts of the specific forestry activities; (iii) measures to mitigate adverse and enhance positive environmental effects identified; and (iv) results from the consultation process to be carried out as a part of SEA.

Activities and analytical tasks

The following activities and analytical tasks will be performed within the SESA for the National REDD Programme:

(i) Defining scope of the assessment

The aim of the initial task is to identify the key social and environmental issues to be further analysed within the SESA as well as relevant policies, strategies, plans and programs.

Based on the preliminary list of the key social and environmental issues (see Annex 2d-1b for a possible list) and following an analysis of the National REDD Strategy and the relevant policy and strategic framework, the SESA team will prepare the review of the key social and environmental issues, which are associated with priorities and actions suggested by the National REDD Strategy. For each issue the specific REDD+ activities likely to have adverse or positive effects to the respective social or environmental issues will be described, as well as policy framework (i.e. relevant policies, plans and program at the international and national levels) and its link to the respective issue (i.e. what is the relation between the National REDD Strategy and policies, plans or programs relevant to the given social or environmental issue).

In case the National REDD Strategy allows territorial determination of the priorities and / or activities suggested, the territorial dimensions of the potential effects will also be described (e.g. which provinces and / or district might be affected).

Findings and conclusions will be summarized in the scoping report, which will be presented and discussed with the relevant stakeholders and partners.

(ii) Baseline analysis

In order to prepare a framework for further evaluation of the potential REDD+ effects, the SESA will identify main drivers influencing trends for the key social and environmental issues. The analysis shall take into account the past evolution and current situation and shall result in description of likely future evolution of the key social and environmental trends if the REDD+ is not implemented.

It shall also identify existing regulatory, institutional and capacity gaps, which need to be overcome to properly address potential adverse social and environmental effects of the National REDD Strategy implementation. The following factors shall be considered among

others: (i) existing institutional capacity for addressing the REDD-related social and environmental issues; and (ii) efficiency of existing mechanisms for integrating of the social and environmental concerns in the forestry sector.

If appropriate, the analysis might lead to suggestions for modifications of the regulatory and institutional framework relevant of the respective social or environmental issue.

Finding and conclusions will be validated through the consultations with the relevant stakeholders and partners.

(iii) Evaluation of potential effects

The potential effects of the National REDD Strategy implementation to the key social and environmental issues will be evaluated at this stage of the SESA. The evaluation will identify the specific components of the National REDD Strategy (priorities, activities or projects) potentially affecting particular social or environmental trends, and will consider both positive and negative effects and characterise in detail potential impacts (including its scale, duration, reversibility etc.).

If specific activities/projects are suggested by the National REDD Strategy, the SESA will describe their potential effects to the key social and environmental issues, as well as analyze relevancy and links to the World Bank's safeguard policies. Based on this analysis the SESA will suggest mechanisms (in a form of the Environmental and Social Management Framework) to ensure the specific projects' / activities' implementation complies with the relevant World Bank's policies. The list of relevant Bank's safeguard policies is provided in Annex 2d-1a.

Findings and conclusions shall be validated through the consultations with the relevant stakeholders and partners.

(iv) Defining mitigation and enhancement measures

Based on the previous analysis the SESA will suggest measures to mitigate potential adverse and to enhance potential positive effects of the REDD+ implementation. It might be formulated as suggestions for: (i) modification of the National REDD Strategy; (ii) modification of the regulatory and institutional arrangements (e.g. modification of existing policies and strategies in order to ensure efficient implementation of the REDD); (iii) conditions for the REDD+ implementation; and (iv) further stakeholders' and partners' involvement.

Finding and conclusions will be validated through the consultations with the relevant stakeholders and partners.

(v) Defining monitoring framework

The SESA will suggest a monitoring system specifying responsibilities, reporting format etc. and will identify indicators which will enable the overall effects of the REDD+ implementation to the key social and environmental issues to be monitored. The monitoring of the overall REDD's effects shall be linked to the monitoring of the specific projects / activities to be carried out within the REDD+ implementation.

(vi) Reporting

All findings, results and conclusions from SESA will be summarized in the SESA report. The draft report will be consulted with relevant stakeholders and partners, the results from consultations will be integrated in the final SESA report.

The SESA report will include among others the overview of suggestions given by the SESA towards the National REDD Strategy with explanations how these suggestions have been considered in the final draft of the National REDD Strategy.

A detailed work plan highlighting the stages of the SESA, necessary activities and outputs and time schedule is shown in Annex 2d-1c.

Consultations with relevant stakeholders

The SESA for the National REDD Programme shall be a participatory process involving all relevant stakeholders and partners. In general, all main findings and conclusions shall be validated through consultations. The SESA process shall run together with the activities described in the Consultation and Participation Plan (i.e. Component 1b of the R-PP). The activities to be conducted to ensure consultation and participation of relevant stakeholders are described in the detail in the Consultation and Participation Plan; the work plan for SEA indicates only in general terms a need for consultations and participations for each SESA activity.

SESA team composition

The SESA team shall include following experts:

- Team leader (international) with at least ten years of international experience with mainstreaming of social and environmental issues in the planning and decision-making (including SEA, sustainability and integrated appraisals etc.). Previous experience with project management in the South-East Asia is required.
- Social expert (international) with at least ten year of relevant experience including evaluation of social effects of policy implementation; previous experience from Vietnam is required.
- Environmental expert (international) with at least ten year of relevant experience (evaluation of environmental impacts) in the forestry sector; previous experience from Vietnam is required.
- Social and economy expert (national) with at least ten years of relevant experience especially focused on indigenous people and ethnic minorities.
- Environmental and forestry expert (national) with at least ten years of relevant experience including forestry, forest protection and environmental assessment.
- Policy analyst (national) with at least ten years of relevant experience and excellent knowledge of policy framework and institutional set-up in Vietnam.
- Public participation expert (national) with at least ten years of experience with organizing public participation and consultation processes, preferably related to ethnic minorities and indigenous people.

The following table presents possible distribution of work among the SESA team members (in man-days):

Position / SESA stage	Scope of SESA	Baseline analysis	Evaluation of effects	Mitigation and enhancement measures	Monitoring framework	Reporting	Sub-total
Team Leader (int.)	5	3	8	6	4	8	34
Social expert (int.)	2	6	10	5	3	7	33
Environmental expert (int.)	1	3	8	3	2	6	23
Social and economy expert (nat.)	2	6	10	5	3	4	30
Environmental and forestry expert (nat.)	1	3	8	3	2	4	21
Policy analyst (nat.)	3	5	5	6	1	3	23
Public participation specialist (nat.)	2	5	15	3	4	15	44
Sub-total	16	31	64	31	19	47	208

Component 2d: Summary of Strategic Environmental and Social Assessment Budget						
Main Activity	Sub-Activity	Estimated Cost (in thousands)				
		2010	2011	2012	2013	Total
Carry out SESA	International consultants		\$74	\$31		\$105
	National consultants		\$18	\$14		\$32
	Consultations and workshops		\$30	\$10	\$5	\$45
	Translations and printing		\$8	\$5	\$3	\$16
Total		\$0	\$130	\$60	\$8	\$198
Government		<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>
FCPF		\$0	\$130	\$60	\$8	\$198

¹ Note FMT 2010-9: Readiness Fund Incorporating Environmental and Social Considerations into the Process of Getting Ready for REDD plus, Forest Carbon Partnership Facility (FCPF), Revised DRAFT – March 7, 2010.

² The OECD Development Assistance Committee's good practice guidance on Applying Strategic Environmental Assessment at <http://www.oecd.org/dataoecd/4/21/37353858.pdf>.

Component 3: Develop a Reference Scenario

Context and terminology

Discussions in Vietnam on the establishment of baselines for the REDD+ mechanism have so far focused on Reference Levels (RL), including both Reference Levels and Reference Emission Levels (REL). Distinction has been made between retrospective RELs based on historical data and prospective RLs based on extrapolation of past trends or forecasting based on modelling.

The Government of Vietnam, with assistance from international partners, has undertaken activities for the development of RELs/RLs. The key areas of work under REL/RL development to date, both on-going and completed, include the following:

- Review and assessment of quality for the four forest inventory cycles data from **the National Forest Inventory Programme** since 1991 - with technical assistance from JICA and Finland;
- Digitizing of past inventory cycle data previously only available in hard copy (including data and maps) - with technical and financial assistance from JICA and Finland; map data from all previous Cycles is now integrated in a single spatial analysis environment using Vietnamese standards for mapping;
- Review and assessment of methodology for RELs/RLs development - with technical assistance from JICA, Finland and the UN-REDD Vietnam Programme;
- Engaging national and international stakeholders in discussions on methodological development of RELs/RLs for Vietnam, through the Sub-technical Working Group on MRV - with technical assistance from the UN-REDD Vietnam Programme.

Technical methodology of REL/RL development

Based on the work being carried out with international assistance, the Government of Vietnam and its partners are arriving at some convergence on technical methodologies appropriate for the development of RELs/RLs in Vietnam, though it is understood that all technical considerations will not be final until a decision is arrived at by the UNFCCC. Discussions among relevant stakeholders have so far generated convergence on the following key technical points for REL/RL development in Vietnam:

- **RELs/RLs for Vietnam will be developed for all carbon related activities within the scope of the REDD+ mechanism being negotiated under the UNFCCC** (i.e. including deforestation, degradation, enhancement of carbon stocks, and sustainable management of forests¹) including RELs to be developed for reductions in deforestation and degradation and prospective RLs to be developed for

enhancement of carbon stocks;

- **A historical REL will be developed based on historical deforestation trends dating back to at least 1990.** The significance of this time period coverage is related to certain national circumstances which induced a change in forest cover trends beginning around this time period as a result of new government policies that dramatically impacted on the drivers of deforestation. More recent studies on drivers of deforestation will be integrated into the RELs as well. Initial forest activity data for deforestation can be based on full available records or satellite imagery at medium spatial resolution and highest possible temporal resolution (using MODIS data) and supplemented with existing forest inventory data from 1990. A study is also being undertaken to consider the viability of further backdating, with use of NOAA AVHRR data. Emission factors may be developed with the aforesaid inventory data as well as other research data including that from the Forest Science Institute of Vietnam.
- Generation of historical RELs for forest degradation involves greater complexity. A study is being undertaken to establish activity data extraction using high-resolution satellite imagery, but with certain limitations such as the availability of such data for the entire country and time period in question. This issue is compounded with further complexity of varying grades of forest degradation over time and space. Based on these considerations, **the option to forego accounting for historical emissions from forest degradation is now being studied.** This implies that current forest degradation is disregarded and only carbon stock enhancement in those areas will be accounted, which implies a potentially substantial loss of revenue, but it is nevertheless conservative accounting;
- **Sub-national RELs/RLs will be developed based on stratification of the national territory.** Stratification will be based on certain properties, of which **eco-regions** will be the principal property - and only property for the initial stage². Other secondary and tertiary properties such as forest type and management type may be taken into account for stratification at a later stage. The national territory is estimated to have approximately 15 eco-regions; a study to define these eco-regions is currently conducted by the UN-REDD Viet Nam Programme.
- **Prospective RLs** for carbon stock enhancement will be developed following the processes of first generating a RLs based on **bio-physical responses** of forests for each of the eco-regions, followed by a process of factoring in sub-national level **socio-economic conditions** per province, using spatial overlay analysis in a GIS;
- **Prospective RELs** for reduction in emissions from deforestation will be based on carbon stock estimates per eco-region from the National Forest Inventory in combination with sub/national level **socio/economic conditions** per province, using spatial overlay analysis in a GIS;
- **Vietnam will develop a single national REL/RL** for each of the eligible activities

under the REDD+ mechanism, which is fundamentally an aggregate of RELs/RLs developed for each stratum at the sub-national level;

- **National circumstances** to be considered include government efforts towards reforestation, particularly the two major national reforestation projects: 5 million hectare reforestation programme (Programme 661) 1998-2010, and the National programme on reclamation of barren land and forest land allocation since (Programme 327) 1993-1997. Planned or predicted developments as laid down in the SEDP and the Forest Development Strategy over the period until 2020 will be considered when preparing the RELs/RLs. In particular the regional effects of REDD implementation on the wood processing industry (which imports up to 80% of its raw material, mostly from Asian countries also establishing national REDD programmes) will be taken into account;
- RELs/RLs for Vietnam will be reviewed and updated periodically.

Institutional capacity building

The Department of Science, Technology and International Cooperation within the Directorate of Forestry (DoF) is responsible for managing the process of REL/RL development. However, as mentioned above, development of RELs/RLs for each stratum will require the involvement from various forestry institutes as well as sub-national level forestry agencies (primarily at provincial and district levels). On-going work on training and capacity building for the relevant actors involved in the RELs/RLs process include the following:

- Development of a technical manual on development, reviewing and updating of RELs/RLs - with technical assistance from the UN-REDD Vietnam Programme;
- Training of trainers on development, reviewing and updating of RELs/RLs - with assistance from the UN-REDD Vietnam Programme.

Consultation process for development of RELs/RLs

The Government of Vietnam, together with international partners, has developed a consultation mechanism for REDD+ (“National REDD Network”), which includes a more-focused and open-ended forum for discussing issues related to MRV, including REL/RL (“Sub-technical Working Group on MRV”). The Department of Science, Technology and International Cooperation within the DoF co-chairs this working group which engages partners including from the Forest Inventory and Planning Institute (FIPI), Forest Science Institute of Vietnam (FSIV), other departments under the DoF, as well as various international development partners and NGOs.

Next steps and outstanding needs (gaps) in development of RELs/RLs

While national level consultation on the methodological development of RELs/RLs has been taking place, generation of RELs/RLs at the sub-national levels is yet to be implemented. The projects and development partners currently working on REL/RL development are undertaking the following activities:

- Assigning RELs/RLs based on bio-physical assumptions per eco-region stratum; the RELs/RLs will be constructed from the available National Forest Inventory data, using only those sample plots (out of the 2,000 nationally) that fall in the specific eco-region;
- Allocating RELs/RLs for appropriate administrative unit levels (initially at the provincial level, and applying to the district level in time); applying spatial aggregation and clipping techniques in a GIS;
- Identifying relevant socio-economic conditions (according to provincial Socio-economic development plans etc.) to factor in to RELs/RLs;
- Aggregating sub-national level RELs/RLs to a single REL/RL at the national level.

Another area benefiting updating and improvement is the generation of robust emission factors. As mentioned above, emission factors will be necessary for each eco-region (primary property of stratification), and in the future, for secondary and tertiary strata. It is proposed that FCPF funds contribute to this process by taking on the following steps:

- Assessing availability of existing forest inventory data (including data from FIPI, FSIV, etc) according to the eco-region stratum;
- Collecting forest inventory data for each stratum where gaps are identified in the above process.

Given the large number of activities on RL/REL development already taking place, with first results expected by the end of 2010, no assistance is sought from the FCPF for this Component.

Component 3: Summary of Reference Scenario and Budget						
Main Activity	Sub-Activity	Estimated Cost (in thousands)				
		2010	2011	2012	2013	Total
Assessment of currently available data and past trends	Assessment of quality for the four forest inventory cycles	\$130	\$10			\$140
	Digitizing of previous inventory cycle data	\$150				\$150
	Establishment of historical deforestation maps at district level	\$190	\$150			\$340

Methodology development	Development of participatory carbon stock methodology	\$152	\$80			\$232
	Assessment of methodology for RELs/RLs development	\$70	\$20			\$90
	National stratification	\$50	\$50			\$100
REL/RL establishment	Generation of sub-national level RELs/RLs	\$30	\$50			\$80
	Assessment and generation of emission factors for each stratum	\$40	\$10			\$50
Consultation and training	Engaging national and international stakeholders through the Sub-Technical Working Group	\$51	\$30			\$81
	Training on RELs/RLs development	\$74	\$46			\$120
Total		\$998	\$814	\$368	\$307	\$2,487
Government		<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>
FCPF		\$0	\$0	\$0	\$0	\$0
UN-REDD Programme ³		\$526	\$380			\$906
JICA ⁴		\$1610	\$660			\$2270
NORDECO - Finland		\$250				\$250
National Forest Assessment - FAO ⁵		\$61	\$368	\$368	\$307	\$1,104

¹ How to address conservation within RELs/RLs for Viet Nam will need to be further considered, with the development in international negotiations.

² This stratification is not to be confused with the stratification as required by the IPCC for the accounting of net GHG emissions. The stratification into eco-regions is a sub-division of the Vietnamese territory into a contiguous, non-overlapping set of regions that differ in properties related to forest dynamics. It is used to define the *potential* response of the forest when sustainably managed and it is necessary to forecast the expected enhancement of carbon

stocks. Stratification for accounting of net GHG emissions requires sub-division of land uses, forest land into managed and un-managed, forest types, etc. of *actual* conditions.

³ All UN-REDD Viet Nam Programme contributions reflect only relevant activities in the context of this proposal (workshops, material, procurement, etc). Staff time and other forms of overhead are not included, but consultant fees are.

⁴ JICA is supporting a study on the quality of the existing inventory data for purposes of identifying areas suitable for AR-CDM projects and REDD+ priority areas, and an experimental generation of RELs/RLs using the inventory data and remote sensing technique. The breakdown of the total budget over activities is approximate; the total given only indicates the contribution related to Component 3.

⁵ The Finland-FAO Forest Partnership is starting up its National Forest Assessment (NFA) project in support of the National Forest Inventory. The NFA project has as explicit objective support to the National REDD Programme through development of emission factors for all major forest types, as well as support for REL/RL development and linkages with the MRV system. The NFA project is expected to start in November 2010. Pending the outcome of the Inception Phase of the project no definitive statement can be made regarding specific activities that the NFA project will support. Amounts indicated in the summary line of the tables are therefore not reflected in activity budgets above. The amount of the donor contribution that is expected to contribute to Components 3 and 4 is equally divided between these two components. Government contribution and overhead are therefore not included.

Component 4: Design a Monitoring System

Scope of the Measurement, Reporting and Verification system

The MRV system of Vietnam will support all eligible activities under the REDD+ mechanism. The MRV system will implement, support or enable all of the required elements of monitoring, reporting and verification as defined by the Conference of the Parties to the UNFCCC, as well additional functions that complement the implementation of the National REDD Programme and other State functions related to forest and forest land management and socio-economic development of provinces, districts and communes.

The MRV system will be made available to all relevant stakeholders in REDD+, each having access to specific functionality relevant to the specific tasks, role or interest of the stakeholder. The central facility of the MRV system will support all the main functions of data management, integration of data, analysis, data quality assessment, reporting, monitoring and evaluation, and auditing. Each province and lower levels of local administration will work with a sub-facility that supports data management and analysis corresponding to their respective tasks. The forest owners¹ and other entities participating in REDD+ implementation activities will have access to data and information pertinent to their involvement in the National REDD Programme, for instance through a web-based interface.

Consultation on MRV system

In analyzing the current situation in Vietnam and developing the Readiness activities for MRV a number of consultative activities have taken place:

- The National REDD Network has discussed MRV requirements and development options in general terms.
- Under the National REDD Network and its subsidiary REDD Technical Working Group, a sub-Technical Working Group (TWG) on MRV/REL development has been discussing the current situation and options for an MRV system for REDD+. The sub-TWG counts representatives from the most relevant technical national institutes and the international community as its members:
 - Directorate of Forestry at MARD (DoF)
 - Forest Inventory and Planning Institute (FIPI)
 - Forest Science Institute of Vietnam (FSIV)
 - Forest Resources and Environment Centre (FREC)
 - Centre for Forestry Information and Consultancy (CFIC)
 - Research Centre for Forest Ecology and Environment (RCFEE)
 - Vietnam Forest University (VFU)
 - Tay Nguyen University
 - Embassy of Norway
 - Embassy of Finland

- Japan International Cooperation Agency (JICA)
 - Netherlands Development Organization (SNV)
- The UN-REDD Vietnam Programme has organized various activities on MRV with stakeholders in Ha Noi and in the pilot province of Lam Dong. Piloting of PCM at commune and individual household level has included an evaluation of options and learning from experiences with CFM experience in Dak Nong province.
 - The studies supported by the Government of Finland and JICA on the assessment of inventory data and REL development have also included elements of MRV which have been discussed during workshop with stakeholders.
 - Winrock International has organized a regional workshop on REL and MRV where the Vietnamese participants have discussed options for the national MRV system
 - MARD has organized various meetings with stakeholders inside and outside of government to discuss MRV. A national workshop was organized to discuss the current R-PP which emphasized REL and MRV components of the proposal.

4a. Emissions and Removals

Main MRV functions

Monitoring of emissions and removals

The monitoring of emissions and removals² will be implemented in a two-pronged approach:

1. Level 1: Collection of basic data by forest owners from a statistically significant number of sample plots;
2. Level 2: Generation of accurate data set on forests through professional forest survey.

The monitoring of forests for generation of Level 1 data will be conducted at the lowest possible level, i.e. that of the forest owner.³

The Level 1 data that is collected will be limited to basic data for estimating biomass (e.g. tree count, diameter, species identification) as well as estimates of forest activity data (i.e. forest area by type). Nevertheless, data collected will amount to a very large and statistically significant number of samples. Every participating entity will be expected to monitor some data on its forest resources on an annual basis, with a target of 10% - 20% of forest areas to be sampled every year. This yields a statistically significant amount of basic data (up to a million samples per year, assuming all households managing forests are engaged) that will support multiple types of data quality checking, analysis and evaluation, both in the temporal and spatial (proximity analysis, comparative analysis over eco-regions, etc) domains. Those forest areas that are not covered by participating entities will be covered by the National REDD Programme, either through correlative analysis with covered

areas, remote sensing or a combination thereof.

The collection of Level 1 data may be supported by the local forestry agencies, or alternately by third party service providers such as commercial firms, NGOs or CSOs, providing specific expertise in measurements or reporting to participants in REDD+. Such service providers would operate on the basis of an agreement with the participants. A set of guidelines regulating such external support will have to be developed.

Activities to develop Participatory Carbon Monitoring (PCM) protocols for collection of Level 1 data in forests managed under participatory management arrangements (including, households, communes and Community Forestry Management (CFM) groups), are being implemented with assistance from the UN-REDD Vietnam Programme, based on experience with similar approaches piloted in other countries⁴. Similar protocols still need to be developed for other forest owners, such as the former State Forest Enterprises.

The Level 1 data is in itself not sufficient to estimate biomass, and will be supplemented by Level 2 data. The existing National Forest Inventory (NFI) program and on-going research programs in the Forest Science Institute of Vietnam (FSIV) will provide the additional data (Level 2) to convert the Level 1 data into biomass estimates, for which it will receive additional support from the UN-REDD Viet Nam Programme. Locally developed allometric equations exist for some tree species and the 20 year record of forest survey on 2000+ permanent and primary sampling plots is likely to provide enough information to operationalize the IPCC stock-change method for estimation of biomass⁵. Future work by both the NFI program and FSIV will address REDD+ requirements, as per the request of the GoV. Through the FAO/Finland Forestry Cooperation Programme the NFI program will be upgraded, with the explicit objective of providing support to this aspect of the MRV system under the National REDD Programme.

The Level 1 data will also be supplemented by satellite based monitoring, for accurate assessment of forest areas (activity data). In recent years forest cover mapping has been based on a variety of data sources, most recently SPOT-5 multi-spectral data at 2.5 meter spatial resolution.

The goal of the GoV is to report emission reductions and removals at IPCC Tier 3 level. The expectation is that the current availability of forest inventory data will allow Tier 2 level reporting, but that by the time the first report of emission reductions and removals is produced enough additional data will have been collected to comply with IPCC Tier 3. The volume of basic data would provide statistically robust samples, while the professional surveys and forest research programs will adequately supplement accuracy requirements.

Reporting of emissions and removals

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

At the central level all data from the forest owners is collated and combined with other

sources of information. Analysis will be supported through a dedicated team in MARD and third-party organizations invited by MARD. Analysis will include data quality assessment, estimation of biomass and biomass dynamics, review of stratification of eco-regions, etc). The analysis will result in a report of emission reductions and removals that complies with requirements of the REDD+ mechanism as established by the CoP of the UNFCCC.

Verification of emissions and removals

The verification of the report on emission reductions and removals will be supported both nationally, prior to submission to the UNFCCC, and for independent auditing purposes as required by the UNFCCC.

The GoV will establish a procedure to verify that the reported emission reductions and removals meet the criteria of the UNFCCC. Effectively this implies that the MRV system will integrate the functionality to undertake independent auditing, albeit by the GoV itself. The verification based on the MRV system data will be supplemented by analysis of high-resolution satellite imagery on a sampling basis. For this kind of analysis new analysis protocols have to be developed.

After submission of the report, access will be granted to the independent (international) auditor to review all data in the MRV system, from the basic data supplied by the forest owners over the reporting period, to forest inventory data, analysis procedures for data quality assessment, biomass estimation and reporting, provincial and district Socio-economic Development Plans (SEDP) relevant to REDD+, etc. The MRV system will thus work as the principal repository for all data pertinent to the report on emission reductions and removals.

Readiness activities

As part of the readiness process for REDD+ at the national scale, the following activities are proposed to be supported by the FCPF:

Establishment of technical and operational procedures for the MRV system

A design for the MRV system will have to be made, following the most up-to-date standards of system design for mission-critical information systems, including data technical requirements (data integrity, transaction management, data security, fail-over redundancy, backup, etc), business processes (definition of data management and analysis, definition of roles and responsibilities of all actors, definition of security profiles, etc) and operational management (general management of the system, security management, updates and maintenance, staffing, training). The actual implementation, infrastructure investments and training of users of the system will be supported at the national level and in five pilot provinces. The UN-REDD Vietnam Programme is in the process of defining its Phase II which will include such support for an estimated five provinces (subject to approval by the donor).

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

Development of data reporting guidelines and mechanisms

Forests in Vietnam are managed by a variety of forest owners, having widely diverging lease conditions, knowledge of forest conditions, management and measurement techniques, access to resources, access to communication channels, etc. This variety of conditions has to be enumerated and for each relevant category a monitoring protocol has to be established. The monitoring protocol should establish the measurement design (where? how? how often?), the measurement parameters (what?) and the options for recording and reporting the measurements to the MRV system.

Additionally, the monitoring protocol has to identify roles and responsibilities of the stakeholders involved in the monitoring, ranging from the forest owner to the local, district, provincial and national technical and administrative bodies that have a mandate in this area. The role of third-party service providers must also be defined.

The UN-REDD Vietnam Programme is in the process of defining its Phase II which will include support for forest survey and communication equipment that will be used to implement the local monitoring of forest properties (subject to approval by the donor).

Development of procedures for national data analysis and reporting

The Level 1 field data and professional survey data has to be integrated to derive the national report on emission reductions and removals. Procedures for analytical (statistical) procedures have to be developed, that address issues such as data quality, error assessment, confidence levels and accuracy. The procedures have to be compliant with requirements from the UNFCCC.

Additionally, procedures have to be developed for evaluating the underlying decisions and statements that underpin the monitoring and reporting, such as the territorial stratification into eco-regions, the Reference Levels and Scenarios, identified drivers of deforestation and forest degradation, etc.

Development of a national verification mechanism

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

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

Implementation

The MRV system will be established by a number of actors working closely together on this task. The main contributors, in addition to resources from the FCPF, are:

- MARD; as the national focal point for REDD it will host the physical infrastructure of the MVR system and provide for long-term sustainability;
- UN-REDD Viet Nam Programme; the Programme is already developing initial elements of the MRV system, as well as related components (e.g. benefit distribution and integration in provincial planning);
- FORMIS project; the FORMIS project is developing the FOMIS system in MARD and associated infrastructure;
- NFA project; the FAO-Finland NFA project will support the integration of the NFI into the MRV system; NFI data is particularly important in issues related to data quality assessment.

The FCPF resources will be applied to a number of critical elements of the MRV:

- Establishment of physical infrastructure at the national level and a five provincial sites; this includes hardware, but specifically also all aspects of integrity of the MRV system;
- Logical design of the MRV data model, with support for the co-benefits (Component 4b);
- Development of business processes for the major tasks in REDD and the MRV;
- Development of protocols for data ingest, analysis and reporting.

For the above tasks a team of experts will be assembled to undertake the work in the period 2011-2012:

- Team Leader, expert in business informatics (8 months);
- Computer infrastructure expert, specification of hardware, networking, security, backup, etc. (2 months)
- Data design modeller, expert in (database) data modelling (8 months);
- Business process modeller (8 months).

4b. Other Benefits and Impacts

Other functions of the MRV system

The principal functions of the MRV system - collect data from all participating forest owners throughout the country, assess their performance, produce a report on emission reductions and removals, internal and independent verification - are based on management of all relevant data and information in a single (but distributed) information system. This integration opens up a host of possibilities for additional functionality, some of which are directly related to REDD+ and requiring no or minimal extra data, while others are related to other functions or priorities of the State or the Vietnamese society at large:

- The benefit distribution system for REDD+ will manage the participation and performance payments to participants in the REDD+ mechanism;
- Monitoring of the safeguards as enumerated by the AWG-LCA⁶, in particular those related to Indigenous Peoples and local communities, conservation of biodiversity, ecosystem services and other social and environmental benefits, risk of reversals and risk of displacement of emissions;
- Monitoring and evaluation of the effectiveness of the National REDD Programme itself, including social and environmental impact assessment;
- Support to the national, provincial and district Socio-economic Development Plans (SEDP), the principal planning instrument of the Government;
- Integration with other forest information systems in use by the Government.
- Awareness raising in the general public, including through provisioning of information using public access media (web pages) and directed to specific target groups (e.g. primary and secondary schools, universities, mass organizations of the Fatherland Front such as the Youth Union or the Women's Union).

Benefit Distribution System

The benefit distribution system (BDS) will be integrated with the MRV system to the extent that the evidence for making payments will be based on information extracted from the MRV system.

The BDS system is developed by the UN-REDD Vietnam Programme. In the proposed Phase II of the UN-REDD Vietnam Programme the BDS system will be made operational in a small number of pilot provinces. The design of the MRV system has to be made compliant with any technical or regulatory requirement of the BDS system. Given that the exact regulations governing the BDS system have not yet been established, the MRV system should be flexible both in terms of design and development options (e.g. availability of consultants or contractors) to allow adaptations later on.

Monitoring safeguards

The UNFCCC is likely to adopt a number of safeguards that countries implementing REDD+ have to adhere to. While there is no formal decision on safeguards yet, there is some guidance from the AWG-LCA on which aspects may ultimately require safeguards⁷. Procedures will be integrated into the MRV system to monitor these aspects, with emphasis on the rights of Indigenous Peoples and local communities, conservation of biodiversity, ecosystem services and other social and environmental benefits, risk of reversals and risk of displacement of emissions.

Monitoring and Evaluation of the National REDD Programme

The MRV system is one of the principal tools in the monitoring and evaluation (M&E) of the National REDD Programme. Quantitative targets and indicators will be based on information extracted from the MRV system. An important function of the M&E process is to assess the transparency, accountability and equity of the National REDD Programme, from the perspective of both participants (forest owners being compensated for their participation and receiving performance payments) and the international community (fidelity and permanence of the emission reductions and removals, compliance with the safeguards, etc). The MRV system and its open access policies for relevant stakeholders will enable the M&E system to perform these functions in a way that instils confidence in the stakeholders.

The design of the MRV system will allow external parties, such as CSOs or NGOs to participate in (parts of) the M&E.

Support to SEDP development and evaluation

The most important planning tool of the Government is the Socio-economic Development Plan. The national Government and all provincial authorities have to develop SEDPs every 5 years, with annual updates and planning. Particularly at the provincial level the MRV system will be very instrumental in providing guidance to the provincial authorities in the development forestry sector elements of new SEDPs and their annual updates, as well as in analyzing progress and evaluating the performance of the implementation of the SEDP in the forestry sector.

Mainstreaming climate change in SEDPs is supported by a UNDP-funded project in the Ministry of Planning and Information (MPI), while REDD+ mainstreaming into the SEDPs is supported by the UN-REDD Vietnam Programme. The latter programme is currently piloting the mainstreaming in Lam Dong province and will extend this activity to a further four provinces in the proposed Phase II of the UN-REDD Vietnam Programme.

Integration with other forest information systems

The Directorate of Forestry in MARD has a number of other information systems that support other functions of the Directorate. Of immediate interest are the National Forest Inventory (NFI) and the Forest Management Information System (FOMIS).

Linkages between the NFI and the MRV system have already been addressed in section 4a: the NFI database will support the conversion of basic forest properties into biomass estimates. Inversely, the MRV system can support the NFI by providing a fine-grained picture of the condition of the forest, which will be instrumental in the design of the sampling system for the NFI. Further development of the NFI is supported by the FAO/Finland Forestry Cooperation Programme.

The FOMIS system is a general-purpose forest information system with the objective of providing high quality information on forest resources and conditions, management operations and production and processing of timber to forest managers and State authorities. As with the NFI, the information generated by the MRV system can be used as detailed input into the FOMIS system, providing data to base forest management decisions upon and providing feedback on the impacts or results of forest management. The FOMIS system is currently being upgraded by the FORMIS project with support from the Government of Finland. The FORMIS project is actively collaborating with the UN-REDD Vietnam Programme to integrate relevant aspects of REDD information management into the FOMIS system. A direct linkage between the FOMIS and MRV systems is being investigated.

Awareness raising in the general public

The National REDD Programme will directly interface the people in or near the forest, holding leases for forest management or protection and thus responsible for collecting data on the forest and reducing emissions and enhancing removals. However, bringing about the desired changes in attitude with regards to the perception of the forests and their role in mitigating and adapting to climate change will require more awareness in the general population about the importance of forests in providing ecosystem services that benefit the entire society. For this purpose the National REDD Programme will support an awareness-raising campaign, addressing the general public through a variety of means. This could include featuring interesting aspects of REDD+ on television or radio broadcasts, placing material on the national REDD+ web site, distributing material to primary and secondary schools, providing information to the mass organizations (Youth Union, Women's Union, Farmer's Union, etc), and granting access to data for research purposes. (See also section 1.b.)

The MRV system can provide base information on multiple levels to support this awareness-raising. As the first point of entry, the MRV system will be made accessible through a web interface, providing overviews of forest properties and condition down to the commune level (i.e. the lowest level that still guarantees anonymity for individual participants in the REDD+ mechanism). When more data becomes available in later years, the dynamics of forests can be visualized. The web interface will be designed to support a web mapping application, such that users can dynamically view and analyze an area of their own interest. There will be no restrictions on access such that anybody can take note of developments and status of the forest resources; obviously there will be a level of data aggregation in order to protect personal or proprietary information or information that has commercial value. Other forms of communication will use the same information store, but it will be packaged in different formats (e.g. brochures, posters, documentary videos). Specific content will be developed for audiences that have special interests or requirements (e.g. visualize effects of infrastructure development, assessment of biodiversity, development in forests affected by Agent Orange).

Readiness activities

As part of the readiness process for REDD+ at the national scale, the following activities are proposed to be supported by the FCPF:

Analysis functionality for M&E and monitoring safeguards

The MRV system will require support for analysis functions for M&E and monitoring

safeguards. These two additional functions may require additional data to be collected in the MRV system. A study needs to be conducted to identify the analytical procedures for M&E and monitoring of safeguards and the associated additional data requirements. The study has to take linkages with other forest information systems and secondary sources of information into consideration. The MRV system will specifically be applied to provide inputs to M&E of the FCPF activities, as specified in Component 6, once it is operational. (This introduces the conundrum of having to apply M&E to the development of a system that will support that same M&E, but - as indicated - it will only do so once it is operational.)

Integration with other forest information systems

The MRV system needs to be integrated with other forestry information systems in use in MARD, in particular the NFI database and the FOMIS system. This could eventually, but not necessarily, result in one integrated hardware/software environment, or it could be in the form of disparate but connected systems. Expert analysis of the systems and requirements for integration must lead to a design for the MRV system that enables the exchange of data between the systems.

Awareness-raising in the general public

The MRV data can be applied in a variety of means to inform the public about the status and development of forests in Vietnam. A detailed plan for aggregating and collating data in a form that does not violate the rights, privileges or interests of the State and participants in the REDD+ mechanism, yet providing the greatest value to the general public, has to be designed.

Development of delivery mechanisms of the data extracted from the MRV system is addressed in Section 1.b and is included in the same budget.

Implementation

For the implementation the same resources and planning will be used as for Component 4a.

Component 4: Summary of Monitoring Activities and Budget						
Main Activity	Sub-Activity	Estimated Cost (in thousands)				
		2010	2011	2012	2013	Total
Establish technical and operational procedures	Overall MRV system design		\$120	\$40		\$160
	Implementation of MRV through pilots	\$430	\$450	\$160		\$1,040
	Develop MRV infrastructure	\$125	\$350	\$325		\$800
	Training of users	\$95	\$200	\$225	\$40	\$560

Development of data reporting guidelines and mechanisms	Categorize stakeholders		\$80			\$80
	Establish a monitoring protocol, including options for recording and reporting		\$80			\$80
Development of procedures for national data analysis and reporting	Assessment of analytical procedures		\$80	\$40		\$120
	Evaluation of decisions and statements		\$60	\$30	\$30	\$120
Development of a national verification mechanism	Development of (statistical) analysis procedures		\$30	\$30		\$60
	Assess MRV design with independent auditors		\$30	\$30		\$60
Development of procedures monitoring safeguards	Study to identify the analytical procedures for M&E and monitoring of safeguards		\$60	\$40		\$100
Integration with other forest information systems	Expert analysis of the systems and requirements for integration	\$50	\$50	\$80		\$180
Total		\$761	\$2,958	\$2,368	\$1,377	\$7,464
Government ⁸		<i>p.m.</i>	\$500	\$500	\$500	\$1,500
FCPF		\$0	\$470	\$320	\$70	\$860
UN-REDD Programme ⁹		\$30	\$140			\$170
FORMIS project ¹⁰		\$670	\$980	\$680		\$2,330
National Forest Assessment - FAO ¹¹		\$61	\$368	\$368	\$307	\$1,104
JICA ¹²			\$1,000	\$1,000	\$1,000	\$3,000

¹ The Law on Forest Protection and Development (No. 29/2004/QH11, 03 December 2004) specifies in Article 4 “Forest owners mean organizations, households or individuals that are assigned or leased forests or land for afforestation and have their forest use rights as well as the ownership right over planted production forest recognized by the State; or that are transferred forests from other forest owners”. Effectively this constitutes a lease for a defined period of time; according to the Constitution all land belongs to the Peoples of Viet Nam and is managed by the State and there is therefore no private ownership of land.

² Monitoring is here understood to mean the periodic measurement of forest properties in order to estimate biomass contained in the forest.

³ The Law on Forest Protection and Development provides the legal basis for this arrangement: “Forest owners shall have to make forest statistics and inventory and monitor forest resource developments (...)” (Article 32, sub 2.a) and “Forest owners shall have to declare data of forest statistics and inventory (...) according to the forms set by commune/ward/township People’s Committees” (ibid, sub 2.b).

⁴ Knowledge generated based on previous experience in PCM is available at <http://www.communitycarbonforestry.org/>

⁵ The availability and quality of existing forest inventory data is currently being investigated by two separate studies supported by the Government of Finland and JICA.

⁶ Text to facilitate negotiations among Parties of 17 May 2010, document FCCC/AWGLCA/2010/6, chapter 6, article 2.

⁷ idem

⁸ Ministry of Agriculture and Rural Development (MARD) is now preparing a proposal for the implementation of National Forest Monitoring and Assessment for period from 2011-2015 which consists of some REDD+ activities. The Program costs is about USD 32 million.

⁹ All UN-REDD Viet Nam Programme contributions reflect only relevant activities in the context of this proposal (workshops, material, procurement, etc). Staff time and other forms of overhead are not included, but consultant fees are.

¹⁰ Funding for the FORMIS project comes from the Government of Finland and the Trust Fund for Forests (TFF). Indicated amounts are for technical inputs that relate directly to MRV development only (procurement of IT infrastructure, IT services, application development, training, etc). All amounts are indicative. The FORMIS project is based in MARD and operates pilot sites in three provinces that do not have other REDD+ activities related to the current proposal.

¹¹ The Finland-FAO Forest Partnership is starting up its National Forest Assessment (NFA) project in support of the National Forest Inventory. The NFA project has as explicit objective support to the National REDD Programme through development of emission factors for all major forest types, as well as support for REL/RL development and linkages with the MRV system. The NFA project is expected to start in November 2010. Pending the outcome of the Inception Phase of the project no definitive statement can be made regarding specific activities that the NFA project will support. Amounts indicated in the summary line of the tables are therefore not reflected in activity budgets above. The amount of the donor contribution that is expected to contribute to Components 3 and 4 is equally divided between these two components. Government contribution and overhead are therefore not included.

¹² JICA is planning its “REDD demonstration + regional capacity development” project, planned for 2011-2013. Project budget for Viet Nam is estimated to be \$3,000k which is here evenly divided over the three years. A breakdown into activity budgets cannot yet be made.

Component 5: Schedule and Budget

Component 1a: Summary of National Readiness Management Arrangements Activities and Budget						
Main Activity	Sub-Activity	Estimated Cost (in thousands US\$)				
		2010	2011	2012	2013	Total
Support mechanisms to enable participation by other stakeholders						
		\$88	\$30	\$30	\$20	\$168
Outreach activities to GoV ministries and departments						
		\$85	\$300	\$30		\$415
Technical Working Group management	Meetings (e.g. travel for stakeholders on TWG)	\$8	\$20	\$40	\$30	\$98
	Dissemination of reports		\$10	\$10	\$10	\$30
Technical Working Group support	Info/outreach specialist		\$24	\$24		\$48
	Technical specialist		\$24	\$24		\$48
Establish sub-national Working Group	Identify structure and implement required logistics		\$20	\$20		\$40
	Engage (inter)national stakeholders		\$70	\$20		\$90
Total		\$181	\$498	\$198	\$60	\$937
Government ¹		<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>
FCPF		\$0	\$168	\$198	\$60	\$426
UN-REDD Programme ²		\$181	\$330			\$511
Component 1b: Summary of Stakeholder Consultation and Participation Activities and Budget ³						
Main Activity	Sub-Activity	Estimated Cost (in thousands)				

		2010	2011	2012	2013	Total
Co-ordination of consultation process	Overall	\$10	\$15	\$15		\$40
	Public dialogue and community capacity building	\$20	\$20	\$20		\$60
Workshops	National	\$81	\$15	\$15		\$111
	Provincial and district	\$80	\$70	\$20		\$170
Community capacity building	Training of local facilitators	\$30	\$60	\$10		\$100
	Meetings & Consultations	\$30	\$60	\$40		\$130
	Translations		\$20	\$20		\$40
National information & awareness raising campaign	Workshops	\$50				\$50
	Leaflets, posters	\$20	\$20	\$10		\$50
	Web-page maintenance	\$8	\$10	\$10	\$5	\$33
	Audio-visual materials	\$20	\$50	\$20		\$90
	Other promotional material	\$20	\$10	\$10	\$10	\$50
Total		\$369	\$350	\$190	\$15	\$924
Government ¹		<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>
FCPF		\$0	\$250	\$190	\$15	\$455
UN-REDD Programme ²		\$369	\$100			\$469
Component 2a: Summary of Assessment of Land Use, Forest Policy and Governance Activities and Budget						
Main Activity	Sub-Activity	Estimated Cost (in thousands)				
		2010	2011	2012	2013	Total
Follow up studies	Exploring forest degradation and opportunities from REDD+	\$45	\$30	\$20		\$95
	Assess the impacts of rubber on the natural forests of the Central Highlands and Southeast Agro-ecological zones		\$20			\$20

	An examination of the forest classification and approval processes to determine impacts on forest loss and recommendations		\$30			\$30
	Assess the current land allocation process and recommendations to improve the current system to benefit local communities		\$30			\$30
	Understand the impacts of shifting cultivation on forest cover in North West, North Central and Central Highlands		\$30			\$30
	SEA of the current plans for medium/small scale hydropower dams with recommendation to reduce impact on forests (focus NC, NW, Central Highlands)		\$30			\$30
Total		\$45	\$170	\$20	\$0	\$235
Government ¹		<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>
FCPF		\$0	\$170	\$20	\$0	\$190
UN-REDD Programme ²		\$45	\$0			\$45
Component 2b: Summary of Strategy Activities and Budget						
Main Activity	Sub-Activity	Estimated Cost (in thousands)				
		2010	2011	2012	2013	Total
Further studies	Exploring alternatives to forest conversion and forest degradation as well as capacity needs		\$100			\$100
Introduce elements of National REDD Strategy	Assess, recommend and trial for land use planning and zoning (and monitoring)	\$145	\$90	\$180	\$120	\$535

	Support to the Forest Land Use rights allocation process to households and communities		\$200	\$120		\$320
	Examine Forest Policy, Legislative and Administrative Reform	\$60	\$80	\$40	\$40	\$220
	Enforcement of planning and environmental requirements		\$140	\$80	\$80	\$300
	Capacity support for alternative livelihood options, inclusive of training		\$130	\$80		\$210
Review National REDD Strategy	Assessment of costs and benefits of alternative National REDD Strategy options	\$30				\$30
	Update National REDD Strategy	\$350				\$350
Total		\$585	\$740	\$500	\$240	\$2,065
Government ¹		<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>
FCPF		\$0	\$340	\$500	\$240	\$1,080
UN-REDD Programme ²		\$585	\$400			\$985
Component 2c: Summary of Implementation Framework Activities and Budget						
Main Activity	Sub-Activity	Estimated Cost (in thousands)				
		2010	2011	2012	2013	Total
Initiate and complete follow-up studies	Examining carbon ownership in the context of REDD+ in Vietnam		\$30			\$30
	Assessment of financial instruments in Vietnam to create a Vietnam REDD+ Fund		\$30			\$30

Review of current monitoring process	Assessment of monitoring needs and costs		\$80	\$30		\$110
Prepare concept revenue distribution system	Piloting BDS and revenue management structures at provincial level	\$78	\$100			\$178
	Standard procedures for permissible Government retention	\$30	\$60	\$30		\$120
	Opportunity costs	\$40	\$100			\$140
Total Component 2c		\$148	\$400	\$60	\$0	\$568
Government ¹		<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>
FCPF		\$0	\$120	\$60	\$0	\$180
UN-REDD Programme ²		\$148	\$280			\$428
Component 2d: Summary of Strategic Environmental and Social Assessment Budget						
Main Activity	Sub-Activity	Estimated Cost (in thousands)				
		2010	2011	2012	2013	Total
Carry out SESA	International consultants		\$74	\$31		\$105
	National consultants		\$18	\$14		\$32
	Consultations and workshops		\$30	\$10	\$5	\$45
	Translations and printing		\$8	\$5	\$3	\$16
Total		\$0	\$130	\$60	\$8	\$198
Government ¹		<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>
FCPF		\$0	\$130	\$60	\$8	\$198
Component 3: Summary of Reference Scenario and Budget						
Main Activity	Sub-Activity	Estimated Cost (in thousands)				
		2010	2011	2012	2013	Total

Assessment of currently available data and past trends	Assessment of quality for the four forest inventory cycles	\$130	\$10			\$140
	Digitizing of previous inventory cycle data	\$150				\$150
	Establishment of historical deforestation maps at district level	\$190	\$150			\$340
Methodology development	Development of participatory carbon stock methodology	\$152	\$80			\$232
	Assessment of methodology for RELs/RLs development	\$70	\$20			\$90
	National stratification	\$50	\$50			\$100
REL/RL establishment	Generation of sub-national level RELs/RLs	\$30	\$50			\$80
	Assessment and generation of emission factors for each stratum	\$40	\$10			\$50
Consultation and training	Engaging national and international stakeholders through the Sub-Technical Working Group	\$51	\$30			\$81
	Training on RELs/RLs development	\$74	\$46			\$120
Total		\$998	\$814	\$368	\$307	\$2,487
Government ¹		<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>
FCPF		\$0	\$0	\$0	\$0	\$0
UN-REDD Programme ²		\$526	\$380			\$906

JICA ⁴		\$161	\$66			\$227
NORDECO - Finland		\$250				\$250
National Forest Assessment - FAO ⁵		\$61	\$368	\$368	\$307	\$1,104
Component 4: Summary of Monitoring Activities and Budget						
Main Activity	Sub-Activity	Estimated Cost (in thousands)				
		2010	2011	2012	2013	Total
Establish technical and operational procedures	Overall MRV system design		\$120	\$40		\$160
	Implementation of MRV through pilots	\$430	\$450	\$160		\$1,040
	Develop MRV infrastructure	\$125	\$350	\$325		\$800
	Training of users	\$95	\$200	\$225	\$40	\$560
Development of data reporting guidelines and mechanisms	Categorize stakeholders		\$80			\$80
	Establish a monitoring protocol, including options for recording and reporting		\$80			\$80
Development of procedures for national data analysis and reporting	Assessment of analytical procedures		\$80	\$40		\$120
	Evaluation of decisions and statements		\$60	\$30	\$30	\$120
Development of a national verification mechanism	Development of (statistical) analysis procedures		\$30	\$30		\$60
	Assess MRV design with independent auditors		\$30	\$30		\$60
Development of procedures monitoring safeguards	Study to identify the analytical procedures for M&E and monitoring of		\$60	\$40		\$100

	safeguards					
Integration with other forest information systems	Expert analysis of the systems and requirements for integration	\$50	\$50	\$80		\$180
Total		\$761	\$2,958	\$2,368	\$1,377	\$7,464
Government ¹		<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>
FCPF		\$0	\$470	\$320	\$70	\$860
UN-REDD Programme ²		\$30	\$140			\$170
FORMIS project ⁶		\$670	\$980	\$680		\$2,330
National Forest Assessment - FAO ⁵		\$61	\$368	\$368	\$307	\$1,104
JICA ⁷			\$1,000	\$1,000	\$1,000	\$3,000
Component 6: Summary of Program M&E Activities and Budget						
Main Activity	Sub-Activity	Estimated Cost (in thousands)				
		2010	2011	2012	2013	Total
Design and implement the Program M&E plan	Workshops & meetings to discuss actual design		\$30			\$30
Develop output indicators	Development of specific performance indicators		\$30	\$30	\$20	\$80
	Stakeholder consultation		\$10	\$20		\$30
Independent review	Annual planning and review meetings		\$20	\$20	\$20	\$60
	External auditing		\$10	\$10	\$10	\$30
Total		\$0	\$100	\$80	\$50	\$230
Government ¹		<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>
FCPF		\$0	\$100	\$80	\$50	\$230

As other financing donors are also actively involved in REDD+ activities, they have supplied funds for the various components. FCPF is requested to supplement the shortcomings identified in the various components as follows:

FCPF contribution - totals	2010	2011	2012	2013	Total
Total Component 1 (a + b)	\$0	\$418	\$388	\$75	\$881
Total Component 2 (a + b + c + d)	\$0	\$760	\$640	\$248	\$1,648
Total Component 3	\$0	\$0	\$0	\$0	\$0
Total Component 4 (a + b)	\$0	\$470	\$320	\$70	\$860
Total Component 6	\$0	\$100	\$80	\$50	\$230
TOTAL FCPF	\$0	\$1,748	\$1,428	\$443	\$3,619

¹ The Government of Viet Nam is contributing on a large number of levels to the implementation of the National REDD Programme. Support is given at the level of the Government itself, in particular through MARD but other Ministries as well, through provincial and district authorities, and through para-statal organizations. Additional support comes from logistical and operational support (e.g. office use, use of other infrastructure). The scope of the National REDD Programme is such that an accurate estimate of Government contributions, in particular when specified per component, is not feasible. A *very conservative estimate* puts the Government contribution to the National REDD Programme at \$4,000k per year, with emphasis on staff time dedicated to activities specified under Component 1. More accurate estimates will be provided as soon the National Forest Monitoring and Assessment Program for period from 2011-2015 is approved by Prime Minister.

² All UN-REDD Viet Nam Programme contributions reflect only relevant activities in the context of this proposal (workshops, material, procurement, etc). Staff time and other forms of overhead are not included, but consultant fees are.

³ Various activities related to stakeholder consultation are included in other components, in particular Components 2d and 3. Similarly with training activities.

⁴ JICA is supporting a study on the quality of the existing inventory data for purposes of identifying areas suitable for AR-CDM projects and REDD+ priority areas, and an experimental generation of RELs/RLs using the inventory data and remote sensing technique. The breakdown of the total budget over activities is approximate; the total given only indicates the contribution related to Component 3.

⁵ The Finland-FAO Forest Partnership is starting up its National Forest Assessment (NFA) project in support of the National Forest Inventory. The NFA project has as explicit objective support to the National REDD Programme through development of emission factors for all major forest types, as well as support for REL/RL development and linkages with the MRV system. The NFA project is expected to start in November 2010. Pending the outcome of the Inception Phase of the project no definitive statement can be made regarding specific activities that the NFA project will support. Amounts indicated in the summary line of the tables are therefore not reflected in activity budgets above. The amount of the donor contribution that is expected to contribute to Components 3 and 4 is equally divided between these two components. Government contribution and overhead are therefore not included.

⁶ Funding for the FORMIS project comes from the Government of Finland and the Trust Fund for Forests. Indicated amounts are for technical inputs that relate directly to MRV development only (procurement of IT infrastructure, IT

services, application development, training, etc). All amounts are indicative. The FORMIS project is based in MARD and operates pilot sites in three provinces that do not have other REDD+ activities related to the current proposal.

⁷ JICA is planning its “REDD demonstration + regional capacity development” project, planned for 2011-2013. Project budget for Viet Nam is estimated to be \$3000k000 which is here evenly divided over the three years. A breakdown into activity budgets cannot yet be made.

Component 6: Design a Program Monitoring and Evaluation Framework

Reference

The Programme M&E framework will monitor implementation of the *readiness* activities as outlined in the R-PP. It is thus separate from the monitoring system described in Component 4(a) which is concerned with monitoring (in fact: *measuring*) carbon emissions and removals or 4(b) which will monitor social, environment and other impacts of the activities in the R-PP implementation.

The development and implementation of the Programme M&E Plan is the responsibility of the National REDD Network and Technical Working Group (see section 1a).

A Monitoring and Evaluation system in Vietnam

Vietnam intends to have an effective and efficient Monitoring and Evaluation system in place by using the standard set of tools for this. Under the UN-REDD Vietnam Programme a similar set-up has been proposed and the R-PP will link into the same system, albeit concentrating on actual REDD+ Readiness.

Ultimately a logical framework matrix will provide the expected results (Objective, Outcomes and Outputs), together with quantitative indicators, including baseline values and time-bound targets. The framework then also describes the means of verification and the risks and assumptions associated with each result. To achieve maximal transparency and objective results, the activities carried out are proposed to be internally and externally audited.

The R-PP M&E Framework

The Programme M&E framework will be designed to register progress in R-PP readiness. It defines milestones in the timeframe and within budget described in the R-PP. This framework will guide monitoring of the overall R-PP implementation, including the sub-set of activities monitoring progress in the implementation of actions necessary to define, test and evaluate the REDD+ strategies. Thus the M&E framework will have both *process* components and *output* components.

The *process* components are aimed at tracking overall program performance so that readiness milestones are achieved at reasonable cost and in a timely manner. The *output* component of the M&E framework will report progress on the preparedness activities outlined in the components of the R-PP, focusing on the REDD+ strategies and activities to be implemented during the preparedness period. Obviously, product indicators can be used after Vietnam moves into readiness activities. In the course of REDD+ implementation, including the entire MRV and M&E process, specific performance indicators will be developed to monitor progress in implementation, impacts on carbon stock, social and environmental impacts, costs, and other impacts. Responsible stakeholders shall be consulted during the process and feedback included in the evaluation process.

Risks expected in carrying out in the implementation of the R-PP shall be described for each milestone and activity, upon the exact mitigation options will be defined.

Monitoring of Readiness Preparation

The M&E Framework is under development and only becomes fully operational and useful in monitoring and evaluation after the actual preparation process of REDD+ readiness has been achieved and activities have started. To currently monitor progress it is found sufficient to monitor the outcomes of the R-PP as listed in the previous sections. A simplified Monitoring Matrix is used (Annex 6.1).

In close concert with the UN-REDD Vietnam Programme, the Government, particularly the lead Executing and Implementation Agency MARD shall conduct scheduled (annual) planning and review meetings for all activities covered in the monitoring matrix (to become a full logical framework), monitoring and evaluation plan and eventual work plans.

Evaluation

The National REDD Network and Technical Working Group will establish an Evaluation Plan which ensures that all activities planned under R-PP will take a final evaluation, which will assess the relevance and effectiveness of the intervention, and measure the impacts of the results achieved on the basis of the initial analysis and selected process indicators. For each activity within the components its relevance and success of performance will be questioned and improvements taken up in the evaluation. Obviously this is an iterative process, as continuously new information will be evaluated and, consequently, activities and related indicators amended.

Component 6: Summary of Program M&E Activities and Budget						
Main Activity	Sub-Activity	Estimated Cost (in thousands)				
		2010	2011	2012	2013	Total
Design and implement the Program M&E plan	Workshops & meetings to discuss actual design		\$30			\$30
Develop output indicators	Development of specific performance indicators		\$30	\$30	\$20	\$80
	Stakeholder consultation		\$10	\$20		\$30
Independent review	Annual planning and review meetings		\$20	\$20	\$20	\$60
	External auditing		\$10	\$10	\$10	\$30
Total		\$0	\$100	\$80	\$50	\$230

Government	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>	<i>p.m.</i>
FCPF	\$0	\$100	\$80	\$50	\$230

Annexes

Annex 1a: National Readiness Management Arrangements

Annex 1a-1: The Main Organizations involved in REDD+ and their Activities

Partner/Organisation	Current areas of activities
Government Organisations	
Office of Government	Cross ministerial co-ordination
Ministry of Planning and Investment (MPI)	Overall land use planning
Ministry of Finance (MoF)	Finance mechanisms
Ministry of Natural Resources and Environment (MONRE)	National Inventory on GHG Emissions Focal Point of the implementation of the National Target Program to Respond to Climate Change Land use rights
Directorate of Forestry (DoF) - MARD	Network Chairman Involved in all areas
Forest Protection Department (FPD) - MARD	Forest Protection Field level implementations
International Cooperation Department (ICD) - MARD	Donor co-ordination
Department of Planning (DoP) - MARD	Forest Planning
Department of Finance - MARD	Finance mechanisms
Department of Science, Technology and International Cooperation - MARD	National REDD Focal Point Coordination of the UN-REDD Vietnam Programme Coordination of FCPF implementation

Department of Legislation - MARD	Legislation pertaining to REDD PES legislation
Forest Science Institute of Vietnam (FSIV)	Research on forest ecology and carbon dynamics
Forest Inventory and Planning Institute (FIPI)	Forest/Carbon stock inventory Methodology for inventory of Biomass and carbon stock in forests Methodology to estimate Carbon stock by using of remote sensing images
Vietnam Forestry University	Carbon stock measurement
FSSP Coordination Office	Secretariat
International Development Partners/Organisations	
The World Bank	Forest Carbon Partnership Facility - Readiness Preparation Plan for Vietnam
Food and Agriculture Organization of the United Nations (FAO)	REDD+ scenarios, payment system, MRV, capacity building UN-REDD Vietnam Programme
UNDP	Capacity building for REDD; National REDD Strategy; benefit distribution; mainstreaming REDD+ into socio-economic development planning Coordinating implementation of UN-REDD Vietnam Programme
UNEP Regional Office for Asia and the Pacific	Communications, sharing lessons internationally and nationally, awareness raising at national, district and local level UN-REDD Vietnam Programme
Delegation of the European Commission (EC)	Forest Law Environmental Governance and Trade (FLEG-T)
Royal Norwegian Embassy	Co-chair of the Technical Working Group Provides support for the UN-REDD Programme; as well as a number of NGO Projects
Embassy of Finland	Component of Collecting Information and Analyzing Trends of Forest Resources and Forest Carbon Stock for establishment of the Interim Baseline Reference Scenarios. Provide TA to Department of Forestry REDD+ related activities through Finland funded FOMIS project
JICA	Reference scenario Study on Potential forests and land related to “Climate Change and Forests”

	<p>Follow up work in 4 pilot sites (3 REDD+ related)</p> <p>Community forest management on REDD</p>
German Technical Cooperation (GTZ)	<p>Benefit sharing systems for REDD+ and PES</p> <p>Capacity building</p> <p>Community carbon monitoring</p> <p>Inventory methods of carbon stocks in mountainous and mangrove forests ecosystems</p>
German Environment Ministry (BMU)	<p>Policy in relating to REDD</p> <p>REDD+ scenarios</p> <p>Payment systems and benefit sharing</p>
International Non-governmental Organisations	
SNV	<p>Pro Poor REDD+ Project in Cat Tien Landscape (includes carbon stock assessment, spatial modelling of deforestation, drivers assessment, sustainable livelihoods, community land use planning etc.)</p> <p>REDD+ Opportunity costs</p> <p>REDD+ Livelihood options</p> <p>Project with IIED: Poverty and sustainable development impacts of REDD+ architecture: Example of Vietnam</p> <p>Chair of Sub Working Group on Local Implementation</p>
Winrock International	<p>Capacity building</p> <p>National MRV</p> <p>Payment systems</p> <p>Baseline measurement for Carbon stock estimations for Da Nhim watershed (Lac Duong district, Lam Dong province)</p> <p>Spatial modelling of deforestation</p>
FFI	<p>Scoping REDD+ projects</p> <p>Capacity support</p>
ICRAF	<p>REDD+ opportunity costs</p> <p>REALU</p> <p>Research and technical support to the government</p>
CARE International	<p>Rural development</p> <p>Payment for environmental services</p> <p>Sustainable community forest management</p>
Helvetas Vietnam	<p>Support local partners in remote areas of Vietnam to include REDD+ in their development plans</p>

	Pilot projects on mitigation and adaptation in remote areas
Tropenbos International Vietnam (TBI-VN)	Developing methodology for forest data set analysis (ecological, social information, etc) Capacity building
National organizations	
Centre of Research and Development in Upland Area (CERDA)	Raising awareness and capacity building on climate change and REDD Participate in the regional network of ethnic minorities /indigenous people for capacity building on climate change and REDD+ and advocacy
People and Nature Reconciliation (PanNature)	Publish knowledge on REDD+ in Vietnamese from international sources on www.thiennhien.net Translating several technical reports on REDD+ into Vietnamese Networking with regional NGOs working on REDD
Centre for Sustainable Rural Development (SRD)	Networking with international NGO for REDD+ and REDD+ Distillation and decoding REDD+ and REDD+ Developing messages on REDD+ and REDD+ for national policy makers and international climate change negotiators REDD+ and sustainable livelihood development Capacity building on climate change, including REDD+ and REDD+ , for Vietnamese NGO network (VNGO&CC) Mainstreaming climate change (including REDD) into sustainable livelihood development for forest-related ethnic minority groups in northern Vietnam

Annex 1b-1: Stakeholder Consultations held so far on the R-PP

List of consultations and meetings carried out within the R-PP preparation

Name of institution / organizations	Date	Topics discussed
<i>Ministry of Agriculture and Rural Development - Directorate of Forestry</i>	Several meetings in April and May 2010	<ul style="list-style-type: none"> • Overall REDD-related context in Vietnam • Existing activities and role of the MARDC • National REDD Network and TWG • Expected process of R-PP preparation • Work plan for REDD+ implementation • Formal procedures required for the R-PP

		approval
<i>The World Bank (Hanoi Office)</i>	Several meetings between April 12 - April 23, 2010	<ul style="list-style-type: none"> • The Bank's activities towards REDD+ and environmental assessment (SEA and EIA) in Vietnam • Experiences from projects supported by the Bank focused on ethnic minorities, forestry, hydropower development etc.
<i>UN-REDD Vietnam Programme</i>	April 20, 2010	<ul style="list-style-type: none"> • Linkages between UN-REDD and R-PP • Expected "road map" for R-PP
<i>FAO</i>	April 20, 2010	<ul style="list-style-type: none"> • FAO experience with existing REDD-related activities
<i>SNV Vietnam</i>	April 21, 2010	<ul style="list-style-type: none"> • REDD+ development in Vietnam; drivers of deforestation • SNV activities in Vietnam and its experience from the forestry sector • SNV project in Cat Tien National Park
<i>The International Centre for Research in Agroforestry (ICRAF) Vietnam</i>	April 21, 2010	<ul style="list-style-type: none"> • Importance of Programmes 661, 135 and 139 and their links to REDD • Ways to involve interest groups (especially at the local level) and practical arrangements for efficient public dialogue • Key stakeholders to meet (MPI, MONRE, CERDA)
<i>RECOTFC</i>	April 21, 2010	<ul style="list-style-type: none"> • Training and capacity building, importance of local facilitators • Changes of deforestation drivers and differences between provinces • Issues to be addressed by REDD • Current NGOs networks (Climate Change Working Group, Vietnamese NGOs & Climate Change Network)
<i>GTZ</i>	April 21, 2010	<ul style="list-style-type: none"> • GTZ activities in Vietnam (institutional development, community forestry, sustainable forestry in State Forestry Enterprises (SFE), trade and marketing of forest products) • Project on sustainable forestry management systems in 5 provinces, cooperation with SFE, FSC certificates • Existing policy framework and financial systems for forestry sector in Vietnam • Key drivers of deforestation
<i>MONRE - EIA Department</i>	April 21, 2010	<ul style="list-style-type: none"> • Existing practice with SEA in Vietnam • Importance of the climate change issues

		<ul style="list-style-type: none"> • MONRE involvement in SESA
<i>MONRE -Biodiversity Conservation Agency</i>	April 22, 2010	<ul style="list-style-type: none"> • Role and activities of the Agency (i) policy making (plans, programmes, long-term as well as short-term; (ii) ecosystems and biodiversity conservation; (iii) species and genetic resources conservation and bio-safety • Agency cooperation with NGOs • Legal framework for biodiversity conservation • Key drivers of biodiversity loss
<i>MONRE - Dept. of Meteorology, Hydrology and Climate Change</i>	April 22, 2010	<ul style="list-style-type: none"> • Role of MONRE in the field of climate change and REDD+ • Cooperation within the R-PP/REDD+ preparation • Collaboration between MARD and MONRE
<i>Centre for Sustainable Rural Development (SRD)</i>	May 19, 2010	<ul style="list-style-type: none"> • SRD activities related to REDD+ and local communities • Participatory Rural Appraisal tools and methods • Practical aspects of communication with local communities • Distribution channels for information regarding R-PP/REDD+ (NGOs networks) • Issue of gender balance
<i>CARE International</i>	May 20, 2010	<ul style="list-style-type: none"> • CARE International activities regarding climate change • Potential of Climate Change Working Group for dissemination of information, receiving feedback and for identification of partners at the local level (regular meetings of mitigation group, dissemination through email list - about 300 subscribers) • Previous consultations on REDD/R-PP (several meetings in 2009 / 2010)
<i>Centre of Research and Development in Upland Areas (CERDA)</i>	May 21, 2010	<ul style="list-style-type: none"> • CERDA´s REDD-related activities and projects (e.g. project “Ensuring efficiency participation of indigenous people in REDD+ process”, and research project “Indigenous people, forests and REDD”) and experience gained • Existing networks (“Vietnamese Network on REDD” and “Working group for advocacy and promoting indigenous people”) and their use for dissemination of information

		<ul style="list-style-type: none"> • Necessity of equal distribution of possible benefits from the REDD+ implementation among the community members • Need for informal capacity building activities at the community level
<i>MONRE - General Department of Land Administration</i>	May 27, 2010	<ul style="list-style-type: none"> • Importance of REDD+ and climate change issues of MONRE • Involvement of MONRE in the R-PP preparation and REDD-related activities; (i) policy and legal aspects, (ii) land-use management, (iii) mainstreaming climate change into sectoral planning • Structure of the land-use planning system in Vietnam; main responsibilities and challenges; recommendations • REDD+ contribution to better land-use planning and co-ordination
<i>Social Policy Ecology Research Institute (SPERI)</i>	May 28, 2010	<ul style="list-style-type: none"> • SPERI's experience with work with ethnic minorities • Key issues needed to involve ethnic minorities • It is necessary to pay an attention to the traditional decision-making system of the ethnic minorities.
<i>Centre for Research and Promotion of Education for Sustainable Development</i>	May 28, 2010	<ul style="list-style-type: none"> • Importance of raising awareness at the national level • Using the internet for general awareness raising • A lack of easy readable and "user friendly" documents about climate change in Vietnamese (leaflets, brochures etc.) • Education system should include practical examples and good practice models
<i>The World Bank's "Poverty Reduction Project for Northern mountainous provinces, phase I"</i>	July 5, 2010	<ul style="list-style-type: none"> • Ethnic minorities in Vietnam including their social and cultural differences • Importance of using on informal structures (elderly people etc.) when involving ethnic minorities • Highlighting importance of demonstration of good practice demonstration usually works - e.g. organizing study tour for EM to another EM to show the results and achievements • Suggestions for engagement in the

		context of REDD
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Annex 1b-2: Consultation and Participation Plan

Annex 1b-2a: Stakeholder Analysis

As the first step, the list of organizations and institutions potentially relevant to REDD+ was prepared (see below).

Level	<i>Organisation</i>	<i>Department / Institution</i>
1. <u>Central level</u>	1.1 <i>Government and ministries</i>	<ol style="list-style-type: none"> 1. Office of Government 2. Ministry of Natural Resources and Environment 3. Ministry of Planning and Investment 4. Ministry of Finance 5. Ministry of Agriculture and Rural Development 6. Ministry of Construction 7. Ministry of Health 8. Ministry of Culture, Sports and Tourism 9. Ministry of Industry and Trade 10. Ministry of Transport 11. Ministry of Education and Training 12. Ministry of Labour, Invalids and Social Affair
	1.2 <i>Other governmental organizations</i>	<ol style="list-style-type: none"> 1. Central Committee for Flood and Storm Control 2. National Committee for Search and Rescue 3. National Committee for Ethnic Minorities 4. National Water Resource Council 5. Committee for Intangible Cultural Heritage 6. Vietnam National Administration of Tourism
	1.3 <i>Research institutes and universities</i>	<ol style="list-style-type: none"> 1. Forest Science Institute of Vietnam (FSIV) 2. Forest Inventory and Planning Institute (FIPI) 3. Research Centre for Forest Ecology and Environment 4. Vietnam Forestry University 5. FSSP Coordination Office

		6. Nam Long University
	1.4 International organizations and agencies	<ol style="list-style-type: none"> 1. FAO 2. UNDP Regional Centre 3. UNEP Regional Office 4. The World Bank 5. EC Delegation 6. Royal Norwegian Embassy 7. Embassy of Finland 8. JICA 9. GTZ 10. KfW 11. Like Minded Donor Group 12. DFID 13. ADB 14. Embassy of the Kingdom of the Netherlands
	1.5 International NGOs	<ol style="list-style-type: none"> 1. SNV 2. Tropenbos International Vietnam 3. Helvetas Vietnam 4. Winrock International 5. CARE INTERNATIONAL 6. ICRAF Vietnam 7. World Wildlife Fund 8. IUCN 9. Fauna & Flora International (FFI) 10. RECOFTC 11. BirdLife International
	1.6 National NGOs and networks	<ol style="list-style-type: none"> 1. Centre of Research and Development in Upland Area (CERDA) 2. People and Nature Reconciliation (PanNature) 3. Centre for Sustainable Rural Development (SRD) 4. Climate Change Working Group 5. Vietnamese NGOs & Climate Change Network 6. Gender and Community Development Network
2. <u>Provincial level</u>	2.1 Governmental organizations	<ol style="list-style-type: none"> 1. Provincial Peoples' Committees 2. Boards for River Basin Planning and Management Organization
	2.2 NGOs and Civil-Society Organizations	<ol style="list-style-type: none"> 1. Farmers' Association 2. Women's Union 3. War Veterans' Union 4. Youths' Union
	2.3 Other forest users	<ol style="list-style-type: none"> 1. State Forestry Enterprises 2. Private Companies
3. <u>District and local levels</u>	3.1 Governmental organizations	<ol style="list-style-type: none"> 1. District Peoples' Committees

	3.2 NGOs and Civil-Society Organizations	<ol style="list-style-type: none"> 1. Farmers' Association 2. Women Union 3. War Veterans' Union 4. Youths' Union
	3.3 Intended beneficiaries	<ol style="list-style-type: none"> 1. Local communities 2. Ethnic minorities 3. Land owners and users 4. Forest dwellers
	3.4 Other forest users	<ol style="list-style-type: none"> 1. State Forestry Enterprises 2. Private Companies

For identification of various stakeholders groups and their relation to the REDD+ an influence/interest assessment was carried out. The analysis allows stakeholders to be divided into four categories (A - D):

Category A: with high interest and low influence

Included in Category A are:

- District People's Committees
- Research institutes and universities
- NGOs and Civil-Society Organizations
- Land owners
- Land users
- Local communities and ethnic minorities
- Private and state companies

This group includes District People's Committees, since they will most probably be directly involved in administration of the specific projects and activities, although approval will be at the national and/or provincial level. There are several research institutes focusing on issues related to the REDD+ who have a high interest in the REDD+ implementation but moderate influence. Similar positions will be for NGOs and CSOs - [international and national] who wish to engage in REDD. Those working at the district or local level will be interested in implementation of the specific projects and activities. One of the most relevant target group are local communities, including land users, forest dwellers, ethnic minorities - who are likely to be directly affected by REDD+ implementation. Also private and state companies (both directly focusing on forests, as well those working in the other sectors, which might create a pressure on forests - agriculture, shrimp farming etc.) can be potentially influenced by the REDD+ implementation, thus their interest can be expected.

Category B: with high interest and high influence

Included in Category B are:

- Ministries (especially MARD, MONRE, Ministry of Planning and Investment, Ministry for Labour, War Invalids and Social Affairs and other in relation to key social and environmental issues)
- National Committee for Ethnic Minorities
- Provincial People's Committees
- State Forestry Enterprises

- International organizations and donor agencies

To this group belong ministries with direct responsibility for the REDD+ implementation (MARD), for the key social (Ministry for Labour, War Invalids and Social Affairs, Ministry of Health, Ministry of Construction, Ministry of Culture, Sports and Tourism, Ministry of Industry and Trade, Ministry of Transport, Ministry of Education and Training) and environmental issues (MONRE), and for administration of foreign funding (MPI). Provincial People's Committees should play an important role when deciding upon specific projects and activities within the REDD. Since SOCs can be directly affected by the REDD+ implementation, their interest is high as well as possibly their influence, which is moderate. International organizations and donor agencies have already funded projects closely related to the REDD+ or will directly provide funding to the REDD-related projects and thus directly involved in the REDD+ implementation. Particularly large initiatives like the UN-REDD Vietnam Programme.

Category C: with low interest and high influence

Category C includes:

- The Government
- Office of Government
- Ministry of Finance

The Government and the Office of Government respectively are the final decision-makers, since the Prime Minister will approve the official notification on the National REDD Programme submitted by the MARD. The Ministry of Finance is generally responsible for administration of the financial issues. The "power" of these institutions is obvious, however are not be directly involved in the REDD+ preparation and implementation.

Category D: with low interest and low influence

Category D include:

- Other governmental organizations (committees, Boards for River Basin Planning and Management Organization etc.)

The group includes other governmental organizations (including various committees, Boards for River Basin Planning and Management Organization etc.), were low interest can be supposed, and with low influence to the decision-making process.

Analysis of stakeholders' interests in REDD

Stakeholder Category	Relevant stakeholders	Character of interest		Influence (H = high L = low)	Comments
		+	-		
Governmental authorities and agencies at the national level	MARD	X	X	H	It will contribute to implementing the MARD policy on addressing forest degradation and deforestation. On the other hand, the REDD+ might be in potential conflict with other MARD policies (on agriculture, forestry etc.), thus it can initiate internal discussions among various departments and sections, where possible disagreements and objections might be raised.
	MONRE	X		H	Introducing REDD+ will contribute to the country's policy on greenhouse gas emissions reduction, as well as it should lead to the positive effects on other environmental issues (biodiversity, soil degradation etc.).
	Ministry of Labour, War Invalids and Social Affairs	X	X	H	The REDD+ implementation will influence social and economic conditions at the community level, thus it might either contribute or be in potential conflict with relevant policies (depending on character of the effects).
	National Committee for Ethnic Minorities	X	X	H	The REDD+ implementation will influence ethnic minorities thus it might either contribute or be in potential conflict with relevant policies (depending on character of the effects).
	Government / Office of the Government	X	X	H	The REDD+ implementation will influence a number of social, economic and environmental issues, thus it might either contribute or be in potential conflict with relevant policies (depending on character of the effects). The Government as the decision-maker approving the REDD+ will have to facilitate the discussion among ministries in order to achieve final agreement on the REDD+ content.
	Other sectoral ministries		X		There can be in potential conflict with sectoral policies (energy production, transport infrastructure, forestry) and its effective implementation might require modification of

					existing policies and strategies.
	Other governmental organizations		X		There can be in potential conflict with sectoral policies (energy production, transport infrastructure, forestry) and its effective implementation might require modification of existing policies and strategies.
Governmental authorities at the provincial and district level	Provincial People's Committees (PPC)	X	X	H	The REDD+ implementation will influence the social, economic and environmental situation in provinces. It will contribute to implementing the country policy on forest degradation and deforestation. On the other hand, the REDD+ might be in potential conflict with the other policies (on agriculture, forestry etc.), thus it can initiate internal discussions among various departments and sections within PPCs, where possible disagreements and objections might be raised.
	District People's Committees (DPC)	X	X	L	REDD+ will influence the social, economic and environmental situation in districts. It will contribute to implementing the country policy on forest degradation and deforestation. On the other hand, the REDD+ might be in potential conflict with the other policies (on agriculture, forestry etc.), thus it can initiate internal discussions among various departments and sections within DPCs, where possible disagreements and objections might be raised.
Intended beneficiaries	Local communities including ethnic minorities	X	X	L	Influence the social, economic and environmental situation of local communities. It can bring benefits to some of the community members; however there is a potential risk of negative social and economic effects to those currently benefiting from agriculture, forestry etc. Can also result in changes of land use practices and influence the land acquisition, and thus lead to resettlement of people inhabiting rural and forest areas.

	Land owners	X	X	L	REDD+ implementation can result in changes of land use practices and influence the land acquisition.
	Land users	X	X	L	REDD+ implementation will result in changes of land use practices and influence the land acquisition.
	Forest dwellers	X	X	L	It should bring economic and social benefits; however there is a potential risk of negative social and economic effects to those currently benefiting from forestry. It can also results in changes of land use practices and influence the land acquisition, and thus lead to resettlement of people inhabiting rural and forest areas.
Other forest users	SOCs/State forestry enterprises		X	H	There might be in potential conflict with forestry industry i.e. with existing interests of SOCs.
	Private/state companies		X	L	There might be in potential conflict with forestry industry i.e. with existing interest of private companies exploiting forests for commercial purposes (e.g. the expansion of the rubber industry).
Donors	International organizations and donor agencies	X		H	International organizations and donor agencies fund projects closely related to the REDD+ or will directly provide funding to the REDD-related projects and are thus directly involved in its implementation.
Civil society	NGOs	X		L	NGOs have been already involved in the REDD-related activities (they are members of the National REDD Network). Those working at the district or local level will be interested in and should be involved in implementation of the specific projects and activities within the REDD+ (both at the national and local levels).
	Civil-Society Organizations			L	Civil-Society Organizations play an important role at the local and community level, thus it is probable that their interests might be affected by the REDD+ implementation (especially by likely effects to the livelihood and other social issues). They should be also involved in implementation of the specific

					projects and activities within the REDD+ at the local level.
Other stakeholders	Research institutes and universities	X		L	Research institutes have been already involved in the REDD+ activities in Vietnam. The REDD+ implementation can provide further opportunities for research activities.

Annex 1b-2b: List of consultations and meetings carried out within the R-PP preparation

Readiness process	Purpose of consultations and participation activities	Groups	Means of consultations, participation and information sharing	Lead	Time Frame
R-PP preparation	<ul style="list-style-type: none"> • Distribute, present and discuss the draft R-PP • Identify partners / stakeholders at the provincial, district and community levels 	<ul style="list-style-type: none"> • National REDD Network members • Other ministries and governmental organizations • PPCs and DPCs • Local communities • NGOs and CSOs • SOCs • Private and state companies 	<ul style="list-style-type: none"> • Dissemination through existing NGOs networks • Publication at the MARD web page • Initial national workshop on the R-PP • 2nd national workshop on the R-PP 	MARD DoF	June – July 2010
	<ul style="list-style-type: none"> • Made publicly available the final R-PP version • Provide feedback on comments received • Raise awareness on further readiness process 	<ul style="list-style-type: none"> • National REDD Network members • Other ministries and governmental organizations • PPCs and DPCs • Local communities 	<ul style="list-style-type: none"> • Dissemination through existing NGOs networks • Publication at the MARD web page • National workshop 	MARD DoF	October 2010

Readiness process	Purpose of consultations and participation activities	Groups	Means of consultations, participation and information sharing	Lead	Time Frame
		<ul style="list-style-type: none"> • NGOs and CSOs • SOCs • Private and state companies 			
Preparing for Readiness - process management	<ul style="list-style-type: none"> • Raising awareness on REDD+ - national level 	<ul style="list-style-type: none"> • Governmental organizations at the national level • General public 	<ul style="list-style-type: none"> • Preparation and dissemination of press news on the R-PP approval • Preparation and dissemination of information leaflet on the REDD+ purpose and benefits 	<ul style="list-style-type: none"> • MARD 	Oct 2010 – Feb 2011
	<ul style="list-style-type: none"> • Raising awareness on REDD+ - community level • Initiate public dialogue at the community level 	<ul style="list-style-type: none"> • Local communities • Local NGOs 	<ul style="list-style-type: none"> • Training on the REDD+ issues for the local facilitators • Preparation of posters, explaining activities and projects to be carried out and their potential effects to community • Conducting consultations with community leaders (heads of villages) to explain them process and steps to be carried out. • Organizing a series of informal meeting with communities 	<ul style="list-style-type: none"> • MARD 	Oct 2010 – Feb 2011
	SESA	<ul style="list-style-type: none"> • Governmental 	<ul style="list-style-type: none"> • Scoping meeting at the 	<ul style="list-style-type: none"> • MARD 	Nov 2010

Readiness process	Purpose of consultations and participation activities	Groups	Means of consultations, participation and information sharing	Lead	Time Frame
	<ul style="list-style-type: none"> Validate the scope of assessment Inform stakeholders on the final scoping report (including explanation how the comments received have been considered) 	organizations responsible for key social and environmental issues	national level <ul style="list-style-type: none"> Publication at the MARD web page Dissemination through existing NGOs networks 	DoF <ul style="list-style-type: none"> SESA team 	
	<ul style="list-style-type: none"> SESA: Get information on baseline trends for the key social and environmental issues 	<ul style="list-style-type: none"> Governmental organizations responsible for the key social and environmental issues 	<ul style="list-style-type: none"> Series of consultation meetings with authorities at the national level and in provinces / districts potentially affected by the REDD+ implementation 	<ul style="list-style-type: none"> MARD DoF SESA team 	Dec 2010
Preparation for Readiness - formulation of specific projects and activities	<ul style="list-style-type: none"> Involve relevant stakeholders in formulation of specific projects and activities SESA: <ul style="list-style-type: none"> Present and discuss evaluation of potential social and environmental effects Present and discuss suggested mitigation and enhancement measures and monitoring framework 	<ul style="list-style-type: none"> National REDD Network members Governmental organizations responsible for key social and environmental issues Other governmental organizations PPCs and DPCs Local communities NGOs and CSOs SOCs 	<ul style="list-style-type: none"> National REDD Network meeting Provincial workshops Public dialogue in communities potentially affected Dissemination of the draft SESA report through existing NGOs networks Publication of the draft SESA report at the MARD web page National workshop Publication of the draft SESA report at the MARD 	<ul style="list-style-type: none"> MARD DoF SESA team 	Dec 2010 - April 2011

Readiness process	Purpose of consultations and participation activities	Groups	Means of consultations, participation and information sharing	Lead	Time Frame
	<ul style="list-style-type: none"> • Present and discuss the SESA report • Inform stakeholders on the SESA outputs 	<ul style="list-style-type: none"> • Private companies 	<ul style="list-style-type: none"> • web page 		
Preparation for Readiness - proposals of specific projects and activities	<ul style="list-style-type: none"> • Inform stakeholders and potentially affected communities about (i) specific projects and activities to be carried out, (ii) procedures to ensure compliance with relevant World Bank's safeguards policies 	<ul style="list-style-type: none"> • National REDD Network members • PPCs and DPCs • Local communities • NGOs and CSOs • SOE • Private companies 	<ul style="list-style-type: none"> • National REDD Network meeting • Series of consultation meetings with authorities at the national level • Provincial meetings • Public dialogue in communities potentially affected 	<ul style="list-style-type: none"> • MARD DoF 	2011
Implementation and monitoring	<ul style="list-style-type: none"> • Involve stakeholders in implementation • Inform stakeholders on progress in implementation • Inform stakeholders on monitoring results 	<ul style="list-style-type: none"> • National REDD Network members • Governmental organizations responsible for key social and environmental issues • Other governmental organizations • PPCs and DPCs • Local communities • NGOs and CSOs • State Forest 	<ul style="list-style-type: none"> • Regular National REDD Network meetings • Annual national workshops on REDD+ implementation • Preparation and dissemination of press news on REDD+ implementation achievements • Public dialogue in communities potentially affected 	MARD DoF	2011 - 2012

Readiness process	Purpose of consultations and participation activities	Groups	Means of consultations, participation and information sharing	Lead	Time Frame
		Enterprises <ul style="list-style-type: none"> • Private companies 			
Evaluation	<ul style="list-style-type: none"> • Inform stakeholders on the final results of implementation and its efficiency 	<ul style="list-style-type: none"> • National REDD Network members • Governmental organizations responsible for the key social and environmental issues • Other governmental organizations • PPCs and DPCs • Local communities • NGOs and CSOs • SOCs • Private companies 	<ul style="list-style-type: none"> • Regular National REDD Network meetings • Final national workshops on REDD+ implementation 	MARD DoF	2012

Annex 2a: Assessment of Land Use, Forest Policy and Governance

Annex 2a:1: List of documents reviewed and experts consulted

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List of experts consulted

Person	Organisation
Dr. Nguyen Ba Ngai	Directorate of Forestry, MARD
Mme. Pham Minh Thoa	Directorate of Forestry, MARD
Dr. Cuong Pham Manh	Directorate of Forestry, MARD
Douglas Graham	The World Bank
Tran Hoang Ha	MARD
Mr. Nguyen Khac Hieu	Ministry of Natural Resources and the Environment
Hoang Manh Hoa	Ministry of Natural Resources and the Environment
Minh Tran Hieu	FSIV, MARD
Patrick Van Laake	UN-REDD Vietnam Programme
Tan Quang Nguyen	RECOFTC
Tapio Leppanen	FORMIS
Tim Holland	SNV
Rob Ukkerman	SNV
Juergen Hess	GTZ
Minh Ha Hoang	ICRAF
Phuc Xuan To	Forest Trends
Akiko Inoguchi	FAO
Eiji Egashira	JICA
Waturu Yamamoto	JICA
Thea Ottmann	Royal Norwegian Embassy
Vu Minh Duc	Royal Norwegian Embassy
Hoang Thanh	European Union
Steve Swann	FFI
Josh Kempinski	FFI
Claude Heimo	Consultant

Annex 2a:2: Terms of References

TOR I: Exploring forest degradation in Vietnam

Background:

Forests play an important role in the regulation of the climate through the sequestration of carbon. It has been estimated that 18 percent of annual global emissions result from the removal of forests and from their degradation. As concerns intensify over global climate change as a result of man-made activities, so too does the debate over the importance of forests as carbon sinks. Reduced Emissions from Deforestation and Forest Degradation (REDD) is being seen as a means to reduce forest sector carbon emissions. The success of any REDD+ scheme will ultimately depend on how effectively it is designed and introduced.

In order to prepare a country for REDD+ the World Bank has designed the Readiness Preparation Plan (RPP) which serves to organize REDD+ in the country. As part of the R-PP it is necessary to understand land use change, forest policy and governance in order to identify the extent and underlying factors driving deforestation in the country, and therefore the necessary strategies which need to be introduced to address these drivers. Given the state of Vietnam's forest the issue of forest degradation is highly relevant. However, to date there has not been any specific analysis to better understand the situation and opportunities from reduced emissions from degradation.

Objectives

The overall objective is to better understand the possibilities from forest degradation and REDD+ in Vietnam; in particular the local capacity needs (particularly around monitoring)

Specific Activities:

- Review the technical literature on degradation monitoring (e.g. GOFD-GOLD); assessment of the degrees of accuracy which can be obtained with different combinations of remote sensing and ground plots
- Review government estimates of degradation (e.g. different quality tiers for forest - high, medium, low - and change in area of each). This should outline how these areas are determined; how many plots, what kind of imagery, etc is used; and how does the accuracy compare to international standards expected from bodies such as GOFD-GOLD
- As far as possible provide maps highlighting critical areas of forest degradation (in particular using the work by JICA)
- Assess current system of forest plots (e.g. extent/frequency of assessment, quality of information, accessibility of information)
- Recommend levels of both precision (how many distinct forest tiers to use) and accuracy (how certain we are that we have mapped a given forest tier correctly); alternately, develop a range of scenarios of different levels of precision and accuracy
- Assess if there are institutional requirements for including degradation in REDD+ in Vietnam that are particular and different from those required for deforestation alone.

Expertise

- (1) International expert on forest degradation; they should also possess a good understanding of the REDD+ mechanism, and knowledge of forestry in Vietnam
- (2) National expert with detailed knowledge of forests of Vietnam

Deliverables

- A background report on forest degradation and monitoring in the context of REDD+ that details a possible structure of a degradation monitoring system in Vietnam, and an assessment of how the system would compare against international standards for accuracy and precision
- An overall report on the potential and possibilities for REDD+ and forest degradation in Vietnam [this will include recommendations on the necessary institutional and operational changes needed to meet international standards]

Time-frame

The two consultants require approximately 45 days each

TOR II: Assessment of rubber expansion on the natural forest area of the Central Highlands and Southeast Agro-ecological zones of Vietnam

Background:

Forests play an important role in the regulation of the climate through the sequestration of carbon. It has been estimated that 18 percent of annual global emissions result from the removal of forests. As concerns intensify over global climate change as a result of man-made activities, so too does the debate over the importance of forests as carbon sinks. Reduced Emissions from Deforestation and Forest Degradation (REDD) is being seen as a means to reduce forest sector carbon emissions. The success of any REDD+ scheme will ultimately depend on how effectively it is designed and introduced.

In order to prepare a country for REDD+ the World Bank has designed the Readiness Preparation Plan (R-PP) which serves to organize REDD+ in the country. As part of the R-PP it is necessary to understand land use change, forest policy and governance in order to identify the extent and underlying factors driving deforestation in the country, and therefore the necessary strategies which need to be introduced to address these drivers. Given the fact that all the information on forest loss and what is causing it is not available a number of follow up studies have been recommended. This study aims to look at the impact of the expansion of rubber production on the natural forested areas of the Central Highlands and the Southeast Agro-ecological zone.

Objective of the Assignment:

The overall objective is to examine the impacts of the current expansion and projected expansion of rubber plantations [with a focus on the Central Highlands and Southeast Agro-ecological zones] with a view to providing recommendations on how to minimize the impact on the natural forested area.

Specific Activities:

- Assess the implications of Decision Number 25/2008/QĐ-TTg dated 5th February, 2008 of the Prime Minister on the expansion of 100,000 ha of Rubber in the Central Highlands; as well as Circular 39/2009/TT-BNN dated 3/3/2008 on classification of forest degradation for rubber conversion
- Examine Provincial plans for rubber expansion (e.g. Dak Nong, Binh Phuoc, Dak Lak, Lam Dong etc) and map out likely areas of expansion
- Examine the sectoral dynamics of the rubber industry in Vietnam, including potential profit margin under different prices and cost scenarios
- Model the projected planned and unplanned expansion based on different potential profit margins of rubber production
- Identify ways to reduce the impact of this expansion on the natural forest area [through land use planning and zoning, agricultural plans etc]
- Preliminary assessment [literature review] of biomass of rubber trees versus natural forest area
- Provide overall recommendations on reducing the impact of rubber expansion on forested areas in the Central Highlands and Southeast Agro-ecological zone

Expertise needed

- 1) An international expert with knowledge of the rubber sector; they should also possess a good understanding of the REDD+ mechanism, and knowledge of forest sector in Vietnam;
- 2) A national expert with a detailed understanding of the existing laws, strategies and plans relating to rubber; they should also possess knowledge of the Central Highlands.

Deliverables

A report on the likely impacts of the expansion of the rubber sector on the natural forested areas of the Central Highlands and Southeast Agro-ecological zones; as well as suggestions to mitigate likely negative impacts. This report should include:

- A summary of current plans, strategies and policies for rubber expansion Nationally and Provincially and the implications
- A section exploring the sectoral dynamics of the rubber industry in Vietnam
- Examination of the likely expansion under different scenarios of profit margin
- Maps showing the likely forested areas which will be affected [planned and unplanned]
- Recommendations on actions to reduce the impact of the expansion on the natural forested area

Time-frame

The task should take around 35 days each for two staff

TOR III An examination of the forest classification and approval processes to determine impacts on forest loss

Background

Forests play an important role in the regulation of the climate through the sequestration of carbon. It has been estimated that 18 percent of annual global emissions result from the removal of forests. As concerns intensify over global climate change as a result of man-made activities, so too does the debate over the importance of forests as carbon sinks. Reduced Emissions from Deforestation and Forest Degradation (REDD) is being seen as a means to reduce forest sector carbon emissions. The success of any REDD+ scheme will ultimately depend on how effectively it is designed and introduced.

In order to prepare a country for REDD+ the World Bank has designed the Readiness Preparation Plan (R-PP) which serves to organize REDD+ in the country. As part of the R-PP it is necessary to understand land use change, forest policy and governance in order to identify the extent and underlying factors driving deforestation in the country, and therefore the necessary strategies which need to be introduced to address these drivers.

An issue which has been identified as one of the causes of forest loss is the continuing uncertainty around the forest classification and the approval process. This has led to situations where healthy forests have been removed for other land use purposes. It is critical there is a transparent and effective mechanism in place to ensure that the national strategies and policies can be properly introduced.

Objective:

The overall objective is to better understand the current forest classification and approval process with a view to providing suggestions on how it can be improved to become more transparent and ultimately more effective

Specific Actions:

- Document and explain the current decisions, circulars etc pertaining to forest classification process (this must include an explanation of the process in determining how the land is classified as degraded)
- Document and explain the process for the approval of forest plantation projects on degraded forest land. Provide examples from different Provinces who have gone through this process
- Collate information on some of the examples of forest loss as a result of the uncertainties around forest classification; highlight some of the problems of the current process
- Retrospectively examine the quality of the EIAs carried out for reforestation/ afforestation projects
- Provide recommendation on how to make the classification and approval process more effective

Expertise

(1) An Expert on the forestry sector in Vietnam, with a detailed understanding of the existing laws, strategies and plans relating to forestry; they should also possess some understanding of the REDD+ mechanism

Deliverables:

- Background report on the current Decision, Circulars etc on forest land classification and approval process. Including how land is determined to be degraded
- A paper highlighting some of the examples of uncertainty around classification leading to forest loss
- A brief on some of the issue around EIAs
- Overall report which includes concise recommendations on necessary changes to the land classification and approval process in order to make it more effective

Time Frame

The expert would need around 25 days to complete this study

TOR IV: A study looking at the land allocation process and recommendations to improve the current system to benefit local communities

Background:

Forests play an important role in the regulation of the climate through the sequestration of carbon. It has been estimated that 18 percent of annual global emissions result from the removal of forests. As concerns intensify over global climate change as a result of man-made activities, so too does the debate over the importance of forests as carbon sinks. Reduced Emissions from Deforestation and Forest Degradation (REDD) is being seen as a means to reduce forest sector carbon emissions. The success of any REDD+ scheme will ultimately depend on how effectively it is designed and introduced.

In order to prepare a country for REDD+ the World Bank has designed the Readiness Preparation Plan (R-PP) which serves to organize REDD+ in the country. As part of the R-PP it is necessary to understand land use change, forest policy and governance in order to identify the extent and underlying factors driving deforestation in the country, and therefore the necessary strategies which need to be introduced to address these drivers.

One of the underlying problems has been identified as the lack of allocation of forest use rights to the local communities and the land allocation process more generally. By 2006, only 55 percent of land classified as forest land had been allocated i.e. granted land use rights certificates as compared to 81 percent of all agriculture land.¹ However, even in cases where the land has been allocated some communities have been unable to benefit due to a lack of support and understanding of the allocation process. Given the importance of secure land tenure for communities and REDD+ schemes it is important this issue is further examined.

Objectives

The overall objective of this study is to examine the process of forest land use rights to local communities and identify some of the bottlenecks in order to provide suggestions on how to improve the overall process

Specific Activities:

- Collate existing policies, plans, studies, documents etc on the forest land allocation (FLA) process to better understand the process to date; produce a summary report

- Examine the process at different Provinces and document the different approaches to allocating land; choose 3 pilot Provinces in different Agro-ecological zones
- In pilot sites interview communities who have been part of the land allocation process [preferably in North West and Central Highlands]; develop questionnaires and interview communities
- Highlight some of the major problems with the forest land allocation process (this must include the issue of land classification)
- Put forward suggestions on some of the accompanying policies, processes and actions which are necessary to ensure that the land allocation process accelerates and benefits local communities
- Produce guidelines on participatory forest land use planning and suggested areas for introduction

Expertise

(1) Expert on forest land allocation; they should possess a good understanding of the REDD+ mechanism, and knowledge of forest sector in Vietnam

(2) Local staff to carry out surveys

Deliverables

- Produce a report summarizing the current situation on forest land allocation
- A questionnaire to be carried out in the pilot Provinces
- A breakdown of the allocation process in pilot Provinces; documenting different practices within different Provinces and highlighting best practices and recommendations
- Guidelines on the necessary steps and procedures for participatory land allocation

Time-frame

The task should take around 35 day for Expert; 40 days for local staff to carry out questionnaires

TOR V: Assessment of the impact of shifting cultivation on deforestation and forest degradation in the three agro-ecological zones of the North West, North Central and Central Highlands

Background:

Forests play an important role in the regulation of the climate through the sequestration of carbon. It has been estimated that 18 percent of annual global emissions result from the removal of forests. As concerns intensify over global climate change as a result of man-made activities, so too does the debate over the importance of forests as carbon sinks. Reduced Emissions from Deforestation and Forest Degradation (REDD) is being seen as a means to reduce forest sector carbon emissions. The success of any REDD+ scheme will ultimately depend on how effectively it is designed and introduced.

In order to prepare a country for REDD+ the World Bank has designed the Readiness Preparation Plan (R-PP) which serves to organize REDD+ in the country. As part of the R-PP it is necessary to understand land use change, forest policy and governance in order to identify the extent and underlying factors driving deforestation in the country, and therefore the necessary strategies which need to be introduced to address these drivers.

Shifting cultivation, which is practiced predominately by ethnic minority groups is commonly cited as a cause of deforestation in Vietnam. However, it is not clear how much this practice leads to forest loss; and it will likely differ depending on where the shifting cultivation is practiced. It is important that further analysis is carried out to provide clarity on the current impact of shifting cultivation on forest loss.

Objective:

The overall objective is to understand the extent of forest loss as a result of shifting cultivation in the three agro-ecological zones of the North West, North Central and Central Highlands

Specific Activities:

- Collate existing information on the extent of shifting cultivation in representative sites in the three agro-ecological zones [in particular how much cultivation is moving into new forested areas]
- Based on information identify and map key hotspots where there is the greatest extent of cultivation into new areas (one area in each zone)
- Retrieve remote sensing images on forest cover in the hotspot areas (using Landsat or other free or low cost images); interpret images to assess forest cover change
- Assess the current socio-economic conditions in the areas and project future developments to assess future forest cover changes (this can be a preliminary assessment)
- Interviews on historic land use practices, focusing on location of older fields, fallow times, etc. How has this changed in last 10 years
- Design a program of work on REDD+ and shifting cultivation to be introduced in Vietnam

Expertise

- (1) Expert on shifting cultivation in Vietnam; they should possess a understanding of the REDD+ mechanism and knowledge of the forest sector in Vietnam;
- (2) Expert with good knowledge of remote sensing and data interpretation to produce land use change maps;
- (3) Local staff to carry out surveys/interviews in the Provinces

Deliverables

- An initial report on the state of shifting cultivation and forest loss in the three Agro-ecological zones (based on pilot sites)

- Maps showing hotspot areas (where greatest extent of forest loss due to shifting cultivation); and land use change maps showing forest change in the identified hotspots
- A chapter highlighting likely trends and future forest loss from shifting cultivation
- A work package on REDD+ and shifting cultivation in Vietnam, including proposed next steps

Time-frame

The task should take around 35 days for the expert on shifting cultivation; 30 days for remote sensing and data interpretation expert; 45 days for local staff to carry out questionnaires

TOR VI: Strategic environmental assessment of the current plans for medium/ small scale hydropower dams with recommendation to reduce impact on forests [focus on key Provinces]

Background:

Forests play an important role in the regulation of the climate through the sequestration of carbon. It has been estimated that 18 percent of annual global emissions result from the removal of forests. As concerns intensify over global climate change as a result of man-made activities, so too does the debate over the importance of forests as carbon sinks. Reduced Emissions from Deforestation and Forest Degradation (REDD) is being seen as a means to reduce forest sector carbon emissions. The success of any REDD+ scheme will ultimately depend on how effectively it is designed and introduced.

In order to prepare a country for REDD+ the World Bank has designed the Readiness Preparation Plan (R-PP) which serves to organize the REDD+ in the country. As part of the R-PP it is necessary to understand land use change, forest policy and governance in order to identify the extent and underlying factors driving deforestation in the country, and therefore the necessary strategies which need to be introduced to address these drivers. One of the major drivers identified was infrastructure development and more specifically the expansion of hydro-electric dams. Many hydroelectric dams have been proposed and are at the planning stage. This study will carry out an assessment of such plans to assess impact and suggest ways to mitigate.

Objective:

The overall objective is to better understand the likely social and environmental impacts of dam projects in a number of key Provinces, with a view to reducing their impact on forested areas

Specific Activities

- Assess current hydropower plans in a number of key Provinces (e.g. Quang Nam, Dak Nong, Lam Dong) and identify projects with high environmental and social risks (highlighting these risks; in particular in relation to loss of forest and biodiversity)
- Examine the current procedures for granting licenses for hydropower projects; and in particular requirements for EIA

- Retrospective assessment of past EIAs for hydropower dams to compare with international best practice
- Provide recommendations on ways to reduce the impact of future dam development in the pilot Provinces (this can include stopping development and/or mitigation measures)

Expertise

- (1) An international expert on Strategic Environmental Assessment, preferably with some knowledge on REDD+ and on Vietnam
- (2) National support staff

Deliverables

- A report showing the results of the assessment of hydro plans in the pilot Provinces (likely Quang Nam, Dak Nong and Lam dong)
- Information on current state of EIAs for Hydropower in Vietnam and where they fails to meet best practice
- Policy, institutional and operational recommendations on how to reduce the environmental and social impact of dam development, as well as suggestions on mitigation measures

Time-frame

This will require 53 days of the international expert and 40 days of the national expert

¹ World Bank (2009) Viet Nam: Aligning Public Spending with Strategic Priorities in the Forestry Sector, The World Bank Rural Development, Natural Resources and Environment Department East Asia and Pacific Region, November 2009

Annex 2b: National REDD Strategy Options

Annex 2b.1: Proposed priority actions under a National REDD Strategy

<u>Priority Actions</u>
<p><u>Land use planning and zoning</u></p> <ul style="list-style-type: none"> • Assess current sectoral plans (e.g. Five Year Socio-economic Plans, Agricultural, Infrastructure plans) nationally and in a number of key Provinces and identify plans likely to lead to high forest cover loss • Incorporate REDD+ as part of the new Five Year Agricultural Plan being developed in 2010 • Adjust planning and zoning to minimize impact on the forested areas [this includes retiring marginal lands from production, rehabilitating degraded lands etc] • Integrate REDD+ into Provincial Land Use Plans being devised for 2011-2015 • Improve ways to disseminate information on land use plans to ensure effected groups are consulted and aware; introduce participatory land use planning processes • Monitoring adherence to national and provincial plans through appropriate third party verification
<p><u>Land use rights allocation process</u></p> <ul style="list-style-type: none"> • Accelerated process of forest land use rights allocation; includes speeding up of allocating [good] forest land from SOCs to households and communities • Improve coordination and execution between MARD and MONRE on land and forest area allocation • Introduce investment policies and capacity building along with land allocation to allow local communities to better understand how to benefit from forest use rights • Provide CFM training with appropriate officials (beyond technical guidelines) • Introduce clear guidelines and a comprehensive approach for integrating aspects of CFM into land use planning, forestland allocation, benefit sharing arrangements, forest management plans • Carry out an assessment around the issue of carbon rights • Establish an independent body to resolve land conflicts and disputes
<p><u>Forest policy, legislative and administrative reform</u></p> <ul style="list-style-type: none"> • Upscale efforts to increase awareness at the sub national of existing/future forest programs and policies and the opportunities they create for the local communities • Amend policy on harvesting rates to be based on an assessment of forest status and dynamics • Accelerate the process of multiple use forest management plans • Suggestions for improving the process for granting permits for afforestation on ‘degraded forest lands’; including the process of classification of degraded land • Review existing forest fire management strategies in vulnerable Provinces and assess

effectiveness of current strategy; gaps and recommendations

- Introduce legal requirements to show provenance of imported wood
- Close legal loopholes preventing detection; for example that prevent or deter inspections of vehicles; and/or saw mills
- Re-focus enforcement strategy on illegal logging on points of sale (e.g. wood processing industries); and divert more effort on intelligence led enforcement
- Improve planning, budgeting and control provisions for the 5MHRP to reduce current incentives for fraud
- Improve separation between actors responsible for implementation of forest programs and those responsible for monitoring
- Introduce appropriate fire-water management systems in the National Parks in the Mekong Delta
- Establish systems for routine surveillance and monitoring change to the forests

Enforcement of planning, environmental requirements

- Create dedicated budgets for inter-agency work on forest crimes; this includes seconding staff from the Police to forest protection units
- Undertake regular checks of the quality of EIAs to ensure they adhere to high standards, including safeguard policies; and ensure independence from companies carrying out EIAs from those undertaking the projects
- Assess current development plans and cancel any plans likely leading to high forest loss; where high environmental impacts unavoidable then introduce environmental management/mitigation activities
- Stricter and more transparent licensing of development projects in forested areas, including greater consultation
- Improved systems for data and intelligence sharing
- Monitoring adherence to national and provincial plans through appropriate third party verified monitoring
- Early warning systems in area vulnerable to forest fires

Promote alternatives to forest conversion

- Assess options for alternative income opportunities to forest conversion
- Develop a support program on REDD+ and shifting cultivation
- Examine options and provide support for: more intensive cultivation, high-value crops (e.g. shade-grown coffee, specialty food items) and off farm income opportunities (e.g. eco-tourism, handicrafts)
- Introduce skill based training opportunities targeting forest dependent groups (e.g. marketing and financial management)
- Carry out value chain analysis for agriculture and forest products
- Provide support and facilitate investment in more efficient timber technologies (e.g. timber drying, treatment, processing); and assist the industry to respond to changes and in the international market (e.g. Lacey Act, FSC etc)
- Assess, explore and introduce options for alternative fuels in areas of forest degradation from fuel wood collection (e.g. improved cook stoves and biogas digestors)
- Develop user friendly policies that subsidize private plantation and on farm multipurpose tree planting for fuel wood and timber
- Carry out a study to better understand the impact of slash and burn agriculture on forest fires; identify mitigation strategies (e.g. removal of litter, fire breaks etc)

- Provide vocational training; in particular in providing skills where there are shortages in nearby areas
- Explore and introduce alternative income opportunities and models of extraction for hunting and honey collection in fire-risk areas

Effective judicial system

- Explore the issue of carbon rights and provide suggestions on how this should be structured given the current ownership and legal system
- Introduce a penalty/punishment system which will better deter perpetrators of illegal logging; illegal conversion and those starting forest fires
- Assess the current judicial system and provide recommendations on necessary changes to effectively punish perpetrators
- Introduce a strengthened dispute mechanism for people affected by development projects in forested areas
- Awareness raising/support to groups who may be unaware or lack resources to make use of dispute mechanisms

Establishment of a benefit transfer mechanism

- Carry out a valuation of the carbon services provided across the different Agro-ecological zones
- Undertake a benefit transfer study analyzing the different options to distribute revenues (building on current and past schemes)
- Design of a mixed input based and output based performance mechanism
- Under the new PES policy explore the possibilities for inclusion of REDD/carbon payments and the issue of bundling forest ecological services
- Discuss within the National Advisory Group an appropriate mechanism and trial
- Introduce a pilot benefit transfer mechanism

Annex 2b. ToR I: Exploring options for alternatives to forest conversion and degradation and capacity needs

Background:

Forests play an important role in the regulation of the climate through the sequestration of carbon. It has been estimated that 18 percent of annual global emissions result from the removal of forests and from their degradation. As concerns intensify over global climate change as a result of man-made activities, so too does the debate over the importance of forests as carbon sinks. Reduced Emissions from Deforestation and Forest Degradation (REDD) is being seen as a means to reduce forest sector carbon emissions. The success of any REDD+ scheme will ultimately depend on how effectively it is designed and introduced.

In order to prepare a country for REDD+ the World Bank has designed the Readiness Preparation Plan (R-PP) which serves to organize REDD+ in the country. As part of the R-PP it is necessary to understand land use change, forest policy and governance in order to identify the extent and underlying factors driving deforestation in the country and therefore the necessary strategies which need to be introduced to address these drivers. A key strategy will be to promote alternatives to forest conversion and forest degradation. This study will explore these alternatives, their feasibility and capacity needs in order to introduce them.

Objectives

The objective of the study is to explore the different livelihood options to forest conversion and forest degradation and to better understand the feasibility of introducing these options, including capacity requirements

Specific Activities:

- In pilot sites assess the different alternatives for those groups engaged in forest conversion primarily from agricultural expansion (e.g. more intensive agricultural cultivation), encouraging production of high-value crops (e.g. shade-grown coffee, specialty food items)etc
- Carry out Value Chain Analysis to look at ways to maximize value to local groups along the agricultural and forest value chains
- Identify off farm income opportunities (e.g. eco-tourism, handicrafts, masons etc) and vocational training needs; as well as employment opportunities from the actual REDD+ mechanism
- Assess the needs to respond to the changing international market place [for example the Lacey Act, FLEG-T and the growing demand for FSC etc] and introduce more sustainable forest management
- Assess the extent of forest degradation from fuel wood consumption and explore the options for responding and introducing alternative fuels

Expertise:

1. Expert on alternative livelihoods in the rural sector, value chain development and alternative fuels; with good knowledge of the rural areas of Vietnam
2. Support staff to collate information

Deliverables

- A report on the alternative livelihood options and the capacity requirements to introduce them [includes alternatives to conversion and more sustainable management]
- A report on the alternative to fuel-wood consumption and possible alternative energy sources

Time-frame

The Task should take 35 Days for the two staff

Annex 2c: REDD+ Implementation Framework

Annex 2c: ToR I: A study examining carbon ownership in the context of REDD+ in Vietnam.

Background:

Forests play an important role in the regulation of the climate through the sequestration of carbon. It has been estimated that 18 percent of annual global emissions result from the removal of forests and from their degradation. As concerns intensify over global climate change as a result of man-made activities, so too does the debate over the importance of forests as carbon sinks. Reduced Emissions from Deforestation and Forest Degradation (REDD) is being seen as a means to reduce forest sector carbon emissions. The success of any REDD+ scheme will ultimately depend on how effectively it is designed and introduced.

In order to prepare a country for REDD+ the World Bank has designed the Readiness Preparation Plan (R-PP) which serves to organize REDD+ in the country. As part of the R-PP it is necessary to understand land use change, forest policy and governance in order to identify the extent and underlying factors driving deforestation in the country, and therefore the necessary strategies which need to be introduced to address these drivers.

An important aspect of this process will be to establish carbon ownership rights which will determine who is able to benefit or not from the REDD+ process. There is a need to better understand the issue relating to carbon ownership under different forest management modalities. This study aims to do this during the preparation phase.

Objectives

The objective is to explore options and provide a roadmap for clarifying the issue of forest carbon ownership and linkage to forest land use rights, with the view to having in place the necessary supporting legislation by 2012

Specific Activities:

- A review of current literature on carbon rights, land ownership and REDD; with a particular emphasis on efforts in other R-PP countries. Collate and highlight some of the best practices and possible impediments
- A review of Vietnam's current decrees, decisions etc on forest carbon ownership [in particular around CDM]; reviewing current forest carbon projects in Vietnam
- Review current laws and policies regarding forests, forest management and land tenure to establish possible precedents and processes for development of an institutional mechanism to establish forest carbon ownership and management
- Identify gaps in existing forest ownership legislation related to forest carbon and recommendations on appropriate ways for these to be addressed through legislation and other channels
- Stakeholder dialogue with forest sector stakeholders, government, NGOs academics and legal experts etc of effective ways through which policies, institutions and laws

can be adapted to encompass forest carbon ownership in a way that will ensure benefit flows for forest-dependent communities

Expertise:

1. Expert on carbon rights; with a understanding of the existing laws, strategies and plans relating to forestry; they should also possess some understanding of the REDD+ mechanism

Deliverables

- A background document highlighting how other countries are approaching the issue of carbon rights and forest land use in the context of REDD; recommendations on best practice
- Background on Vietnam's current policy and institutional landscape and gaps for introducing forest carbon rights
- A roadmap to introduce the necessary policy and legislative changes to for forest carbon ownership and REDD+

Time-frame

The Task should take 30 Days

Annex 2d: Social and Environmental Impact Assessment

Annex 2d-1a List of the World Bank 's Safeguards Policies relevant to the R-PP/REDD

The World Bank 's safeguard policy	Purpose and main features	Relevancy to R-PP/REDD
Environmental Assessment (OP 4.01)	<p>Environmental Assessment should be applied for specific projects in order to identify potential environmental risks and evaluate likely environmental impacts as a basis for formulation of mitigation and enhancement measures.</p> <ul style="list-style-type: none"> • evaluates a project's potential environmental risks and impacts in its area of influence; • examines project alternatives; • identifies ways of improving project selection, siting, planning, design, and implementation by preventing, minimizing, mitigating, or compensating for adverse environmental impacts and enhancing positive impacts and; • includes the process of mitigating and managing adverse environmental impacts throughout project implementation. 	<p>Implementation of the REDD+ will include specific projects and activities, which can cause environmental effects - both positive and negative.</p> <p>All specific projects to be implemented within the REDD+ should be evaluated within the SESA in order to identify whether they belong to the World Bank's FI Category which is applied to all proposed projects that involve investment of Bank funds through a participating financial intermediary (FI). The SESA for REDD+ should also suggest appropriate procedure for Environmental Assessment for specific projects, including preparation of the Environmental Management Frameworks.</p>
Natural Habitats (OP 4.04)	<p>The Natural Habitats safeguard policy should ensure that significant conversion or degradation of critical natural habitats (including those habitats that are (i) legally protected, (ii) officially proposed for protection, (iii) identified by authoritative sources for their high conservation value, (iv) recognized as protected by traditional local communities) is avoided, and that potential effects to the natural habitats are properly assessed and mitigation measures are proposed and implemented where necessary.</p>	<p>Implementation of the REDD+ might potentially affect natural habitats. This issue should be included in the SESA and relevant Environmental Assessment for specific projects and appropriate mitigation measures (mitigation plans) should be included on the Environmental Management Framework for specific projects.</p>
Forests (OP 4.36)	<p>Forests safeguard policy should realize the potential of</p>	<p>Considering its primary purpose, the</p>

	forests to reduce poverty in a sustainable manner, integrate forests effectively into sustainable economic development, and protect the vital local and global environmental services and values of forests.	REDD+ implementation will affect forests - on the other hand these effects will the most likely be positive. However, there may be issues for example around the expansion of plantations. It is necessary all potential effects of the REDD+ implementation to forests are considered within the SESA process.
Physical Cultural Resources (OP 4.11)	Physical Cultural Resources safeguards policy should assist in preserving physical cultural resources and avoiding their destruction or damage. Physical Cultural Resources include resources of archaeological, paleontological, historical, architectural, religious (including graveyards and burial sites), aesthetic, or other cultural significance.	Implementation of the REDD+ might potentially affect physical cultural resources as defined in the OP 4.11. This issue should be included in the SESA and relevant Environmental Assessment for specific projects and appropriate measures should be included on the Environmental Management Framework for specific projects.
Indigenous People (OP 4.10)	All projects have to designed and implemented in a way that fosters full respect for Indigenous Peoples' dignity, human rights, and cultural uniqueness and so that they: (a) receive culturally compatible social and economic benefits; and (b) do not suffer adverse effects during the development process.	The REDD+ implementation can significantly affect indigenous people and ethnic minorities - their livelihood and social and economic conditions. All specific projects to be implemented within the REDD+ should be evaluated from likely effects to indigenous people and ethnic minorities' point of view. The SESA for REDD+ should suggest appropriate procedure to assess these effects and identify relevant mitigation and compensation measures. Consultations with likely affected persons and communities have to be an essential part of the process. Since there is a close link to Involuntary Resettlement safeguards policy (see below), both issues should be addressed in one process.
Involuntary	The Involuntary Resettlement safeguards policy should	The REDD+ implementation can result in

Resettlement (OP 4.12)	ensure that involuntary resettlement resulting from implementation of the projects is avoided or minimized and, where this is not feasible, should suggest measure to assist displaced persons in improving or at least restoring their livelihoods and standards of living in real terms relative to pre-displacement levels or to levels prevailing prior to the beginning of project implementation, whichever is higher.	<p>changes of land use practices and influence the land acquisition, and thus lead to resettlement of people inhabiting rural and forest areas.</p> <p>All specific projects to be implemented within the REDD+ should be evaluated within the SESA in order to identify whether they can lead to resettlement. In such case the SESA for REDD+ should suggest appropriate procedure to assess socio-economic effects and identify relevant mitigation and compensation measures if necessary, including preparation of the Resettlement Process Frameworks.</p> <p>Consultations with likely affected persons and communities have to be an essential part of the process.</p> <p>Since there is a close link to Indigenous People safeguards policy, both issues should be addressed in one process.</p>
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Annex 2d-1b: Preliminary list of social and environmental issues

Social and environmental issues relevant to REDD	General description of relevancy	Relevant national documents	Relevant authorities
Economic development	The REDD+ implementation can potentially influence the economic development both in macro and micro scales (income from REDD+ payments, modification of taxes, effects on food and commodity prices, labour force and employment,	<ul style="list-style-type: none"> • Strategy for socio-economic development 2001 - 2010 (2000) • Socio-Economic Development Plan 2006 - 2010 (2000) • Orientation of sustainable development strategy in Vietnam - Vietnam Agenda 21 (2004) 	<ul style="list-style-type: none"> • Ministry of Planning and Investment • Ministry of Finance • Ministry of Industry and Trade • Ministry of Labour, War Invalids and Social Affairs

Social and environmental issues relevant to REDD	General description of relevancy	Relevant national documents	Relevant authorities
	different land-use, availability of products from the forestry sector etc.).		
Poverty reduction	The REDD's effects on poverty can be assumed (infrastructure improvements, new livelihood opportunities for the poor, effects on food and commodity prices, labour force and employment, enhancing skills and knowledge of local communities)	<ul style="list-style-type: none"> • The Comprehensive Poverty Reduction and Growth Strategy (2003) and related sub-programmes: The Poverty Reduction and Growth Facility Programme (2003) and The Poverty Reduction Support Credit Programme (2003) • Hunger Eradication and Poverty Reduction Strategy 2001 - 2010 • National Target Programme on Hunger Eradication and Poverty Reduction (2000) • Orientation of sustainable development strategy in Vietnam - Vietnam Agenda 21 (2004) 	<ul style="list-style-type: none"> • Ministry of Planning and Investment • Ministry of Labour, War Invalids and Social Affairs • Ministry of Education and Training
Education	The REDD+ implementation can involve raising awareness and educational measures.	<ul style="list-style-type: none"> • Educational Development Strategy 2001 - 2010 (2001) • The Education Law (2005) • Orientation of sustainable development strategy in Vietnam - Vietnam Agenda 21 (2004) 	<ul style="list-style-type: none"> • Ministry of Education and Training
Agriculture	The REDD+ implementation can have potential effects to the agriculture (changes in the land-use policies, removing productive land from the agriculture use, preventing agricultural expansion, improved agriculture practices,	<ul style="list-style-type: none"> • Agriculture and Rural development Plan (2000) • Five Million Hectares Reforestation Program from 1998 to 2010 -Program 661 (1998) • MARD Agriculture Plan 2011-2015 	<ul style="list-style-type: none"> • Ministry of Agriculture and Rural Development

Social and environmental issues relevant to REDD	General description of relevancy	Relevant national documents	Relevant authorities
	opening new markets etc)		
Vulnerable groups	<p>The effects of the REDD+ implementation (changes of land use practices, land acquisition etc.) can be very significant for ethnic minorities, since they are in many cases solely depending on the current land-use.</p> <p>Specific effects on women as a vulnerable group shall be also considered in the National REDD Strategy.</p>	<ul style="list-style-type: none"> • Five Million Hectares Reforestation Program from 1998 to 2010 -Program 661 (1998) • Program 135 phase II: Support for the most difficult and remote communes (2006) • Hunger Eradication and Poverty Reduction Strategy 2001 - 2010 • National strategy for advancement of women in Vietnam for the period 2001 - 2010 (2000) • The National Plan of Action for the Advancement of Women from 2001 to 2005 • Orientation of sustainable development strategy in Vietnam - Vietnam Agenda 21 (2004) 	<ul style="list-style-type: none"> • Ministry of Planning and Investment • Ministry of Labour, War Invalids and Social Affairs • National Committee for Ethnic Minorities Affairs • Ministry of Agriculture and Rural Development
Rural development	<p>The REDD's effects to the rural development are related to the influence of the REDD+ to the overall economy development and poverty (effects on food and commodity prices, labour force and employment, different land-use, effects to agriculture etc.).</p>	<ul style="list-style-type: none"> • Agriculture and Rural development Plan (2000) • Resolution No.26-NQ/TW and the Government's Action Program on agricultural, farmer and rural development in Vietnam (2008) • Five Million Hectares Reforestation Program from 1998 to 2010 -Program 661 (1998) 	<ul style="list-style-type: none"> • Ministry of Agriculture and Rural Development • Ministry of Planning and Investment
Resettlement	<p>The REDD+ implementation can result in changes of land use practices and influence the land acquisition, and thus lead to resettlement of people inhabiting rural and forest areas.</p>	<ul style="list-style-type: none"> • Five Million Hectares Reforestation Program from 1998 to 2010 -Program 661 (1998) • Decree No.197/2004/ND-CP dated 3 December 2004, on compensation, support and resettlement when land is recovered by the State 	<ul style="list-style-type: none"> • National Committee for Ethnic Minorities Affairs • Ministry of Labour, War Invalids and Social Affairs • Ministry of Planning and Investment • Ministry of Natural

Social and environmental issues relevant to REDD	General description of relevancy	Relevant national documents	Relevant authorities
			Resources and the Environment <ul style="list-style-type: none"> • Ministry of Agriculture and Rural Development
Waste management	The REDD+ implementation can potentially change trends in waste management in the forestry and agriculture sectors as well as municipal waste management systems in rural areas.	<ul style="list-style-type: none"> • National strategy for general management of solid waste to 2025, vision to 2050 (2009) 	<ul style="list-style-type: none"> • Ministry of Natural Resources and Environment
Energy management	The REDD+ might influence planning and specific projects in the energy sector (especially hydropower and renewable energy use). The REDD+ measures can also influence the energy efficiency in the forestry sector.	<ul style="list-style-type: none"> • Strategy for socio-economic development 2001 - 2010 (2000) • Socio-Economic Development Plan 2006 - 2010 (2000) • Orientation of sustainable development strategy in Vietnam - Vietnam Agenda 21 (2004) • Strategy for Electricity Development (2005) • Vietnam - Renewable Energy Action Plan (2002) • Law on electricity (2005) 	<ul style="list-style-type: none"> • Ministry of Industry and Trade • Ministry of Planning and Investment • Ministry of Agriculture and Rural Development • Ministry of Natural Resources and Environment
Transport	The REDD+ measures can include also transport planning especially in the rural areas, for example to stop or divert roads.	<ul style="list-style-type: none"> • Transport Sector Development Strategy to 2020 (2004) • Vietnam's transport development orientation for the next decades (2005) • Prime Ministerial Decision No. 162/2002 	<ul style="list-style-type: none"> • Ministry of Transport
Tourism	The REDD+ can include activities and measures potentially promoting tourism development in specific areas	<ul style="list-style-type: none"> • Tourism Development Strategy 2001 - 2010 (2002) • Strategy for socio-economic development 2001 - 2010 (2000) 	<ul style="list-style-type: none"> • Ministry of Culture, Sports and Tourism

Social and environmental issues relevant to REDD	General description of relevancy	Relevant national documents	Relevant authorities
	and <i>vice versa</i> the REDD+ implementation can be influenced by the tourism development.	<ul style="list-style-type: none"> • Socio-Economic Development Plan 2006 - 2010 (2000) 	
Human health	The REDD+ implementation can lead to changes of the health status of the population (incidence of infectious diseases, job-related injuries) as well as to affect the access to the health care and medical services.	<ul style="list-style-type: none"> • Strategy for People's Health Care and Protection 2001 - 2010 • Orientation of sustainable development strategy in Vietnam - Vietnam Agenda 21 (2004) 	<ul style="list-style-type: none"> • Ministry of Health
Climate and climate change	The REDD+ implementation should optimally directly contribute the decreasing emissions of greenhouse gases.	<ul style="list-style-type: none"> • National Target Programme to Respond to Climate Change (2008) and approving Prime Minister's Decision No. 158/2008 • National Strategy for natural disaster prevention, response and mitigation to 2020 (2007) • Orientation of sustainable development strategy in Vietnam - Vietnam Agenda 21 (2004) • National Inventory on greenhouse gases 	<ul style="list-style-type: none"> • Ministry of Natural Resources and Environment • Ministry of Planning and Investment • Ministry of Finance • Ministry of Agriculture and Rural Development • Central Committee for Flood and Storm Control • National Committee for Search and Rescue
Air	REDD+ implementation should result in changes in forestry practices and thus influence the effects of the forestry sector to the air (preventing burning for example).	<ul style="list-style-type: none"> • National Strategy on Environmental Protection to 2010 and Vision to 2020 (2003) • Law on Environmental Protection (2005) • Orientation of sustainable development strategy in Vietnam - Vietnam Agenda 21 (2004) 	<ul style="list-style-type: none"> • Ministry of Natural Resources and Environment • Ministry of Agriculture and Rural Development
Land and soil	The REDD+ implementation can	<ul style="list-style-type: none"> • National Strategy on Environmental 	<ul style="list-style-type: none"> • Ministry of Natural

Social and environmental issues relevant to REDD	General description of relevancy	Relevant national documents	Relevant authorities
	<p>influence the soil - soil erosion (through improved forestry practice, slower deforestation), soil pollution (measures in agriculture).</p> <p>The land-use planning at the national, provincial and local level should be taken into account during the REDD+ preparation and implementation.</p>	<p>Protection to 2010 and Vision to 2020 (2003)</p> <ul style="list-style-type: none"> • Strategy for Rural Agriculture Development in the Industrialization and Modernization Period to the year 2010 (2000) • Law on Environmental Protection (2005) • Law on land • Orientation of sustainable development strategy in Vietnam - Vietnam Agenda 21 (2004) • Five Million Hectares Reforestation Program from 1998 to 2010 -Program 661 (1998) 	<p>Resources and Environment</p> <ul style="list-style-type: none"> • Ministry of Agriculture and Rural Development
Water	<p>The REDD+ implementation can influence both water quantity and water quality (effects to the water regime, reducing pollution resulting from better forestry practice etc.).</p>	<ul style="list-style-type: none"> • National Strategy on Environmental Protection to 2010 and Vision to 2020 (2003) • National Rural Clean Water and Sanitation Strategy up to Year 2020 (2000) • Water Resources Development Plan to the year 2000 and Tentative Development Plan to the year 2010 (1998) • Strategy for Rural Agriculture Development in the Industrialization and Modernization Period to the year 2010 (2000) • Law on Environmental Protection (2005) • The Law on Water Resources (1998) • Decree No. 179/1999 on implementation of the Law on Water Resources (1999) • Orientation of sustainable development strategy in Vietnam - Vietnam Agenda 21 (2004) 	<ul style="list-style-type: none"> • Ministry of Natural Resources and Environment • Ministry of Agriculture and Rural Development • Ministry of Construction • National Water Resource Council • Boards for River Basin Planning and Management Organization
Biodiversity and	The potential REDD's effects to	• National Strategy on Environmental	• Ministry of Natural

Social and environmental issues relevant to REDD	General description of relevancy	Relevant national documents	Relevant authorities
landscape	the biodiversity can be related to improved forestry practice, reducing deforestation, changes in agriculture sector, or specific conservation measures. The REDD+ implementation can affect the landscape in numerous ways - for example slower deforestation, reforestation of new areas.	<p>Protection to 2010 and Vision to 2020 (2003)</p> <ul style="list-style-type: none"> • Law on Environmental Protection (2005) • Biodiversity Action Plan for Vietnam (1994) • Orientation of sustainable development strategy in Vietnam - Vietnam Agenda 21 (2004) • Five Million Hectares Reforestation Program from 1998 to 2010 -Program 661 (1998) 	<p>Resources and Environment</p> <ul style="list-style-type: none"> • Ministry of Agriculture and Rural Development
Cultural heritage	The REDD+ should consider culture heritage and its protection as it might be potentially affected by the REDD+ implementation.	<ul style="list-style-type: none"> • Law on Cultural Heritage (2002) • Decree on the Detailed Regulations to Implement some Articles of the Law on Cultural Heritage (2002) • National Targets Program for Cultural Heritage Management (2001) • Orientation of sustainable development strategy in Vietnam - Vietnam Agenda 21 (2004) 	<ul style="list-style-type: none"> • Ministry of Culture, Sports and Tourism • Committee for Intangible Cultural Heritage

Annex 2d-1c: Work plan for the Social and Environmental Assessment

Readiness process	Stage of SESA	Activities and outputs	Time schedule
R-PP formulation	SESA ToR	<p><u>Activities</u></p> <ul style="list-style-type: none"> • Preliminary scoping • Preliminary stakeholders analysis <p><u>Outputs</u></p> <ul style="list-style-type: none"> • ToR for SESA 	April - August 2011

		<u>Stakeholders' consultations and participation</u> <ul style="list-style-type: none"> • Specific consultation with relevant stakeholders • National workshops 	
Preparing for Readiness	Scope of assessment	<u>Activities</u> <ul style="list-style-type: none"> • Identification of the key social and environmental issues • Identification of potential territorial scope of the REDD+ impacts • Preparation of the scoping report • Dissemination of the draft scoping report • Organise scoping workshop • Finalizing scoping report <u>Outputs</u> <ul style="list-style-type: none"> • Scoping report integrating comments received <u>Stakeholders' consultations and participation</u> <ul style="list-style-type: none"> • Presenting and discussing the scoping report 	September - October 2011
	Baseline analysis	<u>Activities</u> <ul style="list-style-type: none"> • Preparation of baseline analysis for the key social and environmental issues <u>Outputs</u> <ul style="list-style-type: none"> • Baseline analysis • Suggestions for modification of the regulatory and institutional framework <u>Stakeholders' consultations and participation</u> <ul style="list-style-type: none"> • Validation of baseline analysis through consultations with the relevant stakeholders and partners 	October - November 2011
	Evaluation of effects	<u>Activities</u> <ul style="list-style-type: none"> • Evaluation of National REDD Strategy • Evaluation of specific projects • Ensuring compliance with the World Bank's safeguard policies <u>Outputs</u> <ul style="list-style-type: none"> • Understanding of the likely social and environmental effects <u>Stakeholders' consultations and participation</u> <ul style="list-style-type: none"> • Validation of the analysis through consultations with 	November 2011 - January 2012

		the relevant stakeholders and partners	
	Mitigation and enhancement measures	<p><u>Activities</u></p> <ul style="list-style-type: none"> • Suggesting relevant mitigation and enhancement measures • Organizing workshop for presenting and discussing both evaluation and mitigation and enhancement measures <p><u>Outputs</u></p> <ul style="list-style-type: none"> • Mitigation and enhancement measures • Agreement on modifications (if needed) of the National REDD Strategy, modifications of regulatory and institutional arrangements, conditions for REDD+ implementation, further stakeholders' involvement <p><u>Stakeholders' consultations and participation</u></p> <ul style="list-style-type: none"> • Validation of proposed mitigation and enhancement measures through consultations with the relevant stakeholders and partners 	February 2012
	Monitoring framework	<p><u>Activities</u></p> <ul style="list-style-type: none"> • Preparation of monitoring framework <p><u>Outputs</u></p> <ul style="list-style-type: none"> • Monitoring framework <p><u>Stakeholders' consultations and participation</u></p> <ul style="list-style-type: none"> • Presenting and discussing suggested monitoring framework with the relevant stakeholders and partners 	March 2012
	Reporting	<p><u>Activities</u></p> <ul style="list-style-type: none"> • Preparation of the draft SESA report • Dissemination of the draft SESA report • Organizing final workshop • Finalizing the SESA report <p><u>Outputs</u></p> <ul style="list-style-type: none"> • Final SESA report integrating comments received • Final National REDD Strategy integrating recommendations provided by SESA <p><u>Stakeholders' consultations and participation</u></p> <ul style="list-style-type: none"> • Presenting and discussing the draft SESA report 	March - April 2012
Implementation	Proposals for specific projects and activities	<p><u>Activities</u></p> <ul style="list-style-type: none"> • Carrying out relevant procedures as suggested by SESA 	2012

		<p>to ensure compliance with the World Bank's safeguards policies (environmental assessment etc.)</p> <p><u>Outputs</u></p> <ul style="list-style-type: none"> • Environmental Monitoring Framework and other relevant frameworks <p><u>Stakeholders' consultations and participation</u></p> <ul style="list-style-type: none"> • Conducting the consultations with relevant stakeholders at all levels (including public dialogue at the local level) 	
	Monitoring	<p><u>Activities</u></p> <ul style="list-style-type: none"> • Monitoring of the REDD+ implementation (including specific projects and efficiency of mitigation measures) <p><u>Outputs</u></p> <ul style="list-style-type: none"> • Regular monitoring reports publicly available <p><u>Stakeholders' consultations and participation</u></p> <ul style="list-style-type: none"> • Stakeholders' involvement in implementation of specific projects and activities 	2012 - 2013
	Evaluation	<p><u>Activities</u></p> <ul style="list-style-type: none"> • Evaluation of the results achieved and efficiency of the REDD+ implementation <p><u>Outputs</u></p> <ul style="list-style-type: none"> • Evaluation report publicly available <p><u>Stakeholders' consultations and participation</u></p> <ul style="list-style-type: none"> • Informing stakeholders on the final results of implementation and its efficiency 	2013

Annex 6.1: Program Monitoring and Evaluation

Proposed Program Monitoring Matrix

Component	Sub-component	Output (product) indicator	Progress Indicators
Component 1: Organize and Consult	1a. National Readiness Management Arrangements	Participation by other stakeholders effective	Workshops, information meetings
		Outreach activities to GoV ministries and departments	Meetings, workshops, dissemination of reports
		REDD Secretariat operational Technical Working Group established	Meetings (e.g. travel for stakeholders on WG)
			Dissemination of reports
		National REDD Network established	
		2 additional staff hired for Technical Working Group	ToRs prepared
			Positions advertised
	Sub/national Working Group established	Meetings, reports	
	1b. Stakeholder Consultation and Participation	Consultation process coordinated and operational	Public dialogue and community capacity building effective/ongoing
			Progress reports
		Stakeholder workshops	National stakeholder workshop held
			Provincial and district stakeholder workshops held
		Community capacity building	Training of local facilitators
			Meetings & Consultations organized

Component 2: Prepare the National REDD Strategy			Posters prepared & distributed	
		National information campaign (posters, leaflets, website, etc.)	Awareness among stakeholders increasing	
	2a: Assessment of Land Use, Forest Policy and Governance	Follow up studies initiated and completed		Study “Exploring forest degradation and opportunities from REDD+” ongoing/completed
				Study “Assess the impacts of rubber on the natural forests of the Central Highlands and Southeast Agro-ecological zones” ongoing/completed
				Study “An examination of the forest classification and approval processes to determine impacts on forest loss and recommendations” ongoing/completed
				Study “Assess the current land allocation process and recommendations to improve the current system to benefit local communities” ongoing/completed
				Study “Understand the impacts of shifting cultivation on forest cover in North West, North Central and Central Highlands” ongoing/completed
				Study “SEA of the current plans for medium/small scale hydropower dams with recommendation to reduce impact on forests (focus NC, NW, Central Highlands)” ongoing/completed
	2b: National REDD Strategy Options	General (management) skills on Strategy Development and Implementation	Vocational training of off-farm income opportunities, including efficient timber technologies organized/completed	
		Further studies initiated and completed	Study “Exploring alternatives to forest conversion and forest degradation as well as capacity needs” ongoing/completed	
		Elements of National REDD	Land use planning and zoning (and	

		Strategy introduced:	monitoring) assessed and trial ongoing
		<ul style="list-style-type: none"> Land use planning and zoning Forest Land Use right allocation process Forest Policy, Legislative and Administrative Reform Planning and environmental requirements Alternative livelihood options 	Forest Land Use right allocation process to households and communities supported
			Forest Policy, Legislative and Administrative Reform examined and implemented/in process
			Planning and environmental requirements enforced/in process
			Training and capacity building on support for alternative livelihood options
	Up to date National REDD Strategy	Costs and benefits of alternative National REDD Strategy options assessed and reported	
		Review and updated recommendations to National REDD Strategy reported	
	2c: REDD+ Implementation Framework	Follow up studies initiated and completed	Study “Examining carbon ownership in the context of REDD+ in Vietnam” initiated/completed
			Study “Assessment of financial instruments in Vietnam to create a Vietnam REDD+ Fund” initiated or completed
		Review of current monitoring process	Assessment of monitoring needs and costs ongoing/completed
		Concept revenue distribution system	Piloting BDS and revenue management structures at provincial level initiated
Study to standard procedures for permissible Government retention ongoing			
Study to opportunity costs ongoing or conducted			
2d: Social and Environmental Impacts	Social and Environmental Strategy Assessment (SESA)	(Inter)national consultants in place	
		SESA parameters defined	
		Appropriate law enforcement in project	

			design
			Stakeholder involvement (meetings and workshops)
			Reports Translations and printing
Component 3: Develop a Reference Scenario	3: Reference Scenario Activities	Data review and quality assessment	Data collection and quality analysis ongoing
			Gaps in data and capacity defined
		Digital inventory data	Digitizing process ongoing / completed
		Assessment of RELs/RLs methodology	Reports and recommendations
			Methodology implementation in Reference Scenario ongoing / completed
		National stratification	Separate land units identified
		REL and RL Sub-national levels	Stakeholder consultation workshops on REL and RL
		Emission factors for each stratum	Assessment of emission factors for each stratum
			Generation of emission factors for each stratum
			Stakeholder consultation workshops
Capacity on REL/RL development & implementation	Training and capacity building ongoing		
Component 4: Design a Monitoring System	4a: Emissions and Removals	Technical and Operational Procedures	MRV system and infrastructure designed / implemented
			Reports available
			User training initiated/ongoing/completed
		Data reporting guidelines and mechanisms	List of categorized stakeholders
			Parameters for measurement design determined and reported
			Data recording and reporting

		Procedures for national data analysis and reporting	Recommendation on analytical (statistical) procedures
			Evaluation of decisions and statements
		National verification mechanism	Recommendation on analytical (statistical) procedures
			Tor for independent auditors
	4b. Other Benefits and Impacts	Procedures for national data analysis and reporting	Independent verification reports
			Assessment of analytical (statistical) procedures
		Functions for M&E and monitoring safeguards	Evaluation of decisions and statements
			Identification of analytical procedures ongoing
		Benefit Distribution System (BDS)	Integrating external (UN-REDD Vietnam Programme) ongoing activities in MRV
		Integrated forest information systems	

Annex 7: Examples of driving forces and REDD Options

TABLE 1: THE UNDERLYING CAUSES AND STRATEGIC OPTIONS TO ADDRESS FOREST CONVERSION FROM AGRICULTURE

Underlying causes (2.a)	Strategic options (2.b)
[1.1] Market Prices	<ul style="list-style-type: none"> • Ensure appropriate macroeconomic policies that affect prices, including controls on trade, capital flows, exchange rates, and national markets • Model the impacts of rubber prices on production and expansion; look into mitigation options to ensure there is not a repeat of the boom-and-bust of coffee expansion • Examine the current tax and royalty systems to ensure environmental cost internalization; and proper distribution of rents • Examine options and divert investment and support to farmers towards better management practices [this includes more efficient production, higher value products and accessing niche markets, (e.g. jungle rubber, arabica coffee etc)]
[1.2] National and provincial policies and plans for expansion of agriculture (in particular rubber)	<ul style="list-style-type: none"> • Produce a Strategy Paper and undertake awareness raising across MARD on linking REDD and agricultural conversion; develop opportunity costs curves for different agricultural commodities • Incorporate REDD as part of the new Five Year Agricultural Plan being developed in 2010 • Undertake an environmental and social assessment of future five year agricultural plans [including rubber expansion plans] to understand likely impact on natural forest areas • Integrate REDD into Provincial Land Use Plans being devised for 2011-2015 • Overlay sectoral plans with existing land use plans to ensure there is no conflict; recommend options • Adjust zoning to minimize impact on the forested areas [this includes retiring marginal lands from production, rehabilitating degraded lands] • Introduce participatory land use planning processes • Explore and promote the use of more diversified agricultural systems; in particular agro-forestry • Monitoring adherence to national and provincial plans through appropriate third party verified monitoring
[1.3] Forest classification systems and procedures	<ul style="list-style-type: none"> • Carry out an assessment of the current re-classification process of designation of degraded land, as well as the afforestation project approval process; provide recommendations on how to address some of the concerns • Retrospective examination of EIAs for larger plantation projects to ensure they adhere to best practices; halt any high risk

	<p>projects; suggest mitigation measures</p> <ul style="list-style-type: none"> • Improve the current system for granting permits for afforestation on ‘degraded forest lands’; including greater independence between those granting permits and providing recommendations on appropriate land • Improved transparency around classification of degraded forest lands • Introduce a independent monitoring and evaluation system
[1.4]Weak law enforcement and impunity for land encroachment	<ul style="list-style-type: none"> • Awareness raising on forest protection laws to local people • Amend the penalty/punishment system which will better deter perpetrators • Improve the legal framework [see 2.3] • Adjust the law enforcement strategy [see 2.4] • Assist with inter-agency co-operation [see 2.5]
[1.5]Undervaluing forest goods and services	<ul style="list-style-type: none"> • Valuation of ecological services to highlight the economic value of forest goods and services • Introduce policies/support/ facilitate investment in more efficient timber technologies (e.g. timber drying, timber treatment, processing etc) • Build capacity on utilising improved and cost-effective forest product utilisation technologies • Support the industry to tap into new sustainable markets (e.g. through the Viet Nam Forest Trade Network, Forest Stewardship Council) • Under the new PES policy explore the possibilities for inclusion of REDD/carbon payments and the issue of bundling forest ecological services • Introduce process of multiple use forest management plans
[1.6]Poverty alleviation	<ul style="list-style-type: none"> • Study agriculture ‘value-chains’; provide capacity support to maximise income to the poorest groups along the value-chain • Explore and promote off farm income opportunities ; including the potential for REDD revenues for poverty alleviation • Create skill based training opportunities targeting the forest dependent poor and marginalised groups (e.g. marketing and financial management) • Improve access to education, health and other essential services
[1.7]Traditional agricultural practices	<ul style="list-style-type: none"> • Better understand shifting cultivation and the impacts on the forest [includes mapping areas of shifting cultivation in target Provinces] • Assess opportunity costs of shifting cultivation and develop a support program on REDD and shifting cultivation • Provide extension support to local models of agricultural production; follow-up technical support (techniques, trainings, models) in terrace/sloping land cultivation; agriculture extension services; and irrigation systems • Expansion of intensive cultivation and alternative income sources, like new crafts, expanded wage labor opportunities, or private sector development • Assistance with village-based marketing and processing, specialization in certain high-value crops (shade-grown coffee, specialty food items, etc), and other more innovative approaches • Improved overall management, monitoring and support from extension services/local authorities

[1.8] Population growth	<ul style="list-style-type: none"> • Further investments in fertility programs with a focus on ethnic minority groups • Tighter controls on population movements into particularly vulnerable areas • Provide vocational training; in particular in skills needed in the nearby town and cities (e.g. building, services etc) • Provide support for rural-urban migration
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TABLE 2: THE UNDERLYING CAUSES AND STRATEGIC OPTIONS TO ADDRESS FOREST CONVERSION FROM INFRASTRUCTURE DEVELOPMENT

Underlying cause (2.a)	REDD strategy (2.b)
[2.1] Pursuit of economic growth	<ul style="list-style-type: none"> • Valuation of forest goods and services lost from infrastructure development to understand economic losses • High level awareness raising workshops with relevant government agencies (Ministry of Industry and Trade, Ministry of Planning and Investment etc) on the economic value of forests and the need to promote more sustainable growth • Introduce better coordination and planning among different Ministries and departments to promote more sustainable development • Assess the cumulative impacts of multiple infrastructure projects (e.g. dams) through Strategic Environmental Assessment • Introduce policy which requires “no net loss of forests” for any development projects
[2.2] Demand for energy	<ul style="list-style-type: none"> • Further investment in energy efficiency measures to reduce the overall demand for energy • Amend current regulations and decision making processes to assist with tapping into the CDM market for renewable and efficient energies
[2.3] Poor planning and consideration of environmental impacts	<ul style="list-style-type: none"> • Build awareness on REDD across different Ministries and departments • Improved coordination and integrated planning between different Ministries and departments, at National and Provincial levels • Proper planning and zoning to ensure that roads are built in areas with minimal environmental and social disruption • Appropriate cost benefit analysis which internalises environmental costs and benefits • Undertake regular checks of the quality of EIAs of projects to ensure they adhere to international standards • Mainstreaming environmental values into infrastructure planning and project design • In cases where high environmental impacts are unavoidable then produce an environmental management plan that addresses the specific threats
[2.4] Lack of appropriate mitigation	<ul style="list-style-type: none"> • Assess the direct and indirect impacts of infrastructure projects and design appropriate mitigation/compensation measures from the project design stage

<p>and compensation measures</p>	<ul style="list-style-type: none"> • Put aside funding to introduce such measures and establish sustainable financing mechanisms to fund future compensation measures (e.g. a benefit sharing mechanism whereby a percentage of revenues from electricity generation is provided for local development activities) • Introduce the necessary mitigation and compensation measures (e.g. community forestry, improved agriculture and enterprise development activities) • Establish a transparent local fund to disburse monies
<p>[2.5] Weak accountability mechanisms for planning and approval of development projects</p>	<ul style="list-style-type: none"> • Assess current hydropower plans in a number of key Provinces (e.g. Quang Nam, Dak Nong) and identify any projects with high environmental and social risks; cancel any highly damaging projects and ensure environmental provisions in others • Greater consultation processes and transparency on potential infrastructure projects • Stricter licensing of small and medium scale hydropower projects • Ensure independence from companies carrying out EIAs with those building infrastructure companies • Strengthen means of legal recourse for people affected by infrastructure projects • Improve integrated planning, monitoring and evaluation of development projects
<p>[2.6] Lack of legal safeguards</p>	<ul style="list-style-type: none"> • Adhere to current planning legislation (e.g. alternative routes should be explored through protected areas) • Adhere to international standard safeguards policies • Legal recourse mechanism in the case of disputes; support for local communities to access
<p>[2.7] Poor awareness and knowledge and data gaps</p>	<ul style="list-style-type: none"> • Hold training workshops to build awareness of environmental and social issues in infrastructure development • Improved co-ordination between the different Ministeries and departments