

**Ministry of Agriculture and Rural  
Development**

Forest Carbon Partnership Fund Project  
(FCPF)

Mid-Term Report

Request for additional finance from the FCPF

Grant TF013447

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## Acronyms and Abbreviations

CCA	Climate change adaptation (VFD program)
CF	Carbon Fund
CFM	Community Forest Management
CIP	Co-implementing partners (in the UN-REDD II program)
CPMU	Central Project Management Unit
DARD	Dept. of Agriculture and Rural Development (at the Province)
DN	Dak Nong Province (FCPF pilot province in central highlands)
DOSTIC	Department of Science, Technology and International Cooperation
DRR	Disaster risk reduction (VFD program)
ER-P	Emission Reduction Program (area)
ER-PD	Emissions Reduction Programme Document
ER-PIN	Emissions Reduction Programme Identification Note
ESMF	Environmental Social Management Framework
FCPF	Forest Carbon Partnership Facility
FFI	Fauna and Flora International (FFI)
FIPI	Forest Inventory and Planning Institute
FLA	Forest Land Allocation
FLEGT	Forest Law Enforcement Governance and Trade
FORMIS	Forest Resource Monitoring System
FPD	Forest Protection Department
FRMS	Forest resource mapping system
FSDP	Forest Sector Development Project
GHG	Green house gases
HHs/hhs	House holds
HT	Ha Tinh Province (in ER-P area)
LEAD	Low Emissions Asia Development Program (USAID regional project)
LEAF	Lowering Emission in Asia's Forest (USAID regional project)
NA	Nghe An Province (in ER-P area)
NCAR	North central agro-ecological region
NFI	National forest inventory
NRAP	National REDD Action Plan
NRF	National REDD Fund (of Vietnam)
NRSC	National REDD Steering Committee
PFMB	Protection Forest Management Board (manages protection forest for a watershed)
PFSM	Provincial Forest Monitoring System
PIM	Programme Implementation Manual
PLR	Policy Laws and Regulations
PNKB	Phong Nha-Ke Bang National Park
PPMU	Provincial Project Management Unit
PRAP	Provincial REDD Action Plan
QB	Quang Binh Province (in ER-P area and FCPF pilot province)
QT	Quang Tri Province (in ER-P area and FCPF pilot province)
R-PP	Readiness-Preparation Proposal for the FCPF REDD readiness funding
RL/REF	(Forest) Reference Level; Reference Emission Level
SEDP	Socio-economic development plans (These are available for the Province, district and commune)
SESA	Strategic Environmental and Social Assessment

SFM	Sustainable Forest Management
SRD	Sustainable Rural Development (Vietnamese NGO and chair of the Vietnamese NGOs and Climate Change (VNGO & CC) network)
STWG SG	Sub Technical Working Group Safeguard Group
SUFMB	Special Use Forest Management Board (a protected area i.e. National Park or Nature Reserve)
SUSFORM-NOW	Project for Sustainable Forest Management in the Northwest Watershed Area (JICA cooperation project) Dien Bien Province
TH	Thanh Hoa Province (ER-P area)
TLAS	Timber Legality Assurance System
TORs	Terms of reference
TTHue	Thua Thien Hue Province (ER-P area)
TWG	Technical working group
VCA	Vulnerability Capacity Assessments (VFD program)
VCS	Verified Carbon Standard
VDPs	Village Development Plans
VFD	Vietnam Forest and Delta Project (funded by USAID)
VFPT	Village forest protection team used in the SUSFORM-NOW project
VGGS	Vietnam Green Growth Strategy
VNFF	Vietnam Forest Protection and Forest Development Fund
VNForest	Vietnam Forest Administration
VPA	Volunteer partnership Agreement (Part of FLEGT)
VRO	Vietnam REDD Office
WB	World Bank
WWF	World Wide Fund for Nature
	<b>Weights and Measures</b> m = meters; ha = hectares
	<b>Currency</b> M = million; k =thousand Currency Unit = US\$ Dollar US\$1 = VND 21,000

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## Executive Summary

This report is Vietnam's Mid-Term Progress Report to the Participants Committee of the Carbon Fund on implementation of the FCPF Grant and includes an overview of progress with the R-PP

The FCPF Project recruited an independent team to undertake the Mid Term Review (MTR), which took place October and November 2014 and included work at the central and provincial level and discussions with donors, NGOs other projects and a "bottlenecks and solutions" exercise was completed as part of the preparation for the MTR. The draft final report was made available in December 2014/January 2015. While the FCPF project accepted many of the findings, a number of the important recommendations were already being acted upon at the time of the MTR by the project, for example, the involvement and additional support to the provinces and improved coordination with other REDD+ projects. The project has made significant progress over the last eight months.

General support for the R-PP has been increasing particularly with support from such projects as UN-REDD, Vietnam Forest and Delta, JICA (various projects), GIZ in Quang Binh Province and the FCPF project. General information on forest cover continues to improve with the implementation of the 5<sup>th</sup> National Forest Inventory (NFI) and increasing and wide available of forest data on the Forest Resource Information Management Information System (FORMIS) which is the laying foundations for data collection and improved management of NFI results.

The FCPF project became effective in 2012, but due to a slow start, the project faced disbursement difficulties during the first and most of the second year of the grant, however, the National REDD+ Steering Committee (NRSC) was quickly established and meeting on a regular basis. The FCPF established the Central Project Management Unit (CPMU) and three Provincial Project Management Units (PPMUs) in the pilot provinces and is fully operational and supporting provincial project implementation.

The FCPF project in Vietnam was originally mandated to work at the national level and with three pilot provinces, two of which now lie in the Emission Reduction-Program Idea Note area (ER-PIN) the north central coastal region, and one that is outside the ER-PIN area, located in the central highlands. With the acceptance of the ER-PIN, comprising six provinces<sup>1</sup>, the FCPF project has seen some the project implementation responsibilities, and areas of operations expand considerably, coordination is now required, for example, with an additional four provinces and with existing, on-going international development projects (five important REDD+ or forest related projects<sup>2</sup>).

Summary of findings and recommendations taken from the independent MTR review include:

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<sup>1</sup> North to south: Thanh Hoa, Nghe An, Ha Tinh, Quang Binh, Quang Tri and Thua Thien Hue.

<sup>2</sup> Vietnam Forest and Delta program (USAID); UN-REDD II; Protection Forests Restoration and Sustainable Management Project (JICA 2) and Nature Conservation and Sustainable Management of Natural Resources in the Phong Nha Ke Bang National Park Region (GIZ); Forest Sector Development Project (WB, but closes end of March 2015).

- More emphasis should be placed on the support to the provinces and developing a bottom up approach;
- Better is coordination is required with other REDD+ projects to avoid duplication, encourage exchange of ideas and improve efficiency of implementation;
- There is a need to improve and streamline operations, through improvements to the work plan, procurement and flow of funds; and
- A general comment was that a more active Vietnam REDD+ Office is required.

The FCPF project has rapidly improved and developed some momentum to implementation particularly in the provinces, however, the project faces some funding and therefore, potential readiness implementation, policy and operational gaps. To address these gaps and issues and maintain the momentum, support to the Forest Protection and Development Plan 2011 to 2020, and to cement the developing synergy with other REDD+ and forest and climate change projects, VNForest requests additional funding of US\$5 million.

A summary of the commitment and disbursement of the overall progress of the FCPF Readiness Grant implementation period 2012-2015 to March 5th 2015 was US\$2,091,928 or 55% of the total amount grant amount of US\$3.8 million. Commitment by early to mid-2015, with additional three medium sized contracts amounting to about US\$918,000, is expected to bring commitments and disbursements to about US\$3.06M or about 80% of the grant.

# 1

## Background and Introduction

### 1.1 *Background*

This report serves as the Mid-Term Progress Report (MTR), and supplements the Semi-annual and Annual Progress reports to provide information<sup>3</sup> on progress with the implementation of the Forest Carbon Partnership Fund (FCPF) Readiness Preparation Grant support activities in Vietnam and includes a summary of the independent review of the projects activities that was commissioned in October and November 2014. The report also provides an overview of the overall progress of the implementation of the Readiness Preparation Proposal (R-PP). The report includes a request for additional finance, with supporting summary work plan and budget, and coupled with this, for continued momentum and continuity, the extension of the original FCPF Grant.

The FCPF Grant supports activities related to the preparation for REDD+ and the R-PP and activities in three pilot provinces<sup>4</sup> including: the development of policies and systems, adoption of national REDD+ strategies; development of forest reference emission levels (RELs); the design of a measurement, reporting, and verification (MRV) system; and the setting up of REDD+ national management arrangements, including improvements to existing environmental and social safeguards; stakeholder consultations and engagement at different levels, work with forest dependent village communities, Protection Forest Management Boards (PFMB) and Special Use Forest Management Boards (SUFMB), State Forest Companies (SFC), District and Provincial officials and non-government organisations.

Central level policy support for national REDD+, the R-PP and management arrangements, is provided through the National REDD+ Action plan (NRAP) which has been approved by the Prime Minister<sup>5</sup>. The NRAP is expected to be a document that is developed further and the eventful development of potential updates for the NRAP, should include outputs from the Strategic Environmental and Social Assessment (SESA) work.

Another important policy document is the Forest Protection and Development Plan 2011 to 2020 which is part of and helps sets the Forest Strategy and includes important support for REDD+ as a key part of the strategy on forest development management followed by VNForest.

### 1.2 *Project Development Objective*

The objective of the FCPF REDD+ Readiness engagement in Vietnam is:

To support Vietnam to become ready for future REDD+ implementation by preparing the key elements, systems and policies needed in a socially and environmentally sound manner.

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<sup>3</sup> The MTR follows the guidelines in FMT Note 2012-7.

<sup>4</sup> The pilot provinces are Quang Binh, Quang Tri (included in the northern coastal agro-ecological region of the ER-PIN and ER-P area) and Dak Nong in the central highlands.

<sup>5</sup> The National REDD Action Plan Decision 799/QD-TTg June 27th 2012 of the Prime Minister approving the National REDD Action Programme (NRAP) in the 2011 - 2020 period



The FCPF grant is implemented nationally and includes the following four components and activities: (i) Analytical studies and development of capacities for the effective and efficient REDD+ implementation at national and provincial level; (ii) Policies review, studies and development of user-friendly guidance materials on SFC reform for REDD+ service provision; (iii) Stakeholder consultation and regional cooperation; and Strategic Environmental and Social Assessment (SESA) in connection with the refinement of national and sub-national REDD+ strategy options; and (iv) Project management and monitoring and evaluation.

**Table 1.1 Summary of FCPF Components and main activities**

Component	Description of main activities (updated)
<p>Component 1 Analytical studies and development of capacities for the effective and efficient REDD+ implementation at national and provincial level</p> <p>(NB under the FCPF format: Readiness Organization)</p>	<p>This component is to provide support for the GoV to strengthen capacities for effective management, implementation and coordination of REDD+-related activities in Vietnam by: (i) strengthening the capacities of NRSC and VRO; (ii) providing technical support and analytical studies for the formulation of relevant national and sub-national policies and programs which are under preparation. Support for Provincial REDD+ Action Plan (PRAP).</p>
<p>Component 2 Policies review, studies and development of user-friendly guidance materials on SFC reform for REDD+ service provision</p> <p>(NB under the FCPF format: REDD Strategy options)</p>	<p>The component will support different opportunities and approaches that the different FMBs and SFCs could participate in and assist local authorities and communities in REDD+ and PFES implementation. The SFCs and FMBs may serve as the intermediaries (eventually as agents for developing co-management agreements) and rationalisation for forest and land holding between the relevant government agencies and local households and communities. Among them, the benefit distribution system and providing communities with opportunities for improved co-management and rights for NTFP use, forest protection contracts will be further examined to propose a more appropriate performance based mechanism.</p>
<p>Component 3 Stakeholder consultation and regional cooperation; and Strategic Environmental and Social Assessment (SESA) in connection with the refinement of national and sub-national REDD+ strategy options</p> <p>(NB under the FCPF format this would normally be RL activities, however in Vietnam this was undertaken through a cooperation project with JICA)</p>	<p>The component will ensure broad stakeholder participation in all REDD+ processes, including the formulation, implementation and refinement of the NRAP, improve provincial sustainable forest management (SFM) policies and future investment options, the component supports a multi stakeholder consultation process, regional cooperation and communication activities. As part of the implementation and improvement of the NRAP, a SESA will be carried out to help integrate social and environmental considerations into policy-making processes, leading to sustainable REDD+ strategy options. The SESA will be complemented by an Environmental and Social Management Framework (ESMF), which will guide potential investments in REDD+ pilot demonstration activities toward compliance with safeguards policies.</p>
<p>Component 4 Project management and monitoring and evaluation</p> <p>(NB under the FCPF format: Monitoring systems)</p>	<p>The component is to support project management activities in close coordination with the UN-REDD II Programme and other relevant REDD+ projects to avoid overlap and enhance effectiveness of the support from different development partners. This component supports a general monitoring and evaluation of the FCPF grant and coordinate with the M&amp;E facilities of the NRAP.</p>

Important activities include:

- The NRAP is to be updated and developed to take account of new information and relevant recommendations for improvement, such as those that would be generated by the SESA;
- Improve cross-sectoral coordination with, for example, the development of infrastructure from other sectors through the added importance of the provincial Forest Protection and Development Plans (FPDPs) which area also as an integral part of the Provincial REDD+ Action Plan (PRAP);
- Establish a National REDD+ Fund which will meet UNFCCC requirements and assist in the development of the benefit distribution system;
- Improving forest governance including FLEGT and help address trans-boundary issues such as illegal logging and shipment;
- Support through the Forest Protection and Development Plan<sup>6</sup> as an initiative that is considered as a sustainable financing mechanism for forest protection and development;
- Provide support for further developing the national forest reference emission level that was initially prepared with support of JICA in 2009-2011 in collaboration with FIPI and based on historical forest data in 1990, 1995, 2000, 2005 and 2010.

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<sup>6</sup> As reported in the Forest Sector Development Report 2013/14.

## 2 Summary of Progress to date on the R-PP and REDD+ Program Activities

### 2.1 Overall progress on the Readiness-Preparation Proposal

Progress with the R-PP has generally improved after a slow start to the implementation of most R-PP activities, from 2012, support to the overall readiness preparation process through a number of projects is summarised below.

Implementation of the UN-REDD II programme (started 2012) continues to make progress towards the Outcomes (Annex section Table 10.2) and key indicators which include: (i) Developing and implementing REDD+ policies; (ii) Support for the development of a national forest monitoring system; (iii) Developing a national forest reference emission level; and (iv) support for the development of a safeguard information system.

There are now two early example PRAPs completed, in Dien Bien Province (Project for Sustainable Forest Management in the Northwest Watershed Area (SUSFORM-NOW)) and in Lam Dong Province<sup>7</sup>.

The Vietnam Forest and Delta (VFD) program is also supporting the development of PRAPs for Thanh Hoa and Nghe An provinces (both in the ER-PIN area) with final drafts expected towards the end of 2015. Currently PRAP work includes work on emission levels, detailed work on forest deforestation and degradation drivers, development of policies related to forest management, forest measuring and assessment work, and also includes on-going work on forest cover and forest planning<sup>8</sup> and social inclusion work.

#### 2.1.1 UN-REDD II

Vietnam was one of the original UN-REDD pilot countries. The UN-REDD Programme has assisted the Government of Vietnam in establishing a national REDD+ network, where various stakeholders come together to coordinate on REDD+ related issues. Phase I of the Programme was completed in October 2012<sup>9</sup>, and a funding agreement for Phase II was signed with the Government of Norway in December 2012.

The UN-REDD II mobilised in 2013, and 2014 was the first year of full implementation, nine co-implementing partners<sup>10</sup> (CIPs) were mobilized and contracts were concluded with the five technical CIPs in early 2015. The CIPs are considered as the main national delivery partners of the UN-REDD programme..

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<sup>7</sup> On 21 January 2015, Lam Dong People's Committee issued Decision No.247/QD-UBND on promulgating its action plan on Reducing Emissions from Deforestation and Forest Degradation, Sustainable Management of Forests, Conservation and Enhancement of Forest Carbon Stocks for the Period of 2015 - 2020 (PRAP); supported through a number of partners: Lowering Emissions in Asia's Forests Program (LEAF), UN-REDD II, SNV, Winrock through Asia Regional Biodiversity Conservation Programme.

<sup>8</sup> Following or based on the Provincial Forest Protection Development Plan (FPDP);

<sup>9</sup> A summary of the key results and achievement of the UN-REDD I (2009 to 2012) can be found at [http://www.un-redd.org/Key\\_results\\_achievements\\_VietNam/tabid/106625/Default.aspx](http://www.un-redd.org/Key_results_achievements_VietNam/tabid/106625/Default.aspx)

<sup>10</sup> Forest Protection Department, VRO, VAFS, NIAP, Agricultural Planning Institute, 6 partner provinces, Forest University, Vietnam Forest Science and Technology Association

To overcome the delays in 2013, ambitious targets were set for 2014, and toward the end of the year the necessary staff were recruited and national and provincial institutional bodies were established, and became operational at all levels; however, none of the 33 outputs have been fully accomplished, although some have been partly achieved and most have now been initiated.

Progress with the PRAPs, which is financially the largest component of the UN-REDD II supported activities in six provinces<sup>11</sup>, and site level planning has been made with trainings undertaken and proceeding towards approval. Technical guidelines on several activities (e.g. site level planning, stakeholder engagement, and PRAPs) were drafted to guide implementation. The Programme Implementation Manual (PIM) was developed and piloted.

Under the other Programme Outcomes, activities including workshops and awareness raising and capacities building on NFMS, FRLs, allometric equations, deforestation drivers analysis, as well as enhanced communication, gender and ethnic minority involvement, took place during the course of the year. In December 2014 a national government task force was set up to progress the calculation of the FRL/RELS towards UNFCCC submission in November 2015 for technical assessment in 2016. Discussions within Government on strengthening the Vietnam REDD+ Office and the establishment of the National REDD Fund (NRF) are under consideration.

The annual Mid-Term Review (MTR) provided 12 major recommendations including a Programme extension; the MTR noted the need for further harmonization of UN agency procedures and coordination with other REDD+ projects. The Annual Work Plan 2015 has been developed and approved by the Programme Executive Board pending the Executive Group meeting in late March 2015. A Programme Extension Proposal has been prepared for the PEB and EG's review.<sup>12</sup>

#### 2.1.2 *Project for Sustainable Forest Management in the Northwest Watershed Area (SUSFORM-NOW)*

JICA has been supporting REDD+ application in the country through a series of technical assistance cooperation inputs. The REDD+ feasibility study at national and provincial levels (2009-2012) piloted the development of FRELs/FRLs. The REDD+ Pilot Project in Dien Bien Province (2012-2013) assisted the development of the first PRAP and associated technical guideline documents. SUSFORM-NOW has been supporting the pilot implementation of the PRAP from 2013 and taking over the key outputs of the earlier REDD+ support projects. The current project aims to build capacities and workable models for REDD+ implementation in the province for wider replication<sup>13</sup>. The Dien Bien PRAP and included seven key aspects:

- Policies and institutional arrangement for REDD+ implementation and safeguards;
- Strengthening of FPDP implementation including SUF Management;
- Livelihoods development support;

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<sup>11</sup> The six UN-REDD II provinces are Lao Cao, Bac Kan, Lam Dong, Ha Tinh (now shared with the FCPF ER-P area), Binh Thuan and Ca Mau (shared with the VFD program)

<sup>12</sup> UNREDD-II Annual Progress Report 2014.

<sup>13</sup> The project aims to build technical and institutional capacity for REDD+ implementation in Dien Bien province. The project aims to: (i) formulate an action plan for REDD+ in pilot areas; (ii) conduct training for key stakeholders; (iii) review and modify the REL/RL by using available data and data from additional field biomass surveys; (iv) modify the MRV system, including the incorporation of the monitoring of plans and measures; (v) develop a performance monitoring system for different REDD+ activities; (vi) design a safeguard information system; (vii) estimate the potential benefits from the implementation of REDD+ activities; (viii) explore sources of financial support for implementation and incentive payments, and; (ix) modify the provincial Benefit Distribution system (BDS).

- Promotion of private sector investment;
- Improved provincial forest management system (part of the MRV);
- Capacity building; and
- Identification of PRAP implementation funding sources

#### FRL in Dien Bien

- The FRL for Dien Bien was calculated based on the national level pilot FREL/FRL development under the JICA REDD+ study;
- The overall methodology for FRL for all provinces was consistent nation-wide;
- FREL/FRL calculation was made for each province using the bio-eco-region based emission factors first; and
- They were then aggregated at national level to derive the national FREL/FRL.

#### 2.1.3 *Vietnam Forest and Delta Programme*

The VFD program began implementation in December 2013, and by July 2014, the Project Management Units were established within the four provinces and at the central level and has four main components (i) Sustainable Landscapes; (ii) [climate] Adaptation Component; (iii) the Central and National Policy Component; Cross Cutting Component (including sub-components on gender and social inclusion, capacity building, communication and environmental compliance; and (iv) Project Management. The VFD's main focus under the Sustainable Landscapes Component includes support to the Thanh Hoa and Nghe An Provinces on REDD+ development, within the context of the ER-PIN, and support to Payment for Ecosystem Services Program.

Thanh Hoa is seen as a key province for demonstrating the economic, social, and environmental benefits of a low-carbon, green growth approach to development is a useful contribution for ER-PD. The Green Growth Task Force in Thanh Hoa is developing a Green Growth Action Plan and Green Growth links with other USAID supported programs, such as the regional USAID Low Emissions Asian Development (LEAD) program. In Thanh Hoa the program will look at the contribution of forests and agriculture within a green growth plan as an alternative means to leverage investments and benefits from other climate finance mechanisms in addition to REDD+. In the Nghe An Province, the program will be developing a “natural capital accounting” approach to sustainable landscapes with a focus on natural resources and ecosystem services, including carbon and notably water. The approach will again be to leverage funding through new ecosystem service payments that can be supplemented by REDD+. An assessment of participatory forestland allocation will be developed, and piloted in two communes with about 2,000ha of forests land allocated to ethnic groups. Other critical areas of intervention include: ongoing support for enhancing effectiveness and diversification of approaches in the Payment for Ecosystem Services program; further developing networking roles for the project in mitigation of agricultural greenhouse gas (GHG) emissions; supporting community co-management of protected areas and; developing approaches for climate-smart agriculture and enhanced livelihoods in upland mountainous areas.

The Adaptation Component focuses on ensuring that Government authorities and local leaders develop an improved understanding of climate risk and possess the tools, capacity and motivation to address risk. The Vulnerability Capacity Assessments (VCA), undertaken in 18 communes, will be followed up with small-scale disaster risk reduction/climate change adaptation (DRR/CCA) projects developed through a participatory process, based upon newly developed guidelines. In addition, advocacy will be continued to ensure that

commune and higher-level socio-economic development (SEDP), the Flood and Storm Control and sector plans, including water resources management, integrate DRR and CCA into the planning processes.

Comprehensive research will be undertaken, and interventions initiated on agricultural development and climate change adaptive agricultural livelihoods in the coastal districts of Nam Dinh and Long An, to assist with planned re-structuring of the agricultural sector towards low GHG emissions and higher value crops. A collaborative effort with the WWF will be progressively developed for the management of critical inland flood plain areas<sup>14</sup>.

VFD is also supporting PFES and will help provinces develop policies that will contribute towards successful implementation as well as the national program throughout Vietnam. In the forthcoming period, the program will continue to implement PFES activities in the Ba Thuoc Watershed including boundary mapping, awareness raising, and assisting the provincial forest fund to effectively disburse payments to thousands of households. A review of PFES in Nghe An has led to the identification of a need for a PFES implementation plan which will be developed. The project will develop other potential payment mechanisms including water payments by beverage and industry, and the ecosystem service evaluation will provide data on possible economic values. The development of tools for water accounting will contribute to a number of sustainable landscape and adaptation objectives contributing to ecosystem service payments, water management and forest management. Field activities conducted have included awareness raising training for initial steps in PFES implementation in Thanh Hoa province for over 30 communes as well as preparing for forest allocation processes for two districts. PFES training activities also included preparation of DARD foresters in Nghe An to participated in the PFES implementation review and training on GIS for district foresters for watershed boundary determination.

VFD is starting work the PRAP process for Thanh Hoa and Nghe An and hope to have a final drafts by December 2015 and will include work on; Basic emission level done as a Feasibility Report to 2010 (using FIPI data), activities on development of methodologies for forest degradation measurement, land-based versus activity-based carbon accounting, and development of a PRAP guideline and format are also included in the Central and National Policy Component; Deforestation drivers and policies; Forest cover assessment on-going and forest/Agriculture Emissions; Social inclusion; Basic REDD awareness and training; and REDD+ Steering Committee planning

VFD works with NGOs and CSOs in the ER-P area includes a review of Co-Management Decree in Special Use Forests with PanNature, development of pilot a Community Based Resource Management Model in Nghe An; which is an expansion of the model developed by the LEAF program (SNV, funded by USAID) and work with Sustainable Rural Development (VFD partner SRD an NGO), who are also involved in the NGO part of FLEGT. SRD and the CSO-FLEGT network plans to do baselines on LD/TLAS/LIA/IFM in eight communes of eight provinces: Bac Kan, Hoa Binh, Thanh Hoa, Nghe An, Ha Tinh, Kon Tun, Dak Nong and Binh Phuoc.

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<sup>14</sup> VFD program Year Three Work Plan, FY 2015, October 2014 to September 2015; the VFD was awarded to Winrock International by the United States Agency for International Development (USAID) as a Cooperative Agreement on September 25, 2012. Winrock implements the program in direct partnership with Vietnam's MARD and through sub-awards with the American Red Cross (ARC), the Center for Sustainable Rural Development (SRD), SNV – Netherlands Development Organization (SNV), and the Vietnam Red Cross (VNRC).

#### 2.1.4 *GIZ support to Quang Binh*

On-going support and technical cooperation from GIZ to Quang Binh Province has included a number of activities focused on the sustainable management and protection of the Phong Nha-Ke Bang National Park (PNKB)<sup>15</sup>. As part of this work, the project has supported the potential for a payments for ecosystem services system for PNKB, and across the entire Province since 2012. One of the first areas of exploration and scoping has been in the area of REDD+. The project has also supported cross-sectorial combinations encouraging sustainable forest management, community forestry and other activities that are consistent with the mandates of the project.

The PNKB Region Project, though not a REDD+ project as such, contains elements that assist with laying the foundation for a PRAP. For example, the project supported the elaboration of Green VDPs (Village Development Plans) and forestland use planning in a participatory fashion. It has also supported land use mapping, the reorganization of land tenure and CFM and so has introduced participatory aspects into provincial planning activities and provincial officials. Work in 2012-2013, was expanded to include preparatory planning, implementation of REDD+ pilot activities with a focus on local communities and participatory approaches, evaluations of reference levels and evaluations of the overall REDD+ potential for the Province.

Quang Binh is the first Province in Vietnam to have gone through a full Tier-3 REDD+ technical assessment. The results demonstrated a proof of concept model in terms of the overall methodological approach taken (but used a different methodological approach to JICA and FIPI). It was able to deliver a relatively rapid and objective assessment of Tier-3 (ground- level) carbon stock fluxes in the Province consistent with the latest guidance from the Verified Carbon Standards Jurisdictional and Nested REDD+ requirements, and modeled against cost scenarios. A 10-year historical mapping of net historical deforestation over four separate time periods was analyzed to establish average historical carbon stock flux reference emission levels for the entire Province as well as for each individual Districts from 2003.

Furthermore, a gap analysis of Social and Environmental Safeguards as well as the piloting of the Free, Prior, and Informed Consent approach took place.

#### 2.1.5 *WWF Carbon Project*

The WWF Greater Mekong Carbon Biodiversity and Livelihood Programme operates in Quang Nam (a non-ER-P area) and Thua Thien Hue (ER-P are) funded by KfW, and operates in four national protected areas and two biodiversity corridors and trans-boundary into Lao PDR and includes limited activities on REDD+ and has components on Law Enforcement Patrols and Initiatives; Protected Area Management Plans; Biodiversity Surveys; Xe Sap NPA Livelihood Diversification, Conservation Agreements and Capacity Building; Forest Restoration, Land Use Planning and Community Based Conservation; Timber Trade; and Reduced Emissions from Deforestation and Forest Degradation (REDD+) and PFES.

#### 2.1.6 *FFI REDD Pilot project*

Fauna and Flora International implemented a REDD+ pilot project in Hieu Commune, Kon Tum Province in the central highlands funded by the EU, (now ended) and provided some lessons learned on work at the District, Commune and village level including: (i) Regardless of scale, all REDD+ interventions have the same

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<sup>15</sup> Nature Conservation and Sustainable Management of Natural Resources in the Phong Nha Ke Bang National Park Region Project.

basic structures and requirements; (ii) Essential to undertake REDD+ piloting or testing, then scale up to larger areas, and ultimately national implementation; (iii) Pilots are best developed at the sub-national scale, to facilitate easier and faster nesting within a national system (NFI, MRV etc.); (iv) If required, Commune level pilots can be stepping-stones to district (or higher) level implementation; and (v) A phased approach builds key capacities in a step-wise fashion, and reduces risks (by finding/overcoming barriers), but also allows for selection of the optimum devolved/decentralised level or management unit for REDD+. The FFI pilot followed Verified Carbon Standard (VCS) methodologies and noted that they included: (i) A source of practical guidance for accounting in complex landscape mosaics; (ii) Captures thinking on both latest science and IPCC principles (iii) Practical approaches to complex concepts – leakage and rates; and (iv) There is growing convergence between VCS and UNFCCC methodological approaches at the subnational level.

## **2.2                    *Development of the supporting policy framework for REDD+***

Policy support for the start of the FCPF R-PP was based on Decision 799/QĐ-TTg June 27<sup>th</sup> 2012 of the Prime Minister approving the National REDD Action Programme (NRAP) in the 2011 - 2020 period, Decision 1775/QĐ-TTg 21st November, 2012 of the Prime Minister: Approving the Plan on Management of Greenhouse Gas Emission and Transactions on World Carbon Market, Decision 1474/QĐ-TTg 5th October, 2012 of the Prime Minister, issuing the National Action Plan on Climate Change for the Period 2012-2020, Decision on the National Green Growth Strategy No. 1393/QĐ-TTg 25<sup>th</sup> September 2012 Decision on the Approval of the National Action Plan for Green Growth 2014 to 2020 dated 20<sup>th</sup> March 2014, Prime Minister 403/QĐ-TTg.

Major changes to the policy environment include a revised Land Law (2013) which has some implications for REDD+; and a new Law on Environmental Protection (2014) which introduced some changes to environmental protection planning (SEAs and EIAs) that potentially have some implications for REDD+.

The Vietnam Green Growth Strategy (VGGS) is driven by several national policies and Vietnam's awareness of international efforts to respond to climate change. The Vietnam National Climate Change Strategy, approved in December 2011, provides a foundation for formulating long-term socio-economic development plans responding to climate change challenges. The strategy outlines overall objectives, prioritized projects to be implemented in 2011-2015, and plans for 2016-2025 as well as a vision to 2100. It introduces a requirement for a low carbon economy and green growth as principles in achieving sustainable development, with greenhouse gas emission reduction and removal to become a mandatory index in social and economic development. The VGGS requires coordination across ministries and sectors, and Vietnam established an Inter-ministerial Coordinating Board under the National Committee on Climate Change, to support effective implementation of the VGGS. The Deputy Prime Minister serves as the Head, and the Minister of Planning and Investment is the Vice Head of the Board.

Targets include a reduction of the intensity of greenhouse gas emissions by 8-10% as compared to the 2010 level and a reduction in energy consumption per unit of GDP by 1-1.5% per year; a reduction of greenhouse gas emissions from energy activities by 10% to 20% compared to the business as usual case. This commitment includes a voluntary reduction of approximately 10%, and an additional 10% reduction with additional international support. These targets underline Vietnam's commitment to low carbon growth and to global efforts to mitigate climate change.



### 2.3 *Summary of R-PP work on stakeholders and communications*

The UN-REDD programme aims to engage stakeholders at the national and provincial levels for the successful implementation and results of the National REDD+ Action Plan (NRAP) and the Provincial REDD+ Action Plans (PRAP), under the leadership of Vietnam REDD+ Office (VRO). To assist in achieving these aims, the UN-REDD supported Stakeholder Analysis and Stakeholder Engagement report<sup>16</sup> has been completed. The aims of the analysis were to:

- Conduct analysis of the interests and influence of stakeholders involved in the NRAP (National REDD+ Action Plan), and PRAPs<sup>1</sup> (Provincial REDD+ Action Plan) processes; and;
- Develop recommended proposals for stakeholder engagement to ensure the successful implementation of NRAP and PRAPs

It was found that the majority of stakeholders currently involved in REDD+ at national level have high interest in REDD+ agenda due to the close linkages they have with REDD+ priorities and outcomes through their projects at national and sub-national levels. However, at the national level it was found that there are substantial issues with stakeholder engagement in the current REDD+ policy architecture. For example, it was noted by most national stakeholders that there was insufficient capacity in the VRO to manage and implement UN-REDD II, stakeholders also noted that there was a lack involvement from other government departments in REDD+ as they were not aware of the mutual benefits that REDD+ could potentially bring. Similarly, stakeholders noted that there is reduced momentum in the Sub-Technical Working Groups (STWGs) leading to decreased engagement from international agencies and other donors.

At the provincial level, there was a heterogeneous understanding of REDD+, although those that did know were interested in being able to participate. Key issues are largely related to awareness of REDD+ and capacity and policy mechanisms to engage relevant provincial departments. Of special interest is the need to engage communities in awareness raising through existing mass organisations (such as the Women's and Farmer's Unions), and to implement awareness raising through activities associated with forest management and livelihoods (rather than just training workshops). The private sector is also important at the local level, but there is limited engagement with REDD+, even though interests can be well aligned (for example, in Hydroelectricity power schemes<sup>17</sup>). Summary recommendations, to date, include:

- The VRO needs to be reinvigorated as a key element of improving national stakeholder engagement;
- The Sub-Technical Working Groups (STWGs) need to be closer aligned with policymaking machinery to reinvigorate them and ensure active participation by stakeholders at the national level;
- Stakeholder engagement needs to use targeted communications messages for specific audiences;
- Mass organizations are a strong resource for stakeholder engagement at the provincial and local level;

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<sup>16</sup> Stakeholder Analysis and Stakeholder Engagement for the Implementation of National REDD Action Plan in Vietnam

<sup>17</sup> However, note should be made of the expanding use of PFES, which directly engages HEP schemes, implementation of PFES is variable but is clearly seen to be working in a number of provinces and support for PFES is provided through ADB, FCPF, VFD, GIZ, and other projects and donors.

- Engaging ethnic minority stakeholders is important not only by raising awareness on REDD+, but also empowering by promoting ethnic identities and practices, and localized innovations;
- Integrated Awareness-Raising and Capacity Building;
- Provinces are eager to move forward with REDD+ activities;
- Currently there is limited attention from the media towards REDD+; and
- At the national level, there is currently little private sector engagement in REDD+.

There is complimentary report, a short update to the UN-REDD communications strategy <sup>18</sup>, which supports many of the issues noted in the above stakeholder analysis. While the FCPF stakeholder analysis and communications work has been limited to three pilot provinces most of the issues raised above are recognizable as challenges to the on-going FCPF work.

#### **2.4 *General progress management of REDD+ funds and the benefit distribution system***

UN-REDD with support from FCPF have been working on the drafting of the setting up and provisions for the management of the National REDD Fund <sup>19</sup> (NRF) which is specified as a trust fund under the Forest Protection and Development Fund (VNFF) at the central and provincial levels and was established allowing the Government to receive and manage grants and trust funds provided by foreign countries, organizations or individuals for REDD+, and to manage REDD+ payments in compliance with the provisions of Vietnamese laws and international rules, the draft objectives of the NRF are to:

- Support the implementation of REDD+ activities in compliance with the specific guidance on results-based action and results-based finance from UNFCCC; and
- Support the implementation of the NRAP and the Provincial REDD+ Action Plans (PRAPs);

The NRF would be expected to contribute to the achievement of the MARD GHG emission reduction target of 20% by 2020 and to the implementation of the FPD in line with the National Forest Development Strategy and the National Climate Change Strategy and National Green Growth Strategy. The NRF would achieve its purpose through supporting the following draft activities, that would be eligible for support:

- Operate and manage the NRAP, including MRV, NFMS, SIS, and the institutional arrangements for REDD+.

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<sup>18</sup> UN-REDD+ Communication Strategy 2015 – 2020, May 2014

<sup>19</sup> Draft Proposal for Setting up the National REDD+ Fund for the Period 2104 -2020, December 2014 (from the detailed draft not completed).

- Support the development, revision and implementation of policies and programs at the national level to create an enabling environment for REDD+ activities;
- Contribute to the emission reduction and removal, including capacity building for FLEGT, operate and manage the protection and special use forests system; fiscal reform; and development of positive incentives;
- Support training, education and research organizations and institutes to conduct research to facilitate REDD+ implementation;
- Support the development and implementation of PRAPs; and
- Implement the benefit sharing plan of emission reduction programmes that will have been approved by third parties recognized by the Government of Viet Nam (such as the Carbon Fund of the FCPF).

A Board of Directors will approve a financial plan based in which funding allocations will be made.

#### *2.4.1 Beneficiaries of the National REDD+ Fund*

The direct beneficiaries of the NRF would be households, village communities who directly participate in REDD+ activities in Vietnam. Priorities will be given forest owners and forest users at the grass root level who directly undertake REDD+ activities on the ground and whose activities will have the biggest impact on emission reductions and removals.

The indirect beneficiaries are the organizations/entities that sign agreements with the NRF and consequently have financial and programmatic responsibilities for the implementation of the funds received. These are international and national organizations and bodies that are legally registered in Vietnam. Different procedures would be developed in an operational manual of the fund for the various categories listed above.

### ***2.5 Progress on National Forest Inventory, Measurement Reporting and Verification***

The SUSFORM-NOW project has been piloting a Provincial Forest Monitoring System (PFMS), to develop a provincial forest management system, which shares the same structure and infrastructure with national forest monitoring system. This PFMS will run at provincial level as a preparation step to run the national system when it is officially recognized, it is now possible to integrate the PFMS mobile application to the Forest Resource Monitoring System<sup>20</sup> (FORMIS) data base and the deploy of the system to the whole country as part of a national approach to monitoring and verification and reporting on forest (MRV). The PFMS will help in annual monitoring of forest at the provincial level and it should be possible to undertake forest monitoring by Forest Rangers and with inputs by the local community. Village based forest patrolling would be strengthened through the introduction of a tablet- PC monitoring system to collect ground truth data (a similar system was used in the GIZ REDD+ work in Quang Binh (see section 2.1.4)) and with the introduction of satellite imagery monitoring and verification process and harmonization between central and provincial forest information should become possible. As part of the work on the initiative on PFMS the SUSFORM- NOW

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<sup>20</sup> FORMIS is to store NFIS monitoring forest data – to enable VNFOREST to effectively manage the forest data for the whole country. FORMIS II is to be implemented from 2013-2018 and will progressively become more available on line.

project has been working with village forest protection teams (VFPTs), formerly, this was village team was for forest fire protection, but adding a function of monitoring of forest changes. Each VFPT includes seven to ten villagers, nominated at the village meeting and trainings for the VFPTs took place in Muong Phang and Muong Muon communes in 2013 and 2014.

### 2.5.1 *FORMIS*

The SUSFORM-NOW project has been working on integrating with FORMIS, which will support the Forest Protection Department (FPD) in the annual forest and forestry land monitoring process. Implementation of the Forest Resource Monitoring System is underway in 2015. The new forest resource mapping system (FRMS) will replace the current Forest Change Monitoring Application and the MapInfo-based updating system, the new FRMS will be based on QGIS and other open source tools.

Bac Kan and Ha Tinh provinces have been integrated in the forest resource database thus far and it is planned to integrate more provinces on receiving approval of the NFI data by province authorities and FORMIS expects to integrate more provinces this year and to integrate the data from JICA REDD+ study, which contains nationwide forest resource information from the past four inventory cycles.

### 2.5.2 *Summary of work on National Forest Inventory*

Progress has been made on the national forest inventory (NFI). For the 2015 NFI, 15 of 63 provinces had been completed by 2014, and inventory work in a further 25 provinces is underway in 2015, the forest inventory for Ha Tinh was completed in 2014, and the NFI for Nghe An and Thanh Hoa is underway, and due for completion in 2015 <sup>21</sup>, and the NFI for the remaining provinces (23) including Quang Binh, Quang Tri, and Thua Thien Hue, is expected to be completed in 2016.

The new NFI data will be the main forest resource data to be used and updated into the FRMS, changes in the forest and forestry land (activities, incidents, changes in land use and forest ownership) will be updated into the database. The FRMS will provide up-to-date information of forest resources by providing reports of the forest resources and changes in a monthly and annual reporting process. The system will be deployed to the whole country in central, province, district levels in 2016.

## 2.6 *Vietnam REDD+ Office*

### 2.6.1 *Technical Working Groups*

Although the TWGs were promoted as an early solution to coordination it has been hard to establish the TWG and sub-TWGs (STWGs) with any focus and continuity. An exception has been the STWG on safeguards<sup>22</sup>, which has met five times and produced clear documented outputs including “Safeguard Roadmap for Vietnam’s National REDD+ Action Programme”. One of the problems facing the TWG and STWG process is that there are too many TWGs (six) and therefore coordination and management of the TWG meetings is challenging.

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<sup>21</sup> For the ER-P (TH, NA, HT, QT, QB and TTH) National Forest Inventories are available for 1990, 1995, 2000, 2005 2010; data for 2000, 2005, 2010 is held on the national FORMIS system and managed and collected from FIPI, and FORMIS is seeking to carry out standardization and to develop sharing mechanisms.

<sup>22</sup> The STWG on Safeguards was established in early 2012 and has met six times to March 2015.

## 3

# Progress on the FCPF Grant Activities

### 3.1 *Summary progress on FCPF grant activities*

The FCPF has seen a slow start to implementation in 2012 with limited disbursement; however, rather rapid progress with a notable increase in disbursement has been made in the past eight months (July 2014 to date). Implementation of the FCPF broadly follows the R-PP with references to the FCPF Grant document and supporting additional documentation from the World Bank FCPF Readiness Assessment Note (for more detailed review of progress with the R-PP Section 6.2, Table 6.5 An updated monitoring table based on the R-PP completed by FCPF project should be reviewed). Regular meetings at the Vice Minister level occurred in 2012, 13 and 14 including six REDD+ steering committee meetings and technical meetings with the provinces, and two REDD+ meetings with the various projects and NGOs involved in the ER-P area.

### 3.2 *Component 1 Analytical studies and development of capacities to support REDD+*

The Emission Reduction- Program Idea Note (ER-PIN) document was approved by the Minister for Agriculture and Rural Development (MARD) and was presented to the 10th CF meeting in June 2014 and as a result the ER-PIN for the Northern Central Coastal region was accepted into the CF pipeline. The Minister for MARD signed the letter of intent for the ER-P in December 2014.

#### 3.2.1 *Support to the provincial REDD+ Steering committee*

The FCPF REDD+ Steering Committees are now functioning in all three pilot provinces and are also reported to be functioning in four of the six ER-P provinces. Support for the introduction of REDD+ SC into Thua Thien Hue and Nghe An provinces is required and along with introduction of full guidelines for all the provincial REDD+ SC. Work of the REDD+ SC includes the identification of draft REDD+ issues that need to be discussed, the identification of policy issues e.g. land use, FLA, PFES issues and support for draft PPC Decisions, monitoring and guiding work of REDD+ activities, contributes to general cross sector awareness at the provincial level including funding for workshops to discuss guidelines and broaden consultation.

#### 3.2.2 *Progress in training*

Two training consultant packages have been procured and tasked to develop awareness and develop appropriate methods and training materials, and undertake the organisation of training on REDD+ for relevant stakeholders.

#### 3.2.3 *Provincial REDD Action Plans*

It is important to implement a good first FCPF funded example of a workable, up-dateable and practical PRAP in Quang Tri, (this is already set to be funded under existing FCPF grant support activities) it is envisaged that the PRAP needs to address a number of technical and procedural issues and that a key issue will be experiences and lessons learned and guidelines on PRAPs for meeting FCPF requirements. FCPF will

review the current completed two PRAPs of Lam Dong (supported by UN-REDD II and others) and Dien Bien (SUSFORM-NOW) provinces for lessons learned.

Development of the first FCPF PRAP is delayed due to protracted procurement processes, however, work on general guidance on PRAP design is underway and looking at lessons learned from the two early PRAPs. Other PRAPs are envisaged in Ha Tinh (UN-REDD II funded) and in Thanh Hoa and Nghe An (both VFD supported). Follow up support for the development of a further a FCPF PRAP in Quang Binh and Thua Thien Hue is required together with workshops, awareness raising, training, data collection etc.

### **3.3 Component 2 Policies review, SFC reform for REDD+ service provision**

- Communications on REDD+ and project activities to stakeholders and communities have been improving through supplying more information to the provinces and villages and this has required a change in strategy, including increasing the time for communication and funds for the development of appropriate methods for penetration into rural areas, when trying to introduce the project and REDD+ approaches to remote ethnic minority villages; however, challenges remain, particularly with some of the minority languages. A communications and stakeholder consultation plan has been developed<sup>23</sup>, however, as noted in feed back from the provinces, communications by the project about REDD+ have difficulty in reaching the communities, (see Annex 10.1.3 for details). Communications in FCPF is now supported by seven packages and activities include TV and radio clips, printed material, etc;
- Forestland issues are important to many of the local communities who are dependent on the forest and particularly where the forestland is controlled and managed by an SFC or a Protection Forest Management Board (PFMB). The project has been working with village communities, Communes and SFCs on forestland management and land tenure issues.

#### **3.3.1 Support to the SFCs interested in REDD+**

The project held a number of discussions with Ben Hai and Long Dai SFC on their role as pilot SFCs for involvement in REDD+ activities and services<sup>24</sup> FCPF propose to support the improvement of the Long Dai and Ben Hai SFCs and it is hoped that they will provide valuable lessons learned on equitization and possible REDD+ service opportunities for the involvement of other SFCs in REDD+ and in the ER-P area;

The overall objective is to review the current forest and land resources and to provide advice to rationalise and, where necessary, to suggest restructuring of the businesses of two SFCs as follows:

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<sup>23</sup> Communications Strategy and Stakeholders Consultation Plan Support for the REDD+ Readiness Preparation in Vietnam April 2014

<sup>24</sup> Both SFC have FSC plantations and have been chosen as example/ pilots on trying to improve sustainable forest management, resolution of boundary issues and community involvement and in the case of Ben Hai possible privatization.

- (i) To assess the forest carbon stock and forest management practices of Ben Hai SFC,<sup>25</sup> Quang Tri province, and Long Dai SFC,<sup>26</sup> Quang Binh province;
- (ii) To assess the potential benefits (and risks) of the two SFCs to participate in REDD+ so that once monitored and verified, emission reductions generated from the REDD+, activities would be eligible for funding through payments from international carbon funding sources (bilateral or multilateral carbon funds, or carbon markets);
- (iii) Review possible opportunities for local village communities to participate in the development of REDD+ carbon landscapes on the basis of existing use forest use <sup>27</sup> (allocated and contract for sustainable forest management) and implementation of traditional forest management rights, in cooperation with the SFCs (however, care would need to taken so as not to conflict with the overall requirements of developing a more efficient business model for the SFCs, one of which is looking to attract private sector equity);
- (iv) To develop a detailed REDD+ strategy and/ or roadmap for the two SFCs, provided the prospects of opportunities under REDD+ for the SFCs are positive;
- (v) To assess the potential for any PFES income generation for the two SFCs; and
- (vi) To develop detailed 3 and 5 year business plans for Long Dai SFCs; including: (a) a review of the general state of readiness of the SFC for equitization (identifying the various steps and work that would be needed if the SFC is to consider equitization in medium term); (b) a detailed business forecast of a profitable business.

### **3.4 Component 3 Stakeholder consultation and Strategic Environmental and Social Assessment**

Procurement work for consultants for the Strategic environmental and social assessment (SESA) and Environmental Social Management Framework (ESMF), is shortly to be underway.

#### **3.4.1 Stakeholder consultations**

Provincial stakeholder consultations in the three pilot FCPF provinces, training workshops were held in pilot village communities in Quang Binh. These initial workshops were followed by a deeper analysis of the forest and land tenure situation in Trung Son commune (which is one of the communes which shares boundaries with the Long Dai SFC, which is one of the pilot SFCs, that will look at developing a REDD+ approach) and then by a larger and longer TOT workshop on FPIC processes and requirements - aimed at training FPIC facilitators for the pilot provinces. This included formal training and was followed up by work in example pilot communities. Stakeholder consultation in some of the ER-P provinces such as Thua Thien Hue has not

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<sup>25</sup>Ben Hai SFC has an existing FSC area of about 1,679ha of natural forest and 9,463ha of FSC plantations (mainly acacia plantations). GIZ has recently funded training and field guides for sustainable certified forestry (FSC).

<sup>26</sup>The Long Dai SFC maintains about 97,000ha forestland and much of this is held as natural production forest; the SFC is also active in the planting of acacia plantations, and involved in the timber and wood processing.

<sup>27</sup> One company of Long Dai SFC - Truong Son FMU which is FSC and is therefore committed to developing benefit sharing with local communities under the FSC approval.

started (see Annex Section 10 Table 10.2 Summary of current REDD+ related activities in the ER-P Provinces and possible coordination between projects).

- The project has undertaken field trips to the three pilot provinces and held engagement and consultation discussions with the multi-agency Provincial REDD+ Steering committees, and a number of District (five in three provinces) and commune authorities (10 in three provinces). The project also held consultations with a sample of eight pilot villages, six were located in upland areas of natural forest and the ethnic minority communities were mainly highly dependent on the forest, the remaining two village communities were poor coastal zone villages and largely dependent on plantation forestry;
- REDD+ pilot activities in three pilot provinces saw the selection of two pilot villages where some possible pilot REDD+ readiness activities could be implemented. However, a number of difficulties, mainly in Dak Nong province, have come to light over the choice of some of the pilot villages in the provinces therefore some alternatives have needed to be reviewed;
- Community meetings held were well attended and included group meetings with a cross section of the community (young, village elders, and women), follow up meetings were held with individual households and women, who were generally under represented in a number of the meetings, but are important forest users. Youth unions, and Women Union, Fatherland Front were all involved in the Commune and village meetings. The Rural Development and Poverty Reduction Centre (RDPR) a local NGO have been included on experiences sharing in planning and the FPIC training workshop in Quang Binh; and
- FPIC work and capacity building on REDD+ and involvement of ethnic minority communities in decision making is resource intensive and time consuming and so similarly challenging as the outreach communications activities.

#### 3.4.2 *Land tenure and forestland allocation*

Administration of the Forest Protection and Development Law (2004) the revised Land Law (2013)<sup>28</sup> remains somewhat complicated. There are over 100 Decrees that are used to interpret and regulated the forest law and while the Land Law has been improved many of the inconsistencies removed and is used for the administration of all dealings in land, some challenges remain, for example, the new law following Article 135 requires production forest land to allocated to a protection forest management board which can be inherently difficult for community to establish and the process is contradicting Circular 38/2007/QĐ-TTg on the administrative arrangements for FLA<sup>29</sup>. However, under Article 27 the new law does provide for more recognition of land used by ethnic minorities<sup>30</sup>. However, many ethnic communities may have little awareness

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<sup>28</sup> In Vietnam the State is the land owner, the State through the Land Law can only allocate use rights or usufruct rights (normally for 50yrs title are transferable, inheritable and renewable), and these are supported through a title registration system providing a guarantee or indefeasible title, the title records the dimensions, boundaries, through a cadastral survey, approved land use, names of the registered owners (both husband and wife are required) and any legal interest that may affect the title to the land. Customary land law (or titles) are not legally recognised, but informal land deals do occur and the new land law provides some provisions for the recognition of custom under Articles 5, 27, 103, 133 and 143.

<sup>29</sup> Circular No. 38/2007/TT-BNN April 25, 2007, guiding the order and procedures for allocation and lease of forests to or recovery of forests from organizations, households, individuals and village population communities

<sup>30</sup> Article 27: Responsibilities of the State for residential and agricultural land applicable to ethnic minorities:

1. To adopt policies on residential land and land for community activities for ethnic minorities in conformity with their customs, practices and cultural identities and the practical conditions of each region;



as to their rights and entitlements or sometimes may have interest in legally allocated land and forestland. The Forest Protection Development Plan 2011-2020 includes support for CFM and forestry co-management; however, policy on CFM can still vary between province, for example, Quang Tri has for some time has a policy to encourage CFM and FLA to ethnic minority communities and has made efforts to rationalise land and forest holdings of SFCs, Special Use Forests Management Boards<sup>31</sup> and PFMBs. FCPF have been consulting and discussing land tenure around SFCs including consultation work on Ben Hai and Long Dai SCF dovetailing with pilot work on two SFC TORs. The idea has been to reform the SFCs so that their number and size would be reduced, post reform to those that are economically efficient (and so matching national SOE reform) reduce the land holding to core SFC land, PFMB and CFM, or if the SFC is not viable, then SFC land is converted into a PFMB and community land (a number of examples include Phong Dien SFC in Thua Thien Hue).

Work on understanding the issues and problems at the provincial level related to the implementation of forest land allocation<sup>32</sup>, PFES activities and CFM has progressed and has resulted in the identification of a number of provincial level policy issues. Progress on FLA, to support PFES looks to recognise the whole communities interest in an area of forest procedural and guideline regulation issues which the project aims to address in 2015.

#### *3.4.3 Progress on PFES*

PFES is partly operational in two of the FCPF pilots, and the project will support development of PFES and VNFF in third pilot province, Quang Binh. The VFD project is also supporting the development PFES in two provinces.

#### *3.4.4 Progress on FLEGT*

On 16/12/2014, the VNFOREST and CPMU of the project on Support for the REDD+ readiness preparation in Viet Nam organized the workshop on “A comprehensive solution to forest protection and forest products management at border area of Cambodia, Laos and Viet Nam” in Dong Hoi, Quang Binh Province. This workshop aims to evaluate the status of forest protection and forest products management in the international border area of Cambodia, Laos and Vietnam; analyse advantages and disadvantages and find solutions to issues.

### **3.5 Component 4 Project management and monitoring and evaluation**

#### *3.5.1 FCPF support to the Vietnam REDD Office*

The VRO is expected to have central coordinating role, however, the impact and coordination from the VRO to the FCPF has been limited, and receives funding from FCPF and is responsible for coordinating the TWGs and was mentioned for improvement in the FCPF MTR and the UN-REDD MTR.

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2. To adopt policies to facilitate for ethnic minorities who are directly engaged in agricultural production in rural areas to have land for agricultural production.

<sup>31</sup> For example, rationalisation of the boundaries of the Dak Krong Nature Reserve.

<sup>32</sup> Forest Land Allocation (FLA) in the context of this project is promoted for forest and allocation to the community – in a similar manner to Community Forest Management (CFM) processes as opposed to individual title to forestland.

UN-REDD II supports the development of the guiding regulations for the NRAP. The NRAP also needs to evolve to include M&E requirements, and support the necessary improvements to FLA, PFES, SFM /CFM, carbon rights and BDS etc.

### 3.5.2 *Progress on REL/RL*

UN-REDD Viet Nam Phase II Programme, started to discuss and draft the technical options and recommendations of Vietnam's FLR submissions to the UNFCCC in December 2014.

The definition of forests to be applied for the FRL for Vietnam, applies the definitions provided under Circular No. 34/2009/TT-BNNOTNT on criteria for forest identification and classification<sup>33</sup> the definition is consistent with the forestry definition used for the GHG inventory of the National Communication 2010 and the draft sets out further draft definitions for deforestation and degraded forest, enhancement of forest carbons stocks, conversion and provide draft matrix for land type codes and changes including deforestation, reforestation, degradation or restoration depending on the carbon stock difference between the two forest types and forest type remaining the same, unrealistic changes or changes in non-forest types.

For the purpose of estimating historical emissions and removals with increased certainty, Viet Nam has stratified its land use into 16 land use types including 11 forest types. EF/RFs are calculated based on the average carbon stock in these land use types and further stratification into ecological zones.

National circumstances of initiatives on promoting enhancement in forest carbon stocks, include implementation of Programme 661 Five million hectare reforestation programme from 1998-2010 which has made considerable contributions to the recent national forest cover trends and it is possible that Vietnam will consider these as its own effort and not include results from these initiatives either for results-based payments or as an adjustment to discount past performance from its FRL. Vietnam hopes to submit to the UNFCCC later this year.

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<sup>33</sup> Forest definition under the Circular 34: An area will be identified as forest if it meets all three following criteria: 1. An ecosystem where the major component is perennial timber trees, bamboos and palms of all kinds of a height of at least 5 meters (except new forest plantations which comply with separate regulations and mangroves and bamboos with a height of less than 5 meters at maturity), and capable of providing timber and non-timber forest products and bringing about other direct and indirect values such as biodiversity conservation, environmental protection and landscape. New forest plantations of timber trees and newly regenerated forests after exploitation of forest plantations will be identified as forest if they reach the average height of over 1.5 meters for slow-growing trees (for example, pine trees and some indigenous trees) and over 3 meters for fast-growing trees (such as wattle and eucalyptus) and a density of at least 1,000 trees per ha. Agricultural and aquaculture ecosystems with scattered perennial timber trees, bamboos or palms will not be regarded as forest. 2. Having a canopy cover of at least 10% for trees which constitute a major component. 3. Having areas of at least 0.5 ha each or forest tree strips of at least 20 meters in width and composed of at least 3 tree lines. Consolidated forest trees on areas of less than 0.5 ha and forest strips of less than 20 meters in width are called scattered trees.

### 3.5.3 *Development FRLs in Vietnam*

Work on FRELs has been on-going for some time with the implementation of three sets of work<sup>34</sup> on RFLs, however a number of important issues remain including differences in forest trends, calculations of uncertainty, use different allometric equations etc.

For work on the ER-P area the REL development will follow the guidance and requirement of UNFCCC/ Methodological Framework on and availability of forest data. The REL for the ER-P region (North Central Coastal) will be based on the calculation at provincial level, meaning that the province is a basic unit for all calculation. Then, the sum of calculation of all provinces in the region will be REL for the region<sup>35</sup>. A list of data needed for REL development (both at national and provincial level) is identified included a dataset at national level and data at provincial level. For construction of REL for the ER-P areas, we define (subject to further work) the following:

1. Carbon pools and gases: Forest biomass carbon (above & below ground) and CO<sub>2</sub>;
2. Forest definition: Used national definition of the forests (Area: 0.5 ha; tree height: 3 m; canopy cover: 10%);
3. Activities: deforestation; forest degradation and forest enhancement;
4. Methods: stock difference method and possibly gain-loss (for comparison);
5. Reference period: 2000 - 2010 (with 3 time intervals: 2000; 2005; and 2010) and the average emission of reference period will be used as REL;
6. Data: (i) Activity data: use national forest inventory data (spatial data) to detect land cover change (deforestation) and measurement data of sample plots for estimating forest degradation as well as forest enhancement; (ii) emission factors: will use Tier 2 approach. Emission factors of forests will be generated using allometric equations developed by UN-REDD (for eco-regions and nation-wide). The measurement data of sample plots (mainly DBH) will be used for estimating carbon stock of different forests. Some default value of EF will be used (carbon content = 0.47; root shoot ratio). The emission is then calculated for all types of activities (deforestation, forest degradation, forest enhancement etc. for every provinces within the reference period and then sum up for whole regions; and
7. Adjustment in the national context: will be considered if needed, for example, the adjustment of REL as noted above for the national program on 5 millions hectare of reforestation.

### 3.5.4 *Summary of findings and recommendations from the independent MTR*

- In general, preparation for readiness of REDD+ implementation at national level has achieved some success in term of progress, however, the progress is still limited and more effort needs to be made to make Vietnam ready for the implementation of REDD+;

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<sup>34</sup> TA for the Development of National REDD programme, Nordeco in collaboration with FIPI, 2010; Study on Potential Forest and Land Related Climate Change and Forest in Vietnam, 2009 to 2011 JOFCA/JAFTA with FIPI (JICA); and a Assessment of Forest Carbon Stock development of REL for REDD+ in Vietnam 2012 -2014 FIPI.

<sup>35</sup> A REL Team will be set up for development of REL., including carbon/emission accounting/statistition experts, forest inventory and GIS experts.

- Based on the current progress of activities, up to now, activities of the FCPF and UN-REDD have been implemented without any requirement for further funding, however, with the 2015 work plan and budget which brings more emphasis in the provincial activities and expansion of the activities, some activities will be underfunded;
- General progress of project has improved, most TA for important positions of project have been recruited;
- The implementation of bidding packages on supporting activities (goods, project office, office recruitment), have been completed, however, many of the important technical bidding packages for delivering the main expected outcomes (with the long implementation period) have yet to be concluded;
- Disbursement activities have supported significantly the implementation and operation of project as scheduled, however, disbursement rate is not as high as that in the annual financial plan and overall financial plan;
- Reasons of the slow progress include: (i) slow commencement, the project only commenced eight months after it was planned; (ii) slow recruitment of TA, most TA did not arrive until mid-2014; (iii) project activities have been implemented more slowly than expected; (iv) procurement regulations/ financial procedures and decision making, have all been time-consuming, leading to the delays in the overall procedures; (v) in the Project design lacks budget and TA arrangements for implementing M&E of the Project; and
- There is cooperation and coordination between project and other initiatives and projects, the most important coordination is with UN-REDD in project design, sharing some resources (some outcomes and experts) and the general management mechanism should allow for good coordination (the same Project Director, Vice Director and Executing Agency).

### 3.5.5 *Lesson learned to date and solutions*

The FCPF project in Vietnam was originally mandated to work at the national level and with three pilot provinces, two of which now lie in the Emission Reduction-Program Idea Note area (ER-PIN) the north central coastal region and one that is out side the ER-PIN area and is located in the central highlands. With the acceptance of the ER-PIN with a total of six provinces, the FCPF has seen its responsibilities, and areas of operations expand considerably, coordination now requiring, for example, work in an four additional provinces and detailed coordination with the existing, on-going development projects in the ER-PIN area (five important REDD+ or forest related projects). The FCPF project has developed some momentum and implementation has rapidly improved, however, the project faces some funding and therefore potential implementation and operational gaps. The project has summarised factors affecting implementation below and include challenges at the overall project and provincial level.

The issues identified are the result of discussions with project partners, project and provincial staff and feedback following from field consultations with communities, the following Table 3.1 shows the detailed factors affecting implementation and in summary the issues include the following:

- (i) Consolidation of the differences and inconsistencies between the various FCPF REDD+ documents;
- (ii) Improvement of the focus on implementation in the provinces;
- (iii) Improvement to the bottom up approach and improve feedback and coordination when dealing with the provinces,
- (iv) Improvement to the direction and support to the provinces and improve the knowledge and accountability of the REDD+ Steering Committees to include coordination, policy setting and providing advice to PPC and coordination with forest and land use and other climate change initiatives including the Forest Protection and Development Plans, Provincial SEDPs and Climate Change Action plans etc.;
- (v) A review of the suitability of the pilot site selection in some provinces; and
- (vi) The identification of priorities and a number of technical and implementation gaps.

**Table 3.1 Bottlenecks and solutions developed for the MTR as identified by the project**

	<b>Bottlenecks and issues by component</b>	<b>Solutions</b>
1	<p><b>Support for capacity building and designing polices on REDD+ implementation at national and provincial levels</b></p> <p>Activities and links to and from the VRO to projects and REDD+ activities are unclear, lack coordination and too many TWGs and subsequent weak performance of some TWG and STWGs; weak outputs accountability of VRO</p> <p>Effectiveness of the Provincial REDD+ Committees needs further development, but there is some evidence of mainstreaming</p> <p>Lack of substantial or sustainable capacity building at different levels particularly in the Provinces</p> <p>Limited information on FLEGT/VPA issues and the requirements at provincial level</p> <p>Difficulties of undertaking FLA under new Land Law</p> <p>Difficulties with working with ethnic minorities (takes time and is complex), lack staff for "community development" and "capacity building" (following CF10 Decision) for ethnic minorities difficult, resource demanding and time consuming</p> <p>Provincial policy issues (including setting up VNFF, PFES, and FLA work with DONRE)</p>	<p>Improve coordination with VRO and accountability of VRO through improved direction; reduce number of TWGs and STWGs to reduce overlap, and to allow easier management</p> <p>Provide guidance for Provincial REDD+ Steering Committees</p> <p>Improve the focus on provinces and Training Needs Assessment work</p> <p>Data collection on FLEGT issues; dissemination of more information on FLEGT/VPA requirements; improve coordination amongst key actors</p> <p>Short term exemptions and changes available; possible long term solutions, could include improvement to policy on forest use, legal status of community forest management</p> <p>Further resources needed at provincial and district level to work effectively with ethnic minority communities; improve focus of the communication activities provide more information through wider variety of different media</p> <p>Support for policy activities and improve the awareness of committee members and role of the Provincial REDD+ SC particularly to act contribute to the setting up of an enabling environment</p>
2	<p><b>Supporting studies and development of user friendly tools and technical guidance materials on SFC reform for REDD+ service provision</b></p> <p>SFCs not aware of REDD+ potential benefits and requirements; 2 SFC pilots identified but need to expand to other provinces</p> <p>Land disputes may limit REDD+ in some SFC areas</p>	<p>Further information and work with pilot SFCs</p> <p>Rationalise land holdings of SFC; grievance mechanism setup inline with SESA and ESFM; work and lessons learned in 2 pilot SFCs; work and lessons learned and in PRAPs in the ER-Provinces</p>
3	<p><b>Support for public awareness raising, multi-stakeholder consultation about REDD+ and regional consultation</b></p> <p>Complex requirements of SESA and ESMF, some expectations from WB extremely difficult to meet</p> <p>FPIC is difficult and time consuming and resource demanding with remote ethnic minority communities</p> <p>Lack of information of what and how to do FPIC</p>	<p>No immediate solution except through time and changes to polices</p> <p>No immediate solution, except through time, experience and additional resources</p> <p>Supply more information about FPIC and project requirements</p>
4	<p><b>Project management and monitoring</b></p> <p>Project and REDD+ is complex, difficulty in understanding readiness and REDD+ at the provincial and district level; lack of clear project outcomes, concentration on some short solutions</p> <p>Current approach of support is to a few pilot villages, including some with poor access and some with little forest,</p> <p>Poor project foundations, weak work plan and difficult procurement plan; coupled with a reluctance to change the work and procurement plan (led to project slow start); many changes to proposed activities, not enough information and time for arrangements to be made (provincial concern)</p> <p>Major delays to procurement were experienced due to lack of experience in procurement and complex decision making, knock on effect was that part time TA team found it extremely difficult to work</p> <p>Centralised top down approach from CPMU, weak external coordination with VRO, VNForest and provinces</p> <p>Weak coordination between different provincial departments mainly DONRE and DARD/FPD (PPMUs)</p> <p>Poor communications with ethnic minority villages</p> <p>The project did not divide training, currently all levels are lumped together, community, commune and district</p>	<p>Simplify project implementation and messages: improve communications and awareness raising, better design and implementable of pilot REDD+ activities with proper resources; implement activities over longer period (especially where Ethnic Minorities are involved)</p> <p>Broaden areas and contact; revise pilot areas so that they are more relevant; need to improve value for lesson learned, so that pilots lead to a reproducible approach and improved policy and guidelines</p> <p>Need to adopt practical approach to project management and management needs to be adaptable; Improve communications and work plan that is practical and implemented and fully supports project ideas</p> <p>More flexible approach to procurement planning and use of adaptive management approaches; Improve knowledge of procurement processes, decision making and more frequent follow up on progress of procurement progress</p> <p>Improve coordination with province and information sharing, improve responsibility, accountability and follow up</p> <p>Improve coordination by improved action and coordination by PPMUs and REDD+ SC improve responsibility, accountability and follow up</p> <p>More work directly with community, a mobile group?; Talks and meeting in an appropriate way for ethnic minorities; Need to more direct communications with villages, hold workshops and meetings in village; Combine the REDD+ activities with some activities at community; Communicate at the schools; Communicate through performances for the community</p> <p>Divide the training into different groups in 2015; Training of trainers; Communities need direct training; Staff need special training documents, to raise the level of understanding; Have support from central level for TOT for technical topics (MRV, REDD+) then implement in the province</p>

### 3.5.6 Progress on benefit distribution systems VNFF, and PFES

FCPF is working with VFD on developing improved approaches to help with the management and implementation of PFES, including proposed updates to the Decree 99 on PFES and improvements to FLA which has been a major issue for many provinces, associated with the FCPF is working to help set up the

VNFF <sup>36</sup> in the Quang Binh. The ADB also has provided support through a number of past project and this is continuing through the recently mobilised Improving Payment for Forest Ecosystem Service Implementation Project which is a PFES project implementing in three target province: Kon Tum, Thua Thien Hue and Lao Cai and Ca Mau is another potential project province for the ADB project.

### **3.6**                    *Project management*

- Coordination amongst the main REDD+ programs<sup>37</sup> operating in Vietnam is much improved with the various programmes jointly assigning responsibilities to ensure improved coordination, better use of resources and less chance of duplication, for example, some aspects of the work on REL, MRV and development of the benefit distribution system (BDS) is to be shared with the UN-REDD II and coordination is also in place for development of the UN-REDD+ Safeguard information System (SIS) the SESA, and feedback redress grievance mechanisms FGRM as well as coordination on developing a UNFCCC approach on REL, safeguards and BDS;
- Progress on monitoring reporting and verification (MRV) related activities has been slow due to difficulties in procurement of a specialist, but has now been resolved and FCPF;
- REDD+ Steering committees are now functioning in all three pilot provinces and reported to be functioning in four of the six ER-P provinces;
- An M&E system has yet to be developed for the NRAP process but is under development and discussion;
- The 2015 work plan, procurement plan and budget have been presented and the MTR has been completed; and
- R-Package assessment and ESMF are due September 2015 and the draft ER-P document expected to be available October 2015 for formal submission in February 2016.

#### *3.6.1*                    *Progress on CF 10 recommendations*

Following the submission and acceptance of the ER-PIN in July 2014, the Carbon Fund Participants Committee (CF10 meeting) made a series of recommendations to Vietnam to follow up, the following Table 3.2 provides some feedback on the recommendations and progress on the issues raised.

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<sup>36</sup> The VNFF is operational in 35 provinces and needs to be in place at the provincial level to help administer the PFES.

<sup>37</sup> The three main projects supporting REDD+ (other than the FCPF) include UN-REDD programme, Vietnam Forest and Delta Programme (USAID) and Project for Sustainable Forest Management in the Northwest Watershed Area (JICA funding) (and more recently it has been proposed that the Protection Forest Restoration and Sustainable Management Project funded by JICA may include some REDD+ related activities).

**Table 3.2 Review of progress on the CF10 recommendations**

<b>CF10 Recommendations</b>	<b>Comments and progress</b>
Review the magnitude and the sources of investments in the financial plan and the ability to implement them during preparation of the ER-PD.	A number of international projects operate in the ER-P area, and in similarity with provincial government activities, they have government approved cost norms for the implementation of activities. A review and collection of the cost norms and other REDD+ project funded activities is underway; coordination of this work includes the development of a detailed work plan linking and involving the major investment projects in the ER-P area.
Maintain consistency of the accounting approach with the Carbon Fund Methodological Framework, including related to eventual guidance on the use of buffers for force majeure events.	The requirements of the Carbon Fund Methodological Framework are being followed.
As the proposal has a significant carbon enhancement component, steps should be taken to ensure that natural forests are not substituted by plantation forests.	The conversion for forest to plantation is recorded every year at the provincial level. MARD and VNForest have release an updated Circular 23 Regulations on regeneration of poor natural production forests (No. 23/2013/TT-BNNPTNT, dated 04/5/2013) aimed at introducing further controls on forest conversion, and in particular it is aimed at stopping the conversion of “Poor” or degraded forest into plantations. However, control and management of land use involves provincial policy decisions, therefore in addition to the Circular the multi-sector Provincial REDD+ steering committees and the Provincial REDD+ Action Plans, which draw on and incorporate the Provincial Forest Management Plans should help to reduce this practice to a minimum.
As per the Methodological Framework, and to ensure transparency, information that pertains to the construction of the reference level should be made available (e.g., the cited JICA study), and historical emissions and estimated emission reductions should be disaggregated by deforestation and degradation.	The recommendation is noted and action is under way and note of this is included in the RL work on Vietnam’s FRL submission to the UNFCCC.
Building on established practice, the capacity of ethnic minority groups in the program area should be strengthened to enhance their full and effective participation in program design and implementation, benefit sharing, as well as safeguards design and monitoring. In this context, Vietnam may consider the implications of the revised Land Law in relation to a land tenure assessment (as per the Methodological Framework).	Consultation work with ethnic minority groups in the FCPF pilots is underway; however, wording of the recommendation is a not inconsiderable undertaking given the size, access and topography of the ER-P area, add to this the varying cultural and socio-economic aspects that need to be taken into account amongst the approximately 20 different ethnic minority groups that can be expected in the region noting that 33 districts and about 120+ communes are involved. Experience shows that in depth consultation and participatory work with Ethnic Minority groups is normally a very time consuming and resource intensive process that requires repeat visits, and is not a case of one village meeting and all issues are resolved. An equivalent donor project working in a similar area could expect to spend 18 months to 2 years developing suitable consultation and participatory approaches and have a small dedicated team and be supported by dedicated Provincial and District and sometimes Commune level staff and would still expect to face many problems including, for example, marked differences between villages in similar locations and with seemingly similar socio-economic circumstances. The FCPF budgets and resources cannot currently address the “full and effective participation” in all of the required activities in such a short period. A realistic practical approach would be to expect the development of an incremental approach, but even this requires a substantial level of



CF10 Recommendations	Comments and progress
	effort and support from the Districts and Communes. The new Land Law introduced some implications for REDD+ relating to FLA work, including requirements that production forestland be allocated to a “forest management organisation”. To date different provinces and investment projects have addressed this generally either through the use of a legal exemption to the appropriate article (legally allowable, but at the discretion of the Minister), or by setting up of a Commune and even a village “Forest protection management board”.
Provide more details on how the Vietnam Forest Fund will be administered or managed, and where it will be located.	The developments of the administrative procedures of the VNFF, at the centre and at the provincial level are on-going.
Consider development and implementation of a plan to mitigate cross-border leakage with Lao PDR (which borders the program area) related to illegal logging and coordinating interventions with the Forest Law Enforcement, Governance and Trade - Voluntary Partnership Agreements (FLEGT-VPA). Progress in this respect should be documented and included in the ER-PD.	FCPF has, in coordination with the FLEGT office in VNForest, instigated field work and consultations in the three pilot provinces included a multi-agency workshop bring participants from the national and provincial level together to raise awareness of the problem participants included, police, customs offices, forest protection department etc. UN-REDD and GIZ are expected to soon begin supporting work on the issue in the ER-P area. In addition a local NGO SDR is working on FLEGT issues in the ER-P area. Further coordination work is required.

### 3.6.2 *Challenges on project management*

The FCPF project is coordinating on the development of the ER-P and activities require additional short term technical assistance inputs to help define and implement activities to design and operationalize plans for the ER-PD. Coordination between the various provinces (six), development projects (five to six large forest and REDD+ projects and two to three smaller forest/biodiversity and REDD+ projects) and different TA and sub contracted TA teams (FCPF will have three contracts and there are expected to be up to six different safeguard teams from the different projects working part time in the ER-P area) is a challenge, requiring the support of the various Project Directors, TA teams and coordination with the VRO and VNForest. To improve coordination a number of formal and informal project management coordination teams are expected to be put in place shortly (to supplement the current high level Committees), for example, a dedicated proposed 'Expert Group' to be established within the STWG on Safeguards. At the provincial level the coordination will be through the PPMUs and the REDD+ Steering Committees. For the FCPF, the nearness of closure (end of November 2015) and the winding down of the existing FCPF Grant are additional complications.

### 3.7 *Project budget, commitment and disbursement*

The project work plan and budget were first derived as a master plan in 2103, however, due to some operational budget changes, translation and package name changes, some of the activities were transferred between components, for example, in the original documentation the support for work on PRAPs was set to be implemented through Component 3, however, the activities for this are now included under Component 1.

Disbursement for 2013 was US\$88,419 and by the end of 2014 cumulative disbursement had risen to US\$1.1M; however, by March 2015 the commitment and disbursement of the overall progress of the FCPF Readiness Grant implementation period 2012-2015 to March 5th 2015 reached US\$2,091,928 or 55% of the total amount grant amount of US\$3.8 million. Expected Commitment by mid-2015, with additional commitments, due to three medium sized technical assistance contracts, amounting to about US\$918,000 is

expected to bring the total for commitments and disbursements to about US\$3.06M or about 80% of the grant, however, after these commitments and subsequent disbursements, expected commitments and disbursement will slow.

## 4 Updated Financing Plan

The following table provides a summary of the FCPF, funding, commitments and disbursed funds. In addition the two main projects that are supporting REDD+ are included: (i) UN-REDD II at the national level, which includes support to Ha Tinh province in the ER-P area; and (ii) VFD program.

The VFD Program is a climate change adaption project and includes implementation of activities in Thanh Hoa and Nghe An, both in the ER-P area. The VFD program does have some specific funds for REDD+ and for Year 3 (2015) of the program these are approximately US\$780,000 for support of activities in Thanh Hoa and Nghe An. The overall support for Year 3 to Thanh Hoa and Nghe An is approximately US\$1.01M<sup>38</sup> and there is some good complementarity between climate adaption and REDD+ activities. The project was may be extended for a further two years and the budget will be assessed on a yearly basis. Cooperation support for REDD+ through the SUSFORM-NOW project is now limited mainly as the project is winding down and operates in one Province in the north (Dien Bien)<sup>39</sup>. REDD+ in Quang Binh is expected to continue to receive some minor collaborative support in relation to on going work with the biodiversity conservation PNKB national park project. A number of projects in the ER-P area are closing or have recently closed<sup>40</sup>.

**Table 4.1 MTR Summary finances and sources of funds**

Uses of Funds (in US\$ thousands)							
R-PP Component	Total needed (A)	Fund pledged (B)	Funds used		Funds available (=B-C)	Financing gap (=A-B)	Request to FCPF (if any)
			Funds committed (C)	Funds Distributed			
1	4,000	1,360	225	282	1,135	2,640	1,100
2	2,000	700	210	39	490	1,300	1,000
3	3,000	860	239	237	621	2,140	1,500
4	1,000	880	269	590	611	120	1,400
<b>TOTAL</b>	<b>10,000</b>	<b>3,800</b>	<b>943</b>	<b>1,148</b>	<b>2,857</b>	<b>6,200</b>	<b>5,000</b>
Sources of Funds (in US\$ thousands)							
FCPF R-PP components 1-4		3,800	943	1,149	2,857		
Government counterpart funds to FCPF grant		582					
UN-REDD Programme at national level and in six provinces (one province in ER-P area)		30,229	14,430	3,132	11,297		
Vietnam Forest and Delta climate adaption program has some REDD+ and forest activities; total support to Thanh Hoa and Nghe An provinces (approximate figure)		4,000					
<b>TOTAL</b>		<b>38,611</b>	<b>15,373</b>	<b>4,281</b>	<b>14,154</b>		

<sup>38</sup> These figures do not include management and overhead figures so are indicative of program investment and are approximately only.

<sup>39</sup> Some further, but limited, funding may become available through JICA, building on some of the activities piloted through SUSFORM-NOW (e.g. PRAP and PFMS/ MRV) and the JICA cooperation work on FRELs/FRLs, but at the time of the MTR this had not been finalized.

<sup>40</sup> The WWF Greater Mekong Carbon Biodiversity and Livelihood Programme, operating in Thua Thien Hue is due to complete (?); FFI REDD+ pilot in Kon Tum province February 2015; and the WB Forest Sector Development Project completed in March 2015.

## 5 Compliance with the common approach

The common approach sets out the requirements for countries participating in REDD+, which are: (1) Development of TORs for the assessment of environmental and social strategies, as well as establish the frame for environment and society management in accordance with the general provisions of the FCPF and WB; (2) Development of safeguards, which have include respect, knowledge and rights of indigenous peoples; (3) Publishing and sharing information on the implementation process between stakeholders; and, (4) Formation of mechanism to receive feedback on the negative issues arising from the implementation of REDD+.

Currently, FCPF is preparing bidding package of SESA for the National REDD+ Action plan, which includes a preparation of Environmental and Social Management Frameworks, REDD+ feedback mechanism and so on. In general, the terms of reference has been prepared in accordance with regulations and guidelines of World Bank and FCPF. On a broader front UN-REDD is working (with FCPF support) on submission on BDS, MRV and REL<sup>41</sup> to the UNFCCC.

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<sup>41</sup> Drafting of the forest RL for the UNFCCC included inputs from VNForest, Vietnamese experts from FIPI (including from FREC), VAFS, DDMHCC of MONRE and REDD+ project partners working on FRLs (including UN-REDD Phase II, JICA, VFD, LEAF, and GIZ), and submission is aimed approximately for November 2015

## 6 Approach to Safeguards

### 6.1 *Coordination with UN-REDD on safeguards*

As there are two REDD+ projects, which include work on safeguards, it is important for the projects to approach the issues in a consistent and complimentary fashion. While the day-to-day issues of coordination still need to be worked out there is broad agreement between the UN-REDD and the FCPF project that coordination is necessary. UN-REDD is, in general, expected to focus on assisting GOV in meeting the safeguards requirements of UNFCCC at the national level, and this work would be complimented by SESA work and the ESMF, which in particular, would focus on the six provinces of the proposed ER Program.

Primarily due to practical resource and time issues, in general, the SESA/ ESMF is anticipated to be more focused on the ER-P area and meet the safeguard requirements (WB OPs). However, some SESA activities would still need to be conducted at the national level including e.g. consultations, review of safeguards laws, processes and institutional aspects, particularly as the interpretation and implementation of the safeguards at national level and their application is reflected at the provincial level. However, there is significant potential for the SESA/ESMF and SIS work to be complementary and the SESA would be expected to feed into the longer term national-level work under UN-REDD. Policy/law/regulation (PLR) review work and, particularly, institutional assessments for the proposed ER Program under SESA will feed into a comprehensive PLR review (between the two projects) and institutional assessments at the national level to support the UN-REDD, work which is aimed at addressing Cancun.

The ESMF is expected to apply mainly to the ER-P, but will feed into the work on national safeguards and the monitoring provisions developed under ESMF may be useful for national level SIS with links to national forest monitoring system (NFMS) development.

UN-REDD, with support from UNDP, will elaborate on (the three main) UNFCCC safeguard requirements and the SESA/ESMF work can contribute to meeting these requirements, and the ESMF should be consistent with the UNFCCC guidance on safeguards. There are currently two assignments proposed by the UN-REDD program: (i) assessment of institutional capacities to implement relevant PLRs with respect to the Cancun safeguards; and (ii) the design and presentation options for a SIS, based on existing information systems.

Previous and on going work from the UN-REDD work will feed into SESA-ESMF including for example, through shared work on stakeholder assessments, that can be used for the SESA process including findings from the national level stakeholder assessment conducted by UN-REDD in 2014. Work on the identification of main drivers of deforestation and forest degradation from the provincial level drivers assessments work in the PRAP processes. FCPF and UN-REDD could also enhance complementarity by focusing on assessing different key policy law and regulations, e.g. the SESA would focus on the new Land Law and UN-REDD would focus on institutional assessment and on the new Environmental Protection Law.

The SESA and ESMF development work is also expected to coordinate with the on-going FGRM development work under the UN-REDD programme, funded by UNDP.

In addition, the joint use of the national stakeholder engagement STWG-SG and a possible consistent sub-Expert Safeguard Group, with the FCPF and UN-REDD CPMU and PMU staff acting as the nucleus of the

Expert Safeguard Group, with key government and CSO members, should ensure coordination and dialogue on pertinent issues.

## **6.2 Stakeholder consultation and FPIC**

REDD+ activities are based on the requirements of free informed prior consultation; therefore it is essential that this be implemented as a priority. FPIC is being introduced, however, the application of FPIC in provincial and district situations remains on-going as most participants are more familiar with international project use of “participatory approaches”.

There are three provinces in the ER-P area that are expected to have some experience of FPIC processes and requirements (Ha Tinh - UN-REDD, Quang Binh and Quang Tri – FCPF). A key issue is the support required to introduce the process to Thua Thien Hue, which is a new province to the FCPF requirements and extra work that is required in the VFD provinces as the VFD did not originally have FPIC requirements. It is therefore expected that key activities to support the ER-P will include increased awareness and training support through provincial, district and commune workshops and village meetings, TOT facilitators to undertake consultations to help introduce practical guidelines that follow the FPIC requirements.

## **6.3 Support for the SESA and ESMF**

Introduction of the requirements on safeguards is underway in the three FCPF pilot provinces (two provinces in the ER-P area), however, development of environmental and social safeguards processes SESA and ESMF, has been delayed due to slow procurement process and therefore the work on the SESA is due to start in April, but the SESA approach will need additional support to introduce it to all six ER-P provinces. The ESMF documents are conditional and are required to be submitted with the R-Assessment, and before the ER-PD and the ERPA. The development of the FGRM is to be coordinated with UN-REDD, but still needs to be reviewed to ensure compatibility with the WB OPs.

SESA specific consultation and participation events in the six provinces will also help the vulnerable groups and forest-dependent communities (especially ethnic minorities) receive culturally appropriate benefits from future REDD+ activities, while ensuring that the NRAP does not adversely affect these communities. The SESA will be complemented by an ESMF, which will need to be introduced into the six provinces and help guide potential investments in REDD+ activities toward compliance with safeguards policies.

# 7

## Roadmap and Financing Activity Gaps

### 7.1 *Roadmap for additional funding*

The revised 2015 work plan, including project activities from the current project completion date of 30<sup>th</sup> November 2015 to 30<sup>th</sup> June 2016, key features of the workplans are as shown in Table 7.1

**Table 7.1 Summary of roadmap for additional finance (including the original grant extension) and outputs**

Year/ key date	Summary Activity
March/April 2015 onwards	Detailed coordination with REDD+ projects in ER-P area Support to Thua Thien Hue Follow up with all ER-P provinces Work on REL starting Data collection for ER-PD Review MRV PFMS approaches; Review FORMIS; NFI data Processing of Extension to Grant SESA and SIS work coordination R-Assessment work underway
July/August 2015	Final output of the proposed PRAP in Quang Tri Work on SFC reform nearing completion
September 2015	Draft ESMF
October 2015	Draft ER-PD Draft R-Assessment
November to December 2015	Processing of additional finance of US\$5M Improved financial management capacity M&E work impact evaluation work FLA, etc. including livelihoods, work on developing guidelines etc Updating of processes SESA September (or December) 2015 final TRG meeting Development of the revised updated web site
2016	Impact evaluation of initial pilot work (including livelihoods work) Final institutionalisation of the SESA and safeguard processes New revised communication web site links Web site fully updated with all examples, templates and models Development of BSM guidelines and processes; M&E impact evaluation and lessons learned;
May to June 2016	Project completion work, Draft completion reports Completion workshops Consolidation and reconciliation of accounts and completion work.
2016 onwards to 2018	Main activities related to the implementation of the new Grant improving readiness in REDD+ provinces

## 7.2 *Activity gaps and priorities (to address the gaps)*

As the understanding of the REDD+ readiness work needed developed, it quickly became clear that additional support was required at the provincial, and district level to help address some the following key readiness implementation activities:

- The complexity of FPIC, particularly in relation to the resources for consultation and participation with forest dependent ethnic minority communities due to the remoteness of some communities and cultural aspects requiring further time and work on communications and languages;
- Forestland allocation requires a comprehensive solution to land tenure arrangements, including work with the PFMBs, SFCs and Communes and District authorities. Active participation of local people and in activities to recognize land tenure arrangements for forestland allocation is essential for REDD+ and PFES and while FLA policy and guidelines are under development in Quang Tri and Quang Binh this process needs to be supported in all other ER-P provinces and needs to reach communities;
- Sustainable management of allocated forests requires sound legal, financial and technical support as well as good Commune and village forest governance frameworks which requires further investment in communication and outreach work on REDD+ approaches;
- Provincial policy support was underestimated and is needed to support the development of PFES, FLA including community forest management, sustainable forest management, work with additional SFCs<sup>42</sup> and support on FSC;
- Further resources are required to help address the practicalities of designing, costing and supporting the implementation of PFES and similar activities proposed under the BDS and at the District and Commune level faces similar issues of time, resources and appropriate methods of outreach ethnic minority communities;
- FLEGT is a multi-agency multi province issue requiring considerable coordination and currently activities along ER-P border area (all provinces border Lao PDR) is under financed;
- The support for the implementation of the work on the SESA was underestimated; and
- The PRAPs, taking the current two examples, is proving time consuming to develop.

The following table helps identifies gaps and set some of the priorities and in the current readiness activities, and are of particular relevance to implementation in the ER-P area.

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<sup>42</sup> Different types of pilot work support from the three main REDD+ projects on improvement to SFC performance and reform (management and business plan , reduced impact logging and equitization) work targets three SFCs leaving a further 13 SFCs with a total forest area under their management of 126,056ha.



**Table 7.2 Summary of priority gaps in FCPF project activities and potential REDD+ readiness gaps in the ER-P area**

No.	Gaps in activities	Justification and follow up
1	Support to the Provincial REDD+ Steering Committees (currently missing in two provinces)	A key coordination committee that oversees and provides advice to the Provincial People's Council on REDD+ and needs additional support to guide policy to put REDD+ in-place at the province
2	Introduce consultations following FPIC requirements and work in 3 provinces: TT Hue is a new province, Thanh Hoa and Nghe An have not had FPIC requirements until ER-P; assumes FPIC is introduced into Ha Tinh province	Central to all REDD+ and key safeguard issue; support consultations process. Support for FPIC consultation is needed for three provinces (TTHue, TH and NA) together with additional work in the existing FCPF pilots of QB and QT
3	Need to introduce SESA consultations and set the ESMF in the ER-P provinces	Consultations and introduction of key safeguard issues, cannot progress without internationally acceptable SESA; also needed to improve and update the NRAP; the SESA work will focus on the ER-P area, but additional resources are required
4	Pilot PRAP support for Quang Binh and Thua Thien Hue	Follow on to the first FCPF PRAP in Quang Tri, continue to show what is possible for PRAPs, The final PRAP approach needs to be replicable, updateable and understandable
5	Support to the provincial REDD+ readiness model processes Capacity building on resolution of land tenure issues, required to support for FLA, PFES, and closely related to BDS	Pilot actions to help identify policy and guidelines and gain experience of what works and where change is required; Support further work on land tenure, FLA, PFES, and BDS in the ER provinces
6	Support to two SFCs (FCPF activity) currently planned, but need to expand approach into other provinces and SFCs to help in improved forest management and rationalisation of forest land holdings	Lessons learned for ER provinces on SFC reform and rationalisation of forest land holding processes important for REDD+
7	MRV awareness needed in five of the six provinces (coupled with improved community forest governance)	MRV is central to REDD+ (assumes UN-REDD will support implementation in Ha Tinh)
8	Support for setting up the M&E system	M&E system normal requirement; needed to improve and update the NRAP and needed to monitoring the ESMF
9	Technical support for SFM, CFM and commune and village level forest governance	SFM and CFM approaches are commune and village level forest governance key activities and require further support (in combination with FLA)

### **7.3 Justification of the extension of the FCPF Grant**

1. The FCPF project is due to close 30<sup>th</sup> November 2015, an extension to the closing date would improve the technical, financial and administrative efficiency.
2. An extension of funding to the project completion date of November 2015 to June 2016 would allow for achievement of project objectives in quantitative and qualitative terms and in particular allow for further the institutionalisation of the REDD+ processes and documentation and allow for a smooth transition to the requested additional finance.
3. The FCPF project, based on initial pilot implementation, activities has generated high levels of interest from the pilot provinces, SFCs, and village communities. Disbursement from the project has

correspondingly significantly improved since September 2014 with much needed emphasis on improving the involvement of the provinces.

4. The FCPF is to develop an innovative sustainable approach of introducing REDD+ into SFCs and it is expected that this work would form part of this innovate equitization financing approach and provide valuable donor insight and backing to the approach and smooth transition to the requested additional finance would ensure continuation of the support.
5. The FCPF is to develop an innovative sustainable approach of introducing REDD+ through PRAPs and provide valuable experience of cooperation and coordination on REDD+ and PRAPs.
6. A number of the REDD+ activities e.g. FPIC work with ethnic minorities, are under-resourced, but also time consuming and provinces have relatively weak implementation capacity, so it has been necessary to prioritise and adopt a stepwise or milestone strategy - to meet the most pressing issues, and to take account of the capacity problems, allowing a slightly longer and smooth transition to the requested additional finance would ensure a continuation and consistency of the support in the consultation processes and work with forest dependent communities.

## 8 Proposal for Additional Finances from FCPF

### 8.1 Rational and work plan

To maintain the provincial REDD+ implementation momentum, and to cement the developing synergy with other REDD+ and forest and climate change projects and the FCPF project wishes, as part of the MTR, to request for additional funding and the rational includes the following:

- Need for consistency and continuity in REDD+, the FCPF project has gained momentum and credibility with the provinces and at the central level there is need to keep progress going;
- As the FCPF project has implemented work, with provincial and project partners, clear operational and policy gaps at the centre and in the provinces have become apparent, which if not addressed could delay and hamper implementation of REDD+;
- FCPF has a developing but important coordination role for the six provinces and the various investment projects in the ER-P area; and
- As part of the additional finance it is important that this is linked to an extension of the original FCPF Grant, the internal approval process in the government system are complex, therefore without the extension to the original Grant it is likely that the project would face the prospect of the project closing and then having to re-mobilise, which would clearly be undesirable.

**Table 8.1 Summary budget for additional finance and extension activities**

Component	Original budget (US\$)	% Disbursed and committed to early March	Remaining funds available (US\$)	Estimated additional funds (US\$)
<b>Component 1: Analytical studies and development of capacities for the effective and efficient REDD+ implementation at national and provincial level</b>	1,500,000	44	654,700	1,100,000
<b>Current gaps</b>				
Work to support general readiness in additional provinces e.g. gaps in VFD, UN-REDD, REDD+ SCs inter-sector awareness etc.				
Additional work to collect data on forest and land tenure in three ER provinces				
Extra work on PRAP - Quang Binh, Thua Thien Hue				
Extra work to support development of REDD+ policies, update NRAP and implementation circulars etc. to support REDD+				
Extra policy work to support policies on land tenure rationalisation, FLA, PFES and BDS in provinces				
<b>Component 2: Policies review, studies and development of user-friendly guidance materials on SFC reform for REDD+ service provision</b>	700,000	36	450,600	1,000,000
<b>Current gaps</b>				
Support for work with other SFCs interested in REDD+ and renovation added benefit of encouraging further rationalisation of land tenure and improved forest management				
Extra work on policies to support REDD+ in SFCs and to support renovation/equitization at national and provincial levels				
<b>Component 3: Stakeholder consultation and regional cooperation; and Strategic Environmental and Social Assessment (SESA) in connection with the refinement of national and sub-national REDD+ strategy options</b>	950,000	55	384,244	1,500,000
<b>Current gaps</b>				
FPIC process in 2 existing pilots and 3 additional ER provinces; associated work on communications, outreach on technical aspects of REDD+; land tenure and FLA; forest governance				
Additional work on SESA/ESMF and FGSM in additional provinces				
<b>Component 4 Project management and monitoring and evaluation</b>	500,000	86	127,578	1,000,000
<b>Current gaps</b>				
Work on MRV, PFMS and forest governance				
Work on FREL/RL				
Additional work on M&E				
Contingency	150,000	54	91,950	400,000
<b>Total</b>	<b>3,800,000</b>	<b>55</b>	<b>1,709,072</b>	<b>5,000,000</b>

# 9

## Status of activities in the Emission Reduction Program area

The development of the ER-PD is coordinated through VRO and the FCPF project and the project is expected to coordinate with the six ER-P provinces and four major project partners operating in the region.

**Table 9.1 Summary of proposed readiness and ER-P activities**

Activity	Description of activities	Justification
Collection of further information on forest land tenure deforestation and forest degradation and land holdings of SFCs, FPMBs and Communes etc.	Data collection and provincial workshops (6) to encourage coordination between DONRE and DARDs and exchange of data	The activity will help (i) provide information on deforestation and forest degradation; (ii) Will help analysis of the forest land holdings of FMBs and SFCs; (iii) Will assist local authorities in land planning and communities to participate in REDD+; (iv) Forest land tenure information is needed for benefit distribution system BDS
Support for SESA and consultation	Consultation, workshops, Lessons learned coordination VFD, UN-REDD; Support for consultations in TT Hue (including training of facilitators meetings in communes etc.), limited support for Thanh Hoa, Nghe An, and follow up in Quang Binh and Quang Tri	(i) To ensure broad stakeholder participation in all REDD+ processes, including the formulation, implementation and refinement of the, support a multi stakeholder consultation process, regional cooperation and communication activities; (ii) Help integrate social and environmental considerations into policy-making processes, including SESA and ESMF need to be explained; (iii) Help ensure compliance with safeguards policies.
General lessons learned workshops	Workshops on key lessons learned including on SESA, ESMF, FPIC, FLA/ SFM; SFC readiness;	Ensure lessons learned included into ER-PD design
Support for PRAP in Quang Binh	Develop a follow up pilot PRAP in Quang Binh	Provisional costing and funding; assumes that some information and data is already available eg GIZ REDD+ work in Quang Binh
FLEGT	Collection of data on trans-boundary issues; provincial workshops to coordinate responses and discuss development of provincial policy	Collection of data and engagement of multiple agencies required in 6 provinces
	Provincial workshops (6)	Provincial workshops required to help coordinate response to multiagency problem
	International workshop	International workshop required to coordinate approach with Lao PDR and Cambodian authorities
	Short site visit	Follow up post workshop site visit to discuss problem
	FLEGT Data collection	Filed data collection in 6 provinces

**Table 2.2 Major projects, which have some activities related to REDD+ working in the ER-P provinces**

NCAR (ER-P) Provinces	Projects that have REDD+ related activities	Other projects in the ER-P area or climate change project that activities involving forestry or REDD+ related
Thanh Hoa		Vietnam Forest and Delta project (VFD); FSDP project province closes (March 2015)
Nghe An		VFD; FSDP project province (closes March 2015)
Ha Tinh	UN-REDD pilot province	
Quang Binh	FCPF	Support to PNKB, (KfW-GIZ project)
Quang Tri	FCPF	ADB Biodiversity Conservation Corridors Project
Thau Tien Hue		Protection Forest Restoration and Sustainable Management Project (JICA2) actually is implementing in all six ER-P provinces; ADB project Improving Payments for Forest Ecosystem Payments (PFES) includes TT Hue as a pilot province; FSDP project province (March 2015); WWF Carbon and biodiversity project part implemented in Thua Thien Hue and other provinces out of the ER-P area; FSDP project (closed March 2015)

### **9.1 Assumptions for the ER-P work plan**

- A key assumption is that the FCPF project will coordinate the overall FCPF project work plan activities (with support from the other REDD+ projects) in the ER-P area i.e. the ER-PD is dependent on having the SESA, ESMF, R-Assessment, a pilot PRAP, pilot work on SFCs etc. in place;
- The FCPF project in partnership with the other REDD+ projects continues to develop a more bottom up approach of trying to work with and encourage REDD+ development in the ER-P provinces and improved orientation in trying gain experience and lessons learned in working with forest dependent, and particularly ethnic minority communities;
- Consultation, communications and capacity building for ethnic minority communities is challenging, time consuming and requires considerable additional resources especially for Thua Thien Hue which is essentially (currently) new to the FCPF requirements;
- Some consultation, communications and capacity building for ethnic minority communities support is assumed to be forthcoming from VFD in Thanh Hoa and Nghe An Provinces and from UN-REDD for Ha Tinh Province;
- The SESA consultants are envisage to start work early part of Quarter 2 (March/April 2015);
- Full involvement of the Provinces and the provincial REDD+ Steering Committees is needed to encourage them to take more ownership and involvement in REDD+; and
- Work on the R-Assessment Package document is underway.

## **9.2 *Links to biodiversity and related socio-economic activities in the ER-P area***

Viet Nam is considered a biodiversity hotspot, with a large proportion of its flora and fauna being endemic. The impacts of climate change are threatening this diversity. At the same time, it has been shown that maintaining the stability of functional ecosystems can contribute to climate adaptation, while enhancing the resilience of those ecosystems and of the nearby population. Currently, land use changes resulting from steady economic growth and of the expanding population are causes of biodiversity loss.

A number of pilot benefit sharing mechanism are underway and engagement with communes and villages will bring social benefits; biodiversity related benefits are currently related to sustainable forest management work and existing biodiversity projects partners and can provide lessons learned, e.g. WWF Carbon and Biodiversity (CarBi) project, Phon Nha Ke Bang (PNKB) national park biodiversity project, but these are not specifically funded by FCPF readiness grant, but some of the activities will be relevant and be supported by REDD+; UN-REDD and FCPF are jointly working on the development of the BDS; FCPF is working on improving PFES and the VNFF and helping to set up VNFF in Quang Binh Province.

A new project on ecosystem-based adaptation is working in Quang Binh and Ha Tinh introducing ecosystem-based land management measures (preservation, protection, rehabilitation, sustainable use), the project expects to make a medium to long-term contribution to meeting the country's carbon commitments. It will also develop effective methods, strategies and policy guidelines to support the use of ecosystem-based adaptation. This includes enhancing the legal framework for its integration into national planning measures, as well as the improvement of methods for identifying upstream climate risks and vulnerabilities. Combined with a number of pilot measures on the ground in two provinces.

The Integrated Nature Conservation and Sustainable management of natural Resources in Phong Nha-Ke Bang National Park Region funded GIZ is working on biodiversity friendly livelihood development for forest dependent communities to reduce pressures on forest.

The VFD project in Thanh Hoa and Nghe An and provides technical assistance on forest protection, small scale livelihoods and provides some support to local NGOs such as the Centre for Sustainable Rural Development. is reviewing the Co-Management Decree in Special Use Forest with PanNature and on a Community Based Resource Management Model in Nghe An which is an expansion of model done by the LEAF regional program.

In Quang Binh, RDPR (an NGO) works on poverty reduction. In the ER-P area small scale livelihood, forest protection and FLEGT work under the WWF CarBi project is supported in TTHue Province, the Vietnam Forest and Delta Project.

## **9.3 *FLEGT in the Emissions Reduction Program Area***

There are a number of pilot FLEGT activities in the six ER-P provinces. The FCPF project has undertaken initial survey work in three provinces to start to develop of a coordinated response with various partners including the VNForest FLEGT office, Customs, Forrest Protection Department etc. The on-going Forest - Biodiversity project (GIZ), expects to include FLEGT work (including work in the ER-P area) with the FLEGT Office and FPD include field testing of legality definitions; capacity development for FLEGT verification authorities; capacity development of industry operators; developing models for cross-border trade with Laos. In addition there will likely be contributions at the national level in the areas of developing the

legal framework and operationalization of the Timber Legality Assurance System (TLAS). As noted the SRD NGO is also working on FLEGT in the ER-P area.

# 10 Annex

## 10.1.1 Objectives of the UN-REDD II project in Vietnam

UN REDD+ is implemented by VNForest and includes support from FAO, United Nations Development Programme (UNDP) and United Nations Environment Programme (UNEP), and is funded by Norwegian government.

Programme areas: national level and six pilot provinces (Lao Cai, Bac Kan, Ha Tinh, Binh Thuan, Lam Dong and Ca Mau) and other forested provinces.

The overall objective of the UN-REDD Phase II Programme is:

To enhance Viet Nam's ability to benefit from future results-based payments for REDD+ and undertake transformational changes in the forestry sector.

**Table 10.1 Expected Outcomes from UN-REDD II**

Outcome	Summary of the activities
Outcome 1	Capacities for an operational National REDD+ Action Programme (NRAP) are in place
Outcome 2	The six pilot provinces enabled to plan and implement REDD+ actions
Outcome 3	National Forest Monitoring System (NFMS) for Monitoring and Measurement, Reporting and Verification and National REDD+ Information System (NRIS) on Safeguards are operational
Outcome 4	Stakeholders at different levels are able to receive positive incentives
Outcome 5	Mechanisms to address the social and environmental safeguards under the Cancun Agreement, established
Outcome 6	Regional cooperation enhances progress on REDD+ implementation in the Lower Mekong Sub-Region

## 10.1.2 Main recommendations from the independent evaluation of the FCPF and project responses

- There is a need for strengthening coordination and execution of preparation programs and REDD+, currently at least four REDD projects are implemented, including central and local projects, so the coordination among the project is extremely important for the development of a general coordinated REDD+ roadmap and approach, especially for the nation's readiness. Currently, the role of VNForest in coordination and orientation activities of REDD+ has not been clarified so it has not coordinated and effectively supported activities for preparation for REDD+. Therefore, in coming time, it is necessary to improve support and from VNForest. The coordination of the projects is vital to ensure Vietnam is officially recognized as REDD+ readiness by end of 2015 and beginning of 2016.
- **Project Response:** In general coordination with other projects was an early issue due to the need to prioritise some activities and organise work programmes internally. Coordination is now much improved with the FCPF taking a more important leading role in the ER-P area. VNForest appointed a new Project and Vice Director both with greater experience of implementation and the type of internal coordination that is required of projects.



- Improving the efficiency of cooperation and coordination among REDD+ projects nationally would help, therefore, the role of VNForest and the Vietnam REDD+ Office (VRO) is important to ensure effective cooperation. The VRO and National REDD+ Steering Committee should be a focal point developing roadmap as associated activities for the REDD+ readiness. Currently, there is insufficient full-time capacity on REDD+ in the Steering Committee, VNForest and VRO.
- **Project Response:** Similar comments were forth coming from the MTR of the UN-REDD programme, VNForest has reviewed the operation of the VRO and appointed a new Chair to improve coordination (the Vice Director of the FCPF project, also a seconded VNForest Officer) and the additional support to help build capacity in the VRO is being made available from the UN-REDD Programme (will fund extra staffing) and the FCPF project support for meetings and workshops and TA to develop the REDD+ Registry). The National REDD+ Steering Committee met twice in 2014 both times chaired by the Vice Minister, and was supported by much more frequent internal and more coordination meetings with related projects.
- Improving the project management mechanism. Approving and administrative procedures should be optimized immediately to ensure that technical bids are implemented on schedule. Planning and approving procedures within the project should be implemented the most simply, correctly and rapidly to complete the project promptly.
- **Project Response:** VNForest appointed a new Project and Vice Director both with greater experience of implementation and the type of internal coordination and management that is required of projects and provided internal support in the form of additional procurement experience and improved financial planning.
- Speeding up project progress to achieve all the objectives by the end of project life. Up to now, the project staff recruitment has been nearly completed; so, it is possible to focus efforts into speed up project implementation and disbursement. Also, tasks of the experts should be revised to ensure that their contracts end by the time or after relevant technical bids termination. Currently, some significant process has been made to revise the work plan to fit the project's timeframe. It is recommended that procurement plan should also be revised accordingly.
- **Project Response:** The project reorganised the project work plan, budget and procurement plan and revised or updated all TORs.
- Proposing revisions of project activities to be relevant to the R-PP, identifying the output of each activity and clarifying indicators to measure the completion of activities. It would be most suitable if FCPF finance is planned in accordance with the main assignments of the FCPF because the outcomes are required, and are directly the most useful for national preparation for REDD+.
- **Project Response:** The project reorganised the project work plan, budget and procurement plan and revised or updated all TORs, and this included a rationalisation and prioritisation of the proposed activities to be more in-line with the R-PP.

- Improving performance of the TWG and STWG that have been established, the performance of the VRO and TWG groups is still below expectation. The VRO has not performed well in the role of coordination while the technical groups have neither technically supported the project nor contributed greatly to the necessary development of strategy, implementation or planning. Therefore, if possible, some resources from the project, could be used help provide financial and technical support to the office and technical groups to perform their functions and help coordinate activities of Vietnam REDD+ readiness.
- **Project Response:** Similar comments as above on the operation of the VRO. VNForest has reviewed the operation of the VRO and appointed a new Chair to improve coordination and activities and additional support to help build capacity in the VRO is being made available from the UN-REDD. The main issue with the TWG and STWGs is that there are six groups, with some overlaps on subject matter. It has been clearly difficult for the VRO to coordinate six different groups. The STWGs are open forum with the *ad hoc* membership often changing from meeting to meeting. It is anticipated that the number of active TWGs and STWGs will be reduced. The key STWG on safeguards will have revised more formal role in the near future.
- Currently, there are six STWGs and it is difficult to coordinate with them all – much time would be spent in continuous rounds of meetings if all six STWGs worked properly. Some groups could be merged. A secure finance resource will be important to ensure their existence as well as the effective contribution to the REDD+. Within the FCPF, a certain budget and resources should be spared to support the operation of the STWGs.
- **Project Response:** Similar to the above response on the STWGs.
- Recruitment of the national experts for the project needs to be flexible. A number of REDD experts are working for governmental research institutes, but with the current WB procurement mechanisms, it is difficult for them to participate in the technical support of the project (as paid consultants).
- **Project Response:** This not an unfamiliar problem facing projects in general in Vietnam and the FCPF has worked with the WB and has resolved the appointment of a key specialist.
- Rearrange the project budget to allow Project to support one national expert for implementing Monitoring and Evaluation activities of the Project and has introduced a number of monitoring systems.
- **Project Response:** A misunderstanding as the TA team included a specialist with requirements to help develop M&E, but due to other priorities was deployed on other activities, the M&E system is now being implemented.
- To date with the current management mechanism and approach of the project, the central level has carried out most of the important technical activities while the local provincial levels have played the role of support or beneficiaries. As result, by the MTR, the local partner faces difficulties in grasping the whole REDD+ process and operating such a complex system. Therefore, there should be changes to increase provincial and local community participation. It is suggested that more activities

need to be allocated to the provinces to equip them with the knowledge and experience necessary for the operation of the system later.

- **Project Response:** The project agreed and as noted the project reorganised the project work plan, budget and procurement plan and there is now much more emphasis on working with and supporting provincial activities.
- Taking advantage of the available forestry information system to support the introduction and improvement of MRV systems and other information management of REDD+. Currently there are a number of good national information and monitoring systems in forestry sector, so the REDD+ projects should be able to take advantage of the systems to be a part of the information system of REDD+. It may be possible to make more use of the available systems, and the resources more efficiently and especially improve the progress of the project's components. FORMIS and supporting system of forest resources processing update should be integrated with more parts and information systems serving the REDD+ implementation.
- **Project Response:** The project understands that FORMIS is to be made more widely available, the project also has access to the NFI, which is currently on going, and this should become available on FORMIS soon. FCPF is also due to develop the REDD+ registry, which should become a better repository of verified information in the VRO. The FCPF is also set to work the UN-REDD on the development of the MRV system.

### 10.1.3 *Communications outputs*

Communications outputs in 2014 have included:

- New data placed on the REDD+ website;
- FCPF Project News Letters No. 2 (2000 copies each);
- Vifa Magazine - one new article on REDD+;
- REDD+ magazine in Quang Tri (300);
- Updated project news on Vietnam-REDD.org (5 news updates);
- Updated Provincial web sites in Dak Nong, Quang Tri and Quang Binh (21 news updates);
- Updated news on Provincial TV (8 short news clips and one six minute reportage);
- Updated news on provincial newspapers (3 Quang Binh, 1 Quang Tri, 4 Dak Nong);
- 10 minute radio broadcast in pilot villages in Quang Binh; and
- Two drawing competitions (200 children)

**Table 10.2. Updated monitoring table based on the R-PP completed by FCPF project** (table relates to the proposed activities in the R-PP and the World Bank Readiness Preparation Assessment Note)

Component	Sub component	Output	Progress indicator	Progress report note	
<b>Component 1 Analytical studies and development of capacities for the effective and efficient REDD+ implementation at national and provincial level (Readiness organisation and consultation)</b> □□	1a. National Dissemination of reports Readiness Management Arrangements	Participation by other stakeholders effective	Workshops, information meetings	National workshop on ER-PIN design held Workshops held in DN, QB and QT;	
		Outreach activities to GoV ministries and departments	Meetings, workshops, dissemination of reports		
		REDD Secretariat operational Technical Working Group established National REDD Network established	□ Meetings (e.g. travel for stakeholders on WG); Dissemination of reports	VRO operation, no reports sighted; some TWG were operational for a time; National REDD Network established but functionally unclear; STWG- Safe Guards most active STWG with 5 meetings held to date	
		2 additional staff hired for Technical Working Group	TORs prepared; positions advertised	No reports	
		Sub/national Working Group established	Meetings, reports	Some sub national TWG established (STWG- SG most active with 5 meetings held) and some reports produced on safeguards and legislation	
	1b. Consultation Participation and Outreach	Consultation process coordinated and operational	Public dialogue and community capacity building effective; progress reports		
		Stakeholder workshops	National stakeholder workshops held; provincial and district stakeholder workshops held	Stakeholder workshops being held in the DN, QB and QT provinces + VFD + UN-REDD II	
		Community capacity building	Training of local facilitators; meetings and consultations; posters distributed	Training of local provincial TOTs underway (Dec); further meetings held with communities; communications material distributed but clear difficulties of communications at commune and village level with ethnic minorities; capacity building in Commune village level weak	
			National information campaign (posters leaflets website etc.)	Awareness among stakeholders increasing	Awareness among stakeholders improving all 3 REDD+ SC operational; PPMUs more aware of the project, pilot districts, communes and village have been met and discussions held
	1c Assessment of Land Use, Forest Policy and Governance	Follow up studies initiated and completed	Study “Exploring forest degradation and opportunities from REDD+” on going/completed		Several studies already available, main issue is collection of up to date information from provinces which remains an issue
Study “Assess the impacts of rubber on the natural forests of the Central Highlands and Southeast Agro-ecological zones” on				Report available, used in ER-PIN; main issue is collection of up to date information from provinces which remains an issue	

Component	Sub component	Output	Progress indicator	Progress report note
			going/completed	
			Study “An examination of the forest classification and approval processes to determine impacts on forest loss and recommendations” on going/completed	? Main issue is collection of up to date information from provinces which remains an issue
			Study “Assess the current land allocation process and recommendations to improve the current system to benefit local communities” on going/completed	Work on FLA started; Pilot FLA work underway in QB and QT
			Study “Understand the impacts of shifting cultivation on forest cover in North West, North Central and Central Highlands” on going/completed	? Need to re-define requirements, and discuss with UN-REDD and much of the proposed area is out side FCPF, but in the UN-REDD areas of geographical operation
			Study “SEA of the current plans for medium/small scale hydropower dams with recommendation to reduce impact on forests (focus NC, NW, Central Highlands)” on going/completed	Several studies available, used in the ER-PIN
		General (management) skills on Strategy Development and Implementation	Vocational training of off-farm income opportunities, including efficient timber technologies organized/completed	Not yet information available from FSDP project and similar
		Further studies initiated and completed	Study “Exploring alternatives to forest conversion and forest degradation as well as capacity needs” on going/completed	Many studies / reports available
		Elements of National REDD+ Programme introduced:	Land use planning and zoning (and monitoring) assessed and trial on going	Pilot FLA work underway in QB and QT
		Land use planning and zoning	Forest Land Use right allocation process to households and communities supported	Pilot FLA work underway in QB and QT
		Forest Land Use right allocation process	Forest Policy, Legislative and Administrative Reform examined and implemented/in process	Some policy work identified and work has started (proposed list of policy studies available some are on-going e.g. work on PFES, and REDD+ fund etc)
		Forest Policy, Legislative and Administrative Reform	Planning and environmental requirements enforced/in process	Some policy work identified and work not yet started
		Administrative Reform	Training and capacity building on support for alternative livelihood options	Planned in 2015
		Planning and environmental requirements		
		Alternative livelihood		
		Up to date National REDD Strategy	Costs and benefits of alternative National REDD+ Programme options assessed and reported	Some policy work identified and work has started (as above)
			Review and updated recommendations to	Some policy work identified and work has

Component	Sub component	Output	Progress indicator	Progress report note
			National REDD Strategy reported	started (as above)
2c and 2d	1d REDD+ Strategy and Implementation Framework	Follow up studies initiated and completed	Study “Examining carbon ownership in the context of REDD+ in Vietnam” initiated/completed	Policy work identified and work has started (as above). Will be defined in the proposed Decree on REDD
			Study “Assessment of financial instruments in Vietnam to create a Vietnam REDD+ Fund” initiated or completed	Policy work identified and work has started (as above). Will be defined in the proposed Decree on REDD
		Review of current monitoring process	Assessment of monitoring needs and costs on going/completed	Not yet
		Concept revenue distribution system	Piloting BDS and revenue management structures at provincial level initiated	Work and lesson learned, support to PFES operational regulations and address in work on policy working with UN-REDD and VFD
			Study to standard procedures for permissible Government retention on going	Work and lessons learned, support to PFES operational regulations and address in work on policy, working with UN-REDD and VFD
			Study to opportunity costs on going or conducted	Not yet; part of TV QCBS 02/ CQS 02
<b>Component 2: Policies review, studies and development of user-friendly guidance materials on SFC (REDD+ Strategy Options)</b>				
		Feasible options for participation and provision of REDD+ services of FSCs and FMBs	Identify possible SFCs which would act as potential “pilots” as providers of REDD+ and multi environmental services; high level endorsement of pilots	Long Dai and Ben Hai SFC officially chosen as pilot SFCs, Ben Hai is interested in moving towards equitization; Long Dai is not, but still requires an up to date business plan and options for REDD+
		Operational and technical guidance for SFCs to become providers of multiple forests goods and ecological services (including carbon) is available	Develop the guidance and tools for SFCs to prepare their business plans on carbon financing for the SFCs (this could have eventual links to the REDD+ carbon fund or other funding sources);	TORs for consultant firm to support this have been delayed due to changes in strategy from WB partner; now resolved
		Review social and environmental safeguards in relation to SFC reform and support	Consultant recruited	Procurement underway
<b>Component 3: Stakeholder consultation and regional cooperation; and Strategic Environmental and Social Assessment (SESA) in connection with the refinement of national and sub-national REDD+ strategy options</b>				
	Social and environmental activities (2c)	Social and environmental strategy assessment (SESA)	International consultants in place	CTA recruited; but SESA consultants delayed
			SEAS Parameters defined	Detailed TORs drawn up
			Appropriate law enforcement in project design	Not yet
			Stakeholder involvement (meetings and workshops)	Some preliminary work done but mostly not yet
			Reports translations and printing	Not yet
		Multi-stakeholder consultations and	Workshops held and TOTs trained in the	Underway FPIC workshops held and TOT

Component	Sub component	Output	Progress indicator	Progress report note
		participation	provinces	workshop held
		Community Stakeholders capacity building	Workshops and village feedback	Under way as part of the FLA / SFM /CFM work
		Establishment/selection of suitable platform and mechanisms for regional cooperation on REDD+ and FLEGT	Review and liaise on FLEGT /VPA progress with VNforest, collect data and information at the Provincial levels; hold workshop to discuss issues	Information on FLEGT issues is underway, in QB, QT and DN; workshop planned for mid Dec
		Support for establishment of a national feedback and grievance redress mechanism	Part of the SESA	Delayed SESA, however, underway by consultant team
		Prepare a SESA Work Plan / Social and environmental strategy assessment (SESA)	International consultants in place; Assess the revised REDD+ strategy options against the adverse environmental and social impacts	Consultants delayed; Initial assessment undertaken for ER-PIN
		Review the prioritization of drivers of deforestation		Work included in the ER-PIN and separate reports from provinces available or underway
		Prepare an ESMF that is compliant with applicable World Bank safeguard policies	SESA output from international consultants in place;	Consultants delayed
<b>Component 4 Project management and monitoring systems for forests and safeguards</b>	4a Monitoring system for emissions and removals	Technical and operation procedures	MRV system and infrastructure designed and implemented	Not yet
		Data reporting guidelines for mechanisms	Parameters for measurements design determined; data recording and reporting	Not yet
		Procedures for nation data analysis and reporting	Access of FORMIS and the NFI	Work underway (not through FCPF) to make FORMIS and the NFI data more accessible
		National verification mechanisms	Recommendation on analytical (statistical) procedures; independent verification reports	Work on MRV underway with UN-REDD
	4b Other benefit and impacts	Procedures for national data analysis	Assessment of analytical (statistical) procedures	Not yet
		Functions for M&E and monitoring safeguards	Identification of analytical procedures on going	Not yet related to the delayed SESA consultants
		Benefit Distribution System (BDS)	Integrating external (UN-REDD Vietnam Programme) on going activities in MRV	Underway with UN-REDD
<b>Develop Reference Level Scenario</b>				
[Following the FCPF format these activities are normally described as “Component 3”, for monitoring purposes these is now included in as a sub component in 4, as the actual work and funding came separately from JICA future work is expected to be need to calculate RELs in the ER-P area]				
	4c Reference level activities	Data review and quality assessment	Data collection and capacity defined	National JICA study completed; GIZ study completed in QB but different approaches
			Gaps in data and capacity defined	CF10 comments require extra work in ER-PD
		Digital inventory		? Unclear what is expected here
		Assessment of RELs	Reports and recommendations	CF10 comments require extra work in ER-PD

Component	Sub component	Output	Progress indicator	Progress report note
		methodology		
		REL and RL sub national levels	Reports and stakeholder workshops	CF10 comments require extra work in ER-PD



## 10.3

## Coordination of activities in the ER-P area

Table 10.3 Summary of current REDD+ related activities in the ER-P Provinces and initial coordination between projects

FCPF / REDD+ activity requirement	Vietnam Forest and Delta programme (VFD)		UN REDD	FCPF	FCPF		Comments
	Thanh Hoa	Nghe An	Ha Tinh	TT Hue	Quang Binh	Quang Tri	
REDD+ Provincial Steering Committee (REDD+SC)	Yes	No	Yes	? Need to set up a SC	Yes	Yes	Need to coordinate on the approach on how the SCs operate FCPF to follow up in all provinces?
Provincial REDD Action Plan (PRAP)	Yes	Yes	Yes	? Possible for JICA2 to support a PRAP for Hue?	Subject to negotiations and funds; FCPF is in process of procuring consultants	Yes	Need to coordinate on the approach for PRAPs, the first PRAP for FCPF is an in-depth pilot UN-REDD working n Guidelines of implementation of NRAP and PRAP and developing Site REDD+ Action Plans (SRAP)
Free Informed Prior Consultation (FPIC) awareness  (...Required to follow CF10 “capacity building” in ethnic minority communities)	Not yet	Not yet	Yes, but follow UN approach	No exposure	Yes, initial work	Yes, initial work	VFD has no project requirement to do a full FPIC similarly with JICA2  UN-REDD follows FPIC approach developed under Phase 1
WB safeguards aware part 1: Strategic Environmental Social Assessment (SESA) and Environmental and Social Management Framework (ESMF)	Not yet	Not yet	Not Yet	Not exposure to REDD+	Not fully	Not fully	VFD currently has no project requirement to follow WB safeguards;  UN-REDD follows Cancun requirements

FCPF / REDD+ activity requirement	Vietnam Forest and Delta programme (VFD)		UN REDD	FCPF	FCPF		Comments
	Thanh Hoa	Nghe An	Ha Tinh	TT Hue	Quang Binh	Quang Tri	
WB safeguards aware part 2:  Feedback and Grievance Redress Mechanism (FGRM)  Provincial to National system	?	?	Funding consultants  Following Cancun requirements and Warsaw Framework	Not expected  Need to set a FGRM in Hue province	Initial work at province	Initial work at province	Part of SESA and ESMF output work;  FCPF needs to coordinate with UN-REDD who consultants expecting to develop a provincial and national grievance mechanism. FCPF consultants have not started UN-REDD consultants should start soon; FCPF consultants can review the approach
FLEGT/ Forest Governance	Need a consistent national approach that takes note of the CF 10 comments			Initial scoping field work in QT, QN and DN, and follow up workshop; required to follow CF 10 requirements		FCPF has been coordinating with VN Forest FLEGT team. UN-REDD expected to do work on forest governance and GIZ is expecting also to work on FLEGT	
Benefit Distribution System	?	?	Anticipate that some work has been done; BDS based on the consent developed within the PRAP/ or actors for a service provision There will be a national REDD+ fund (NRF) which should eventually give some guidance on distribution of funds	Not expected  Need to follow the BDS if supporting REDD+ in Thua Thien Hue province	Work on PFES	Work on PFES	UN-REDD leading; but FCPF supporting PFES; Should have some guidance on the PRAP on distribution of benefits/ funds and should dependent on the activities under the service provision... NRF will be part of VNFF; FCPF may help in developing regulations for the fund
Reference Emissions level (RL/REL)	Need a consistent national approach that takes note of the CF 10 comments, i.e. need to avoid different RL methodologies in different provinces; WB have advised FCPF to provide a regional RL, the regional RL should be compatible with the national RL						UN-REDD leading to produce a national RL
Monitoring Reference and Verification (MRV)	Need a consistent national approach and need to avoid different MRV methodologies use national data to set to give the regional MRV						UN-REDD leading, support from FCPF

FCPF / REDD+ activity requirement	Vietnam Forest and Delta programme (VFD)		UN REDD	FCPF	FCPF		Comments
	Thanh Hoa	Nghe An	Ha Tinh	TT Hue	Quang Binh	Quang Tri	
Forest cover, land use mapping or similar	Some provincial level	Some provincial level	?	Some expected need to confirm locations	None planned under FCPF	Some limited mapping	
Work with SFCs					Working with Long Dai SFC	Ben Hai SFC	UN-REDD will work with one but location not decided yet?

#### **10.4**            *Status of the Emissions Reduction - Programme Idea Note*

The ER-PIN was submitted to the FCPF and approved by the CF 10 in July 2104, a short summary of the ER-PIN is included here, and is considered to be an important step forward in the FCPF pipeline.

**The ER-PIN Goal:** The North Central Agro-Ecological Region (NCAR) is demonstrated to be a sustainable landscape, benefiting the economy, environment and society, across key sectors driving deforestation and forest degradation as a paragon of green growth for Vietnam and the wider ASEAN region.

**The ER-PIN Objective:** National and provincial green growth targets are achieved, through catalytic carbon financing for sustainable forest-agricultural frontier in the NCAR - to achieve transformative: (i) green economic reform in land use; (ii) poverty reduction and rural livelihood development; and (iii) and biodiversity conservation and enhanced ecosystem services - through carbon, and other, innovative financing streams.