VIETNAM

SUMMARY EMISSIONS REDUCTION PROGRAM IDEA NOTE

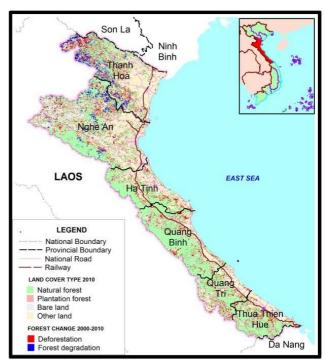**SUSTAINABLE MANAGEMENT OF FORESTS THROUGH LOW-EMISSIONS DEVELOPMENT PLANNING**

FOR GREEN GROWTH IN THE NORTH CENTRAL AGRO-ECOLOGICAL REGION

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.*

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.*

Landscape and land use:NCAR – 6 provinces (Thanh Hoa; Nghe An; Ha Tinh; Quang Binh; Quang Tri; Thua Thien Hue)in theNorthern Annamite Mountains:

- 5.1 million ha total area (16% Vietnam);
- 2.3 million ha forests (95% natural forest);
- 160 $MtCO_2e$ emitted during 2000-2010 (>25% all Vietnam's emissions from deforestation/degradation);
- Readiness projects in all 6 provinces [1]

Climate and land use: The region has a tropical monsoonal climate. Average rainfall is about 2500 mm with two seasons a year: the rainy season from June to December with storms and hurricanes and 85% of the rainfalls concentrating during September to November and the dry season from January to May.The natural conditions of the Central Coast region vary greatly from lowlands in coastal areas in the East to midlands and highlands in mountainous areas in the West. The coastal plains are suitable for annual crops, depending on the availability of water. The mountainous areas are of poor soil fertility due to high water run- off continuously removing soil nutrients. Most coastal areas tend to develop marine and coastal aquaculture and industries, while in the uplands, ethnic minorities mainly rely on sloping agriculture and forestry.

People:11 million live in the region, the region has a mixed socio economic profile as one third live below the national poverty line; the region has the highest and deepest rates of poverty per capita in Vietnam and lowest ranking household incomes in the country. Ethnic minorities are disproportionately more vulnerable to climate change.

Biodiversity: Fivecritical global conservation priority conservation corridors; 20 protected areas; 19 Key Biodiversity Areas; twoUNESCO sites; significant populations of 14 globally Endangered or Critically Endangered species, including: Asian Elephant, Saola,Indochinese Tiger and six species of endemic primate.

Emission Reduction potential: The emission reduction potential is12.04$MtCO_2$e and the removal potential is 8.62 $MtCO_2$ between 2016 and 2020; of this it is proposed that 50% would be made available to the Carbon Fund.

Drivers of deforestation and forest degradation: The main drivers are forest conversion to agriculture; infrastructure; shifting cultivation; unsustainable forest harvesting andillegal logging.

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[1] Vietnam Forests and Deltas (USAID); UN-REDD Vietnam Phase II (Norway); Nature Conservation and Sustainable Management of the Natural Resources in the Phong Nha–Ke Bang National Park Region (BMZ-KfW); Support for the REDD+ Readiness Preparation in Vietnam (FCPF Readiness Fund); Carbon and Biodiversity (BMUB-KfW)

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Underlying causes:undervalued forest and forest ecosystem services; the short term opportunity costs for other land uses such agricultural crops and industrial crops are high un-integrated land-use planning; insufficient investment in forestry; insecure forestland tenure; ineffective monitoring of forest resources; weak law enforcement and criminal justice system and persistent rural poverty especially in the upland areas all contribute to the causes of deforestation.

Proposed program interventions: The proposed program intervention strategies directly tacklethe underlying causes of drivers of deforestation and forest degradation by improving the supply of forest products, harnessing the value of forest ecosystem services and balancing incentives for sustainable with disincentives for unsustainable production. Six principal strategies areenvisioned:

1. **Provincial REDD+ Action Planning** (PRAP)-To bring improvements to the enabling environmentthrough theoperationalisation the National REDD+ Action Plan (NRAP) in the program area including: (i) the mainstreaming a stronger multi-sectoral low-emissions development planning process into decision-making for land use in Vietnam; (ii) province-specific tailoring of interventions to meet local priority divers of deforestation and forest degradation; and (iii) securing existing Programs and sources of financing to cost-share implementation of interventions.

2. **Forestland allocation**(FLA):- To improve forest quality by (i) enrichment planting and effective forest management (increasing the carbon stock by 15%) 300,000ha degraded natural forests; (ii) planting forest on barren land and replanting of **long** rotation species (saw log timber) 200,000 ha by 2020. Assigning dedicated statutory forest ownership to forest owners, prioritising communities and ethnic minorities, with traditional practices of community forest management (CFM), and limited alternative income generating opportunities from on-farm livelihood strategies.

3. **Sustainable forest management** (SFM)**:** To build capacity, technically and financially assisting State Forest Companies and village communities through forest farmer groups implementing CFM, introducing consistent 5-year forest management planning, reduced impact logging techniques in natural forests and extended rotation lengths (from 7 years to 12 years)in plantations; developing licensed small-scale wood and non-wood processing facilities; work in conjunction with the nationwide logging ban in all natural production forests, apart from those with international SFM certification, FLEGT licencing.

4. **Improved management of conversion of land with standing fores**t: To operationalise guidelines for conversion of land with forest to industrial crops e.g. rubber, cassava. Introducing innovative mechanisms to assess, plan and monitor conversion of land with forest.

5. **Payment for Forest Environmental Services** (PFES):To facilitate the expansion, uptake and operationalizing of the national PFES scheme to ensure harvesting closed production forests is not displaced into natural protection forests and protected areas. The legislation and institutional frameworks for PFES is still being developed and has the potential to generate substantial support to the forest sector, there is a need to improve transparency, accountability and monitoring through introducing innovative monitoring and incentive mechanisms to contracting of households and village communities to perform forest protection services for state forest management boards and piloting co-management governance modalities.

6. **Forest Law Enforcement and Governance** (FLEG): To support local authorities and law enforcement agencies, particularly the Provincial and Forest Protection Departments, for more strategic and tactical enforcement performance through: reorienting enforcement efforts towards prevention rather suppression; strengthening criminal justice responses (including the possibility of civil society monitors); adopting more intelligence-based enforcement to replace current reaction-based approaches; and national policy dialogue to inform the reformative agenda.

Non-carbon benefits(NCBs)**:** The program is to promote diverse NCBs – sustainable livelihoods; biodiversity conservation; enhanced ecosystem services; climate change adaptation and improved governance**.** Through participatory subnational planning and decentralised forest sector interventions, improved sustainable forest management and governance will be the focal Non Carbon Benefit (NCB) of the proposed ER Program, noting that governance failure is an underlying cause of loss or neglect of other NCBs (sustainable livelihoods; biodiversity and ecosystem services, and protection of rights).

Innovative features: These include integrated approach to forest and landscape management,support to the innovate forest supporting PFES approach, sustainable forest management and emissions reduction approaches mainstreamed into the government's administration and development planning andsignificant participatory and multi-stakeholder approaches brought to:
1. **Improved provincial and subnational planning** – Operationalisingof national REDD+ Programs to the decentralised government structures found in Vietnam. Identifying a judicious mix of interventions, tailored to

the specific drivers of each participating Province. Participatory PRAPmainstreaming climate change mitigation and emission reduction, together with NCB's, brought into the provincial socio-economic development planning process.

2. **Improved forest monitoring** – Integrated into the existing national forest mapping and monitoring systems for: a) forest carbon accounting; b) adaptive management of interventions; and c) NCB objectives. Participatory forest monitoring (PFM) methods will be up-scaled from previous pilots to improve the vertical and horizontal institutional integration of different stakeholders in carbon accounting for the ER Program.

3. **Benefit sharing** – At the local level, to incentivise carbon and NCB through individual and collective, monetary and non-monetary incentives tailored to specific interventions. Building on previous piloting participatory approaches to identifying locally specific type, timing, and distribution of 'pro-poor' benefits under the ER Program.

4. **Country-led safeguard systems** (CSS) –Operationalising the evolving CSS through: a) improved implementation and enforcement of existing legal framework; b) mainstreaming NCBs into subnational planning; and c) incentivising NCBs at the level of intervention implementation. The CSSwill continue to be developed with analytical inputs from the SESA-ESMF process.

Duration of the program: The Program isexpected to run from 2015-2030

Budget: The expected budget is US$37.5M over 10 years

Revenue: The expected revenue is US$ 72,31 M in 5 years

Partners: Government–Vietnam Administration of Forestry; Ministry of Agriculture and Rural Development; Ministry of Planning and Investment; Ministry of Natural Resources and Environment; Ministry Finance; Committee for Ethnic Minorities; Vietnamese Academy of Forest Sciences; Forest Inventory and Planning Institute. Civil society- Vietnam Red Cross; Sustainable Rural Development; Vietnam ForestryAssociation; Centre of Research and Development in Upland Areas; SNV; American Red Cross; WWF. Main donors and development partners: UNDP, UNEP, GIZ USAID; Norway; BMZ/BMUB; JICA, Winrock International.

Progress towards readiness: (see http://vietnam-redd.org/ for details):

- Commenced in 2008, with submission of R-PIN leading to FCPF Readiness grant approval in 2012
- UN-REDD program, Phases I (2009-2012) and II (2013-2015); 17 bilateral REDD+-related projects
- National REDD Action Plan (NRAP) approved by Prime Minister in 2012; 4 pilot provinces advancing with PRAP since 2013
- National REDD+ Steering Committee (cross-sectoral), National REDD+ Network (multi-stakeholder), National REDD+ Working Group (multi-stakeholder) and Vietnam REDD+ Office established2011
- Six sub-technical working groups: benefit sharing; governance; local implementation; MRV; private sector; safeguards
- National monitoring reference verification (MRV) framework (2011); subnational reference levels (2013-)
- Safeguards roadmap for NRAP (2013); environmental and social impact assessments for PRAPs (2014)
- Strategic Environment and Social Assessment SESA for National REDD+ Action Program and preparation of an Environmental and Social Management Framework (ESMF) for R-Package assessment in progress and completed within 2015