

## Forest Carbon Partnership Facility (FCPF) Readiness Plan Idea Note (R-PIN) Template

### Guidelines for Reviewers

Select a mark from the following scale: NA: Not Addressed. 1: Inadequately addresses criterion. 2: Barely addresses criterion. 3: Average, or adequately addresses criterion. 4: Good job of addressing criterion. 5: Excellent job of addressing criterion.

<b>1) Country submitting the R-PIN:</b>	<b>VIETNAM</b>	
<b>2) Date of Review:</b>	<b>30 June 2008</b>	
<b>I. Summary Assessment of the Quality and Completeness of the R-PIN:</b> <i>Note with value of 1 – 5</i>		<b>Mark (score):</b>
Criterion (i): Ownership of the proposal by both the government and relevant stakeholders:		<b>3</b>
Criterion (ii): Consistency between national and sectoral strategies and proposed REDD Strategy:		<b>4</b>
Criterion (iii): Completeness of information and data provided:		<b>3</b>
Criterion (iv): Clarity of responsibilities for the execution of REDD activities to be financed:		<b>4</b>
Criterion (v): Feasibility of proposal and likelihood of success:		<b>3</b>
<b>SUMMARY SCORE:</b> <i>add scores above and enter sum into box on right</i>		<b>SUM: 17</b>
<p><b>Improvements the country could make to R-PIN, and any TA needs for it:</b></p> <p><i>Well prepared and complete R-PIN that is a good basis for a full project preparation. Improvements can be made in the following aspects</i></p> <ul style="list-style-type: none"> <li>▪ <i>Consider a better integration of REDD in the various strategies that are currently implemented in Vietnam. Consider not only the incentives that are potentially provided through REDD schemes, but the integrated approach that REDD offers to the forest development agenda (including enhancing sinks, productive and protective functions of forests and biodiversity benefits)</i></li> <li>▪ <i>Address clearer the outcomes of FLEG activities and how they link to the proposed REDD strategy (Activity 11c). The argumentation has been done in the beginning of the document but the whole aspect of forest governance and REDD has been lost in the REDD proposal (chapter 11)</i></li> <li>▪ <i>Clarify responsibilities and expected outcomes, in particular of activities 11 c, d and e.</i></li> <li>▪ <i>Government needs to specify the term “indigenous peoples” and indicate how their rights will be respected from the time of pre-designing to implementation and REDD monitoring system.</i></li> </ul>		

## II. Participants Committee Selection Criteria: Information

**Relevance of country in REDD context:** Priority to countries with: (i) substantial forest area and forest carbon stocks; and (ii) relevance of forests in economy, including livelihoods of forest dwellers and Indigenous Peoples:

*The countries forest carbon stock is not substantial in overall terms, but important from the aspect of representativeness; livelihood concerns are of importance and in particular for indigenous people. However, it is not clear yet if productive natural forests will be handed over for community management in the REDD strategy or if the present system of only handing over deforested land will be maintained as the only possible approach. If that is the case, forest restoration needs to be tackled as a mitigation option.*

**Geographic and biome balance:** across the world's main forest biomes.

*South East Asia humid tropics, mostly heavily degraded and intervened landscapes; well representative for formally heavily forested countries with dramatic loss of forests over the past 5 decades due to war and following economic boom and livelihood pressures on the forest resources*

**Variety of approaches:** Proposed innovative approaches to tackling deforestation and degradation; methods; testing new mechanisms and distribution of REDD revenues; and/or regionally important leadership.

*Complete proposal that addresses all major issues to be tackled in piloting REDD activities. Need to integrate feedback mechanism in respect to the development of the post-2012 CC negotiations. The part on forest degradation might need more structure and particular attention, also from the perspectives of enhancing sinks (through forest restoration/reforestation). Vietnam is one of the key countries to learn more about forest degradation and forest restoration.*

*Multiple-forest use management, accelerated forest land allocation, and increased investments in forest land management, improvements to legal framework for forest law enforcement are needed. Better use of surveillance techniques and improved coordination between government agencies will be critical.*

## III. Detailed Review of R-PIN Responses to Template Questions:

*Please review the R-PIN quality and completeness in terms of addressing the major questions in the FCPF R-PIN template.*

### 1. Government focal point, and ownership and consultation in producing the R-PIN:

*Minister of Agriculture and Rural Development (MARD) is the focal point. There is a broad ownership for the proposal and extended consultation has been undertaken in this initial stage including international NGOs and international bilateral and multilateral institutions were Missing in this list and through rest of the document is the forest products industry sector. This sector is important since it constitutes a significant fraction of Vietnam's export earnings.*

### 2. Identification of institutions responsible for: forest monitoring, law enforcement, conservation, and coordination across forest, agriculture and rural development:

*The institutions are identified; all relevant work is done by sub-units of MARD. At this stage, the information provided is complete and precise enough for the central level. Clarity still needs to be given at the decentralized level (in particular in respect of the responsibility of the People's Committees in technical issues, including their role in a future REDD scheme).*

### 3. Current country situation:

**Where do deforestation and forest degradation occur, main causes, estimates of greenhouse gas emissions, data available? Key issues in forest law enforcement and forest sector governance?**

*The proposal provides a large amount of information on forest cover and quality statistics by main forest types*

and location. The data reported in this information, however, are difficult to interpret because of a lack of coherency in the way the statistical information is presented. A table showing the various statistics for different periods would help in this regard. What is lacking is a clearer presentation of the hot spot areas of deforestation and, in particular, of forest degradation. The argumentation in respect to the drivers of deforestation is not entirely convincing. E.g. the “huge demand in Europe, Japan and North America for inexpensive furniture...” (as stated on page 6) can barely be used as an argument for forest degradation as Vietnam imports an considerable amount of roundwood for furniture making. Vietnam currently exports four times more processed timber products by volume than it officially harvests from its own forests. Conversion to cash crops is noted as another important driver as are new hydro power projects. Livelihood of indigenous ethnic communities would be a particularly important driver since they occupy the remaining vulnerable forests. Since industry is such a large driver of deforestation in Vietnam they need to be explicitly consulted in the process to reduce deforestation otherwise industry will seek timber products elsewhere or expand illegal logging with leakage as the likely outcome.

GHG emissions data are available from the Second National Communication (1994?) but statistics are said to be only indicative due to the uncertainty in underlying data.

Five sources of forest cover data including both satellite imagery and field observation and monitoring data are described in the proposal including the fact that source (iv) General Forest Inventory Program has produced biased results.

It seems that legal instruments are not effective enough to control illegal logging and timber trading, including with neighboring countries. Streamlining the regulation is seen as potential solution to govern forest-based industries and forest-based crime.

#### 4. Data available on indigenous peoples and forest dwellers?

The forested hillsides in Vietnam (Northern and Central Provinces) are indicated as the living environment of ethnic minorities, to great extent forest dwellers. Reasons should be provided for leaving out the other areas vulnerable to deforestation that are identified on page 5. Information is provided and systematic censuses over the years have helped to gather a considerable knowledge about local resource use. What remain unclear are tenure and access rights in those parts of the hill forest areas that are used for production forests (and thus have a considerable commercial value and to which local forest dwellers do not have access). Land allocation for forest dwellers have been started since 1980s involving more than 5 million ha of degraded forest lands but not intact forest areas.

#### 5. Current strategy in place to address deforestation and forest degradation. What stakeholder process was used to arrive at it?

Vietnam has established since several years programmes to combat deforestation and land degradation, with relative success in quantity, as stated in the report. However at the level of forest quality (high conservation value forests), the policy failed due to the high pressure on the resource, mainly due to commercial forestry and economic failure of the former State Forest Enterprises. Presently, stakeholder involvement comprises more participation in consultation, but not in decision making. The document notes the processes that were used to arrive at the current strategy, and also the programs and policies that are currently in place. As noted before, industry is the missing stakeholder in this process.

The Forest Protection and Development Strategy (FPDS) took the initiative to develop a REDD strategy, which include:

- a) building a foundation of national awareness and capacity on carbon mitigation through REDD; and
- b) developing a clear national support framework for REDD, including guidelines and incentives for REDD sub-project developers. High level government commitment (Prime Minister Office) officiated the process.

**6. What would be needed to reduce deforestation and forest degradation?**

**Has country considered the potential relationship between REDD strategies and country's broader development agenda?**

*There is a clear agenda with several programmes/tools in place (see page 9) in which REDD strategies could be integrated. Demarcation of permanent forest estate, better monitoring and reporting systems, development of a national action plan, community based forest management are noted as some of the key thrusts that would be needed to slow deforestation. The country intends to integrate REDD into the broader development agenda. There is a need to link closer the REDD proposal with the existing policy on Payments for Environmental Services. The R- PIN mentioned that, but did not further develop on the arguments on did not specify how PFE will be done.*

*The elaboration of a comprehensive legal framework relating to deforestation and forest degradation is key to link REDD with broader development agenda. REDD activities will be conducted through mobilizing the existing program, such as, climate change mitigation and adaptation, community-based forest management, and national forest development strategy.*

**Has any technical assistance been received, or is planned on REDD?**

*In the past, there was yet no REDD support but activities related to enhancement of sink (A/R CDM). A possible FCPF support would most probably attract other donors and boost the development of REDD as a forest sector approach to the wider development agenda. Substantial TA has been provided (see list of contributors) in addition to multilateral and bilateral donor agencies in the general context of forest sector development.*

**7. What stakeholder consultation process would country use for developing and implementing REDD under FCPF support?**

*National Working Groups on REDD consisting of government and non-government representatives will play an active role in consultation with various stakeholders at all level through workshops, field trips and dialogues. Consultations were made through the Forest Sector Support Programme with on-going projects, such as, WB (customs), WWF (GFTN), IUCN (FLEGT, TRAFFIC).*

*Nevertheless, the proposal needs strengthening in respect to reach DD drivers at regional and local level. As well described in the R-PIN "there is a strong correlation between remaining natural forests and areas "occupied" by ethnic minority people". Nevertheless, there seems to be no true representation of those people in the development of the planned REDD activities so far. This aspect needs clarification in a revised R-PIN.*

*The Ministry of Finance does not appear to be part of the group, and given the potential for carbon credit financial flows, it would be important to engage them in this exercise.*

**8. Implementing REDD strategies: challenges to introducing effective REDD strategies, and how might they be overcome? Would performance-based payments through REDD be a major incentive for implementing a more coherent strategy to tackle deforestation?**

*Prior experience in Vietnam suggests that small payments (\$3 to now \$6/ha) were not effective in reducing deforestation, but larger payments perhaps through REDD that could arrest legal and illegal logging and conversion to crops could be effective. Funds would need to be channeled to those with a direct impact on forest protection: rural communities, natural forest management boards and local forest protection enforcement agencies.*

*Generally the arguments are well presented in the R-PIN,, but there is overly emphasis on the possible incentive effect of REDD and the conservation aspect. There is a clear policy in Vietnam to define and maintain the Permanent Forest Estate (which includes the three categories of production forests, protection forests and special use forests). Nevertheless, the Strategy does not come back to that concept and omits the possibility of sustainable timber management as one of the options of REDD to maintain existing carbon stock and enhance degraded forest areas (page 14). The "leakage" and "monitoring" aspects have been mentioned as challenges, but not developed further (is there really a leakage question in Vietnam considering that nearly all remaining forests are considered in a REDD scheme?)*

*Effective forest law is one of the main challenges facing Vietnam. This is mainly caused by lack of capacity, especially at local level. Coordination across government agencies is also lacking and pose tremendous challenge for REDD implementation. The effectiveness of incentives generated from REDD activities will depend on the unit price and sum of amount generated. In addition, the revenues generated may create tension unless the distribution is equally treated across the stakeholders.*

**9. REDD strategy monitoring and implementation:**

**How forest cover and land use change are monitored today, and any constraints in this approach?**

*A cycle of 5-yearly forest cover inventory has been conducted since 1991 and now entering the fourth cycle. Both remote sensed data supplemented by field observations are used to monitor forest cover and land use change today. The observations only cover land area change, however, and data on forest biomass and carbon stocks are not collected. (In the same section on page 15, however, the document states that NFIMAP only collects data on living biomass but not on other carbon pools. Which one is correct?). The resolution and thus accuracy is improved following the development of RS technology. Ground survey is usually carried out by local (district) offices. Stable legend for forest and land-use classification has been the constraint to assess the reality on the ground. In addition, data processing which is associated with the technical capacity of the staff also needs a lot of improvement.*

*The proposal clearly develops the existing challenges on monitoring and implementation and makes compelling arguments why a more systematic approach is needed (e.g. through the support of the FCPF). However, the proposal becomes vague when it argues on “additional remuneration for monitors” to discourage them from “fabrication of results”.*

**10. Additional benefits of potential REDD strategy, and how to monitor them: biodiversity and rural livelihood?**

*The REDD strategy has the potential to significantly improve the overall quality of forest management in targeted areas when measured against economic, biodiversity and social parameters.*

*Biodiversity monitoring is currently not carried out at national level and formal protocols for monitoring biodiversity at the national level have not been developed. No formal reporting on national level biodiversity trends is currently provided. Biodiversity will be an important element to monitor under a REDD program, especially as the commercial value of CERs and VERs will be influenced by the degree to which positive outcomes for biodiversity can be demonstrated.*

*Rural livelihoods, populations and income data are collected through periodic censuses. Rural livelihood benefits from forest management and development in general and from REDD activities in particular will need to be further monitored and expanded (e.g. by including more parameters). Transparent disbursement of payment to communities for REDD inventory work and for achievement of REDD targets will allow the link between REDD and rural livelihoods to be closely and objectively monitored.*

*The R-PIN addresses these elements when it refers to forest quality aspects. Emphasis should be given on how the quality aspect will be concretely addressed. In the R-PIN, the clear intention can be recognized to focus the support of REDD on forest-dependent people, in particular through community forest programmes (page 18).*

**11. What assistance is country likely to request from FCPF Readiness Mechanism?**

*The document lays out five elements that include setting up a transparent stakeholder mechanism, developing a reference case for deforestation and a national REDD strategy, design of a monitoring system, and design of a system to provide financial incentives. It notes the financing required for each element. These are appropriate vehicles for the design and implementation of a REDD program. Making the stakeholder participation inclusive of all actors, particularly industrial sector, will be important.*

*Financial support to build capacity for addressing REDD will be implemented through REDD Working Groups. It seems that the country has already in place a considerable number of potential technical assistance. An eventual concrete proposal to the FCPF developed by Vietnam would need to emphasize more on what kind of assistance is requested and who will do the necessary capacity building work.*

**12. Donors and international partners already cooperating with country on REDD.**

*FFI, SNV, and IUCN have been very active and contributed substantially in the development of Vietnam's R-PIN.*

**13. Country's Potential Next Steps and Schedule:**

*The immediate next steps are shortly described, but no substantial information has been given:*

*1. Consultation of relevant partners (July-Dec 2008)*

*1.1 Establishment of a sub-committee on Mitigation and REDD under MARD and specification of its TOR*

*1.2 Organization of consultation workshops on the REDD with the participation of various government agencies at central and local levels, potential international donors, INGOs, NGOs and representatives from local communities*

*1.3 Implementation of the consultation processes*

*2. Development of the outline for the national REDD strategy (Oct-Dec 2008)*

**14. Attachments and their usefulness:**

*Not available*