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PROGRAMME

On Reducing emissions from deforestation and forest degradation, conservation, sustainable management of forest resources and enhancement of forest carbon stocks, for the period of 2011-2020 in Vietnam

(Issued along with Decision no... /QĐ-TTg dated..... 2011 by the Prime Minister)

PART I

BACKGROUND FOR REDD+ IN VIETNAM

I. DEFINITION OF TERMS

Within this Programme, the following terms are interpreted as explained below:

1. Forest

- Law of Forest Protection and Development 2004 is the highest legal document regarding forests and the management, protection, development, utilization of forest as well as rights and obligations of forest owners. The Law defined “Forest is an ecological system constituted of forest flora, fauna, micro-organism population, forest land and other environment factors, in which timber plants, bamboo or indigenous plants system are the main components with canopy coverage of at least 0,1. Forest includes plantation forest and natural forest on production forest land, protection forest land, special-use forest land”. (Provision 1 Article 3).

During actual enforcement of the Law, Ministry of Agriculture and Rural Development provided specific guidance on the criteria for forest identification in Circular 34/2009/TT-BNNPTNT dated June 10th 2009. According to which, an entity is identified as forest if it meets all following three criteria:

- An ecological system, in which the main components are perennial timber trees, palm trees with tree top height of over 5.0 meters (except new plantation

forests and some mangrove species in coastal mangrove forests¹ and bamboo plantations capable in providing timber products, other forest products and other direct and indirect values, such as biodiversity, environment protection and landscape value;

- Canopy cover of the main components of the forest must reach 0.1 and above;

- Whole plot area of at least 0.5 ha, in case of forest plants strip the width must be at least 20 meters and consisted of at least 3 rows of trees.

2. REDD+

- In the Conference of Parties participating in United Nations Framework Convention on Climate Change (UNFCCC) held in Bali, Indonesia in 2007, the international community recognized deforestation and forest degradation as one of the drivers that lead to global climate change and considered forestry as an area that can contribute to effectively mitigate climate change process (CC) by *Reducing emissions from deforestation and forest degradation in developing countries* (hereafter referred to as REDD).

- From 2009, UNFCCC expanded REDD into REDD+ which stands for: *Reducing emissions from deforestation and forest degradation, conservation, sustainable management of forest resources and enhancement of forest carbon stocks in developing countries*.

Conference of Parties of the United Nations Framework Convention on Climate Change, held in Cancun, Mexico, December 2010, established REDD+ which include five activities: (1)- Reduction of emissions through reducing deforestation; (2)-Reduction of emissions through reducing forest degradation; (3)- Forest carbon conservation; (4)- Sustainable management of forest resources; (5)- Enhancement of forest carbon stocks.

3. Deforestation

The conversion of forested land into non-forest land due to direct actions by human.

4. Forest Degradation

Forest degradation are negative changes that affect the structure or functioning of forests, which undermines the capacity for providing forest products or services. Within the scope of REDD+ mechanism, forest degradation can be interpreted as the result of carbon stock loss in the

¹New plantations of timber species, new regenerated forests after harvesting, with average height of tree 1.5 m for slow growing species, more than 3.0 m for fast growing species and the density from and above 1,000 trees/ha are defined as forest.

ecosystem. The method for evaluation of forest degradation level is measuring carbon stock reduction per unit of area (e.g: hecta).

5. Reference Emission Levels/Reference Levels (RELS/RLs)

- Reference emission levels (RELS) are the basis (baseline) for determining emissions resulted from deforestation and forest degradation, based on historical forest data.

- Reference levels (RLs) are gross emission (or raw emissions) within an presumed geographical area for the reference period (conservation, forest protection and carbon stock enhancement). RELS/RLs are currently utilized as the basis to issue carbon credit.

6. Measuring, Reporting and Verification (MRV) system

- MRV system is a component of a system for monitoring and evaluation of mitigation actions registered by Parties of UNFCCC. During implementation, MRV needs to comply with general principles of UNFCCC, Kyoto Protocol and adapted with specific conditions of each countries participating in the Convention.

- Verification is the process of independent evaluation from third party over the expected and actual emission reduction level from a specific activity.

7. Emission displacement

It is the result of interventions to reduce emissions in one geographical area (local or national level) that lead to increased emissions in another geographical area. For example, emission displacement occurs when prevention of forest land encroachment for agriculture in one region led to conversion of forest land or deforestation for agriculture in another region.

8. Carbon pool

Carbon pool is a location capable of storing or emission of GHG. Forest carbon pools can be divided into 6 categories : (1) – In plants above ground ; (2) – Material fallen on ground ; (3) Ground bushes, fresh vegetation cover ; (4) – In tree roots ; (5) – rotten cover ; (6) – underground soil.

9. Input-based payments: payments calculated based on input with the assumption of emission reduction, and carried out in case where measurement of output are impossible (or too costly).

10. Output-based payments: payments are made directly based on output archived, including: payment based on reduced emissions (emissions-based) and payments based on carbon removals (stock based).

11. Participation payments: payments made before results of emissions reduction are available. REDD+ Fund must carry out these payments in form of advanced payments in cash to recipients before they implement REDD+

activities. Therefore, this type of payments are also called “ex ante” payments. With participation payments, the payments are made periodically with much shorter intervals than emissions reduction evaluation intervals by MRV. The magnitude of payment for each period depends on the characteristics of each location but must be sufficient to provide positive incentives and contribute to continuously maintain REDD+ activities carried out by recipients and avoid risks for the Programme. With the advanced payments, the principle of equity must also be ensured: the last payment amount would be determined by total payment based on performance less previous advanced payments made.

12. Safeguards

REDD+ safeguards include:

- Actions complement or are consistent with the objectives of national forest programmes and relevant international conventions and agreements;
- Transparent and effective national forest governance structures, taking into account national legislation and sovereignty;
- Respect for the knowledge and rights of indigenous peoples and members of local communities, by taking into account relevant international obligations, national circumstances and laws, and noting that the United Nations General Assembly has adopted the United Nations Declaration on the Rights of Indigenous Peoples;
- Actions are consistent with the conservation of natural forests and biological diversity, conservation of natural forests ecosystem to enhance social and environmental benefits;

II. LEGAL BASIS

1. International treaties and agreements

- UNFCCC defined the objective to stabilize greenhouse gas concentrations in the atmosphere at a level that would prevent dangerous anthropogenic interference with the climate system.
- Kyoto Protocol is a protocol to the UNFCCC adopted in 1997 with the goal of achieving the stabilization of greenhouse gas concentrations in the atmosphere at a level that would prevent dangerous anthropogenic interference with the climate system.
- The 13th Conference of Parties to the UNFCCC (COP 13), December 2007 in Bali, Indonesia, passed the Bali Action Plan to call for increase of activities to mitigate negative impacts of climate change, which include technical and policy measures to REDD.

- At COP 15, December 2009 in Copenhagen, Denmark, a first international agreement was reached on the financial contributions for supporting REDD+.

- At COP 16, December 2010 in Cancun, Mexico, Parties had reached following agreements:

REDD+ was established and includes 5 activities: (1) Reducing of emissions from deforestation; (2) Reducing emissions from forest degradation; (3) Forest carbon conservation; (4) Sustainable management of forest resources; (5) Enhancement of forest carbon stocks.

These activities will be implemented with consideration to “safeguards”, for example: actions complement or are consistent with the objectives of national forest programmes and relevant international conventions and agreements; transparent and effective national forest governance structures, taking into account national legislation and sovereignty; respect for the knowledge and rights of indigenous peoples and members of local communities.

To promote the implementation of REDD+ activities, developing countries need to develop following contents:

- National strategy or action plan;
- Forest reference emission levels/forest reference levels at national level or lower levels where possible;
- A transparent and sustainable forest monitoring system to monitor activities related to the above contents, and local monitoring system where appropriate;
- An information system on implementation progress and compliance to “safeguards”;

COP 16 called for member countries to develop and implement national strategies or action plans on REDD+, addressing drivers of deforestation and forest degradation, issues on land rights, forest management, gender and “safeguards” measure mentioned above, ensuring full and effective participation of stakeholders, in particular indigenous people and local communities.

2. Vietnamese legal framework

Vietnam proactively participated in most initiatives on restraining negative impacts of climate change, which includes REDD+, specifically:

- Signatory of UNFCCC (11/1994) and Kyoto Protocol (September 2002);
- Participated in Forest Carbon Partnership Facilities – managed by World Bank;

- Participated in UN-REDD Programme, commenced implementation in Sept 2010, currently preparing for phase II;
- Negotiating with donors for the supports to Vietnam in implementation of REDD+ programme.

Promulgated regulatory documents related to REDD+ in Vietnam, which includes:

- Prime Minister directive No 35/2005/CT-TTg, dated 17/10/2005 on the organization and financing to implement the Kyoto Protocol under the United Nations Framework Convention on Climate Change;
- Prime Minister decision No 47/2007/QĐ-TTg, dated April 6th 2007, assigned Ministry of Natural Resources and Environment and relevant line ministries and sectors to implement Kyoto Protocol and Clean Development Mechanism (CDM);
- Prime Minister decision No 158/QĐ-TTg dated 2/12/2008 approved the National Target Programme in Response to Climate Change;
- Ministry of Agriculture and Rural Development Decision No. 2730/QĐ-BNN-KHCN dated 5/9/2008 on the Framework Programme for Adaptation to Climate Change in the agriculture and rural development sector for the period of 2008-2020, including forestry;

Currently, Ministry of Agriculture and Rural Development appointed Vietnam Administration of Forestry, with supports from various international organisations and projects, to organise and implement several activities related to REDD+, such as: development of RELs/RLs for application in forestry based on historical input data from 1991 to date; study for proposing a benefit distribution system (BDS) for REDD+; development of MRV system; national forest inventory and assessment.

III. PRACTICAL BASIS

1. Overview of forest and forest land situation

1.1. Situation of forest land

According to the statistics of the MONRE (Decision 20976/QĐ-BTNMT dated 29/10/2009), the total natural land area of Viet Nam covers 33,105,136 ha. Of this, agricultural land accounts for 25,13 million ha and non-agricultural land for 3,47 million ha. 4,5 million ha are unused land. The agricultural land includes 14,76 million ha forestland distributed over 57 provinces and cities (production forest lands): 6,58 million ha; protection forest lands: 6,12 million ha; special use forest lands: 2,06 million ha); aquaculture: 0,739 million ha; salt production: 0,014 million ha and other agricultural land: 0,018 million ha.

Besides, there are approximately 3, 8 million ha of un-used hilly lands which will be classified and used as forest land in the coming years.

1.2. Forest situation

- In 1943, Vietnam had 14.3 million ha of forest, with the coverage of 43%. In 1990, there was only 9.18 million ha left, with the coverage of 27.2%. During the period 1980-1995, Vietnam lost approximately 110,000 ha of natural forest in average per year. However, from 1995 to 2009, Vietnamese forest area had continuously increased due to plantations and natural forest rehabilitation efforts. In average, forest area increased 282,600 ha per year (natural forest area increased 148,900 ha/year, plantation forest area increased 133,700 ha/year).

- By 31/12/2010, the total forest area in the country is 13,388,075 ha (forest cover is 39.5%), of which special-use forests: 2,002,276 ha (14.95%); protection forests: 4,846,196 ha (36.19%); and production forests: 6,373,491 ha (46.86%). Of the 13,388,075 ha of forest area, there was 10,304,816 ha of natural forest (76.97%) and 3,083,259 ha of plantation forest (23.03%). Vietnam forest are distributed unevenly: 5% of forest area is in Northern and Mekong Deltas, 35% in North Central, Central Coastal areas, 56% in Central Highland. Forest species are quite diverse, which include pine forest, broadleaf forest, *Dipterocarpus* forest, mangrove forest, bamboo and mixed forest.

- On forest reserves:

According to national forest inventory from 1997-1999 following directive 286/TTg dated 2/5/1997 by the Prime Minister, the total national timber volume is was 751.5 million m³ and 8.4 billion bamboo trees of all kinds, in which plantation forest volume is 30.6 million m³ (4.1% of total timber volume). In 2005, according to report from the Programme for inventory, evaluation and monitoring of forest resources for the period 2001-2005, total national timber volume was 811.6 million m³, in which natural timber was 758.2 million m³ and 9 billion bamboo trees of all kind, plantation forest volume was 53.4 million m³ (6.5% of total timber volume). Accordingly, in 7 years, total timber volume increased by 60.1 million m³, or 7.4%, mainly from plantation forests.

By 2010, according to reported data from provinces, national total timber volume was 935.3 million m³, in which natural timber took 92.8%, plantation forest timber was 7.2% and 8.5 billion bamboo trees of all kind. In comparison to 1998, total timber volume had increased by 183.8 million m³ (24.4%). However, forest quality of some rich forests, moderate forests of natural forests category had the tendency to continue decreasing.

2. Forest protection and development law enforcement, forest governance

2.2.1. Forestry related regulatory framework

- In 2004, the State issued Forest Protection and Development Law, the highest legislative document that regulate to management, protection, development and utilization of forests. After the promulgation of the law, mandated state agencies issued over 50 regulatory documents supporting the enforcement of the law. In addition, the management, protection, development and utilization of forest are also regulated by related legislation in land, investment, credit, finance, labour, commerce, environment, biodiversity...

- The policy system on forestry is relatively comprehensive, consistent and is being amended, improved, to form an enabling legal framework for the management of the sector and the transition from state-managed forestry mechanism to socialized forestry with participation from various elements of the economy; transition from harvesting and exploitation based forestry towards protection, tending and plantation; transition from centralize decision making to decentralized to local authorities.

- Major policies on forestry that had been implemented such as land and forest allocation in long term to people, investment and credit policy; policy on harvesting, utilization and benefit from forest contributed to economic development and effective land and forest utilization.

- Beginning to develop and promulgate some innovative policies such as the policy on payments from forest environmental services, policy on production forest plantation supports...

2.2.2. Planning and categorizing forests

- Checking on forest land are being carried out following Directive No. 38/2005/CT-TTg dated 5/12/2005 by the Prime Minister on the planning of three forest types with the objective of re planning national forest system.

- Based on the checking of three forest types on national scale, Ministry of Agriculture and Rural Development proposed land area planned for forestry purposes of 16,246,647 ha, in which special use forest: 2,198,744 ha; protection forest: 5,512,318 ha; production forest: 8,535,585 ha. According to this proposal, the total forest land will make up 49% of national total natural land area, in which 7% being special use forest land, protection forest land of 17%, production forest land of 26%.

- According to Vietnam Forestry development strategy for the period of 2006-2020 issued along with Decision No. 18/2007/QĐ-TTg dated 5/2/2007 by the Prime Minister, the objective is by 2020, 16.24 million ha of land planned for forestry are established, in which special use forest land area is 2.16 million ha (13.3%); protection forest land: 5.68 million ha (35%); production forest land: 8.4 million ha (51.7%). Forest/forest land area are distributed in 57/63 provinces and municipalities, mainly in hilly and mountainous areas within the

country; this is the residential area of 25 million people with many ethnic minorities, with low intellectual level, obsolete cultivation methods, slow economic development and challenged livelihoods.

2.2.3. Land and forest allocation

- According to Ministry of Natural Resources and Environment, by 12/2010, total forest land area that need certification of land use is: 12,742,458 ha; authorized state agencies issued 1,181,327 certificates of land use rights with the total area of 8,842,662 ha, which made up 69.4% total forest land area that need certification. In which, certifications to organisations: 5,875 certificates with the area of 5,505,030 ha; certifications for households, individuals: 1,175,083 certificates with the area of 3,337,632 ha.

- By 12/2010, among 13.388 million ha of national forest, forests that under the ownership/use by state organisations; 7.052 million ha, made up 52.67%, in which: economic organization: 2.018 million ha; management boards (special use, protection): 4.787 million ha. In addition, there was approximately 2.108 million ha of forest land, which made up 15.7% of total national forest area, had not been allocated to specific forest users, currently commune level people's committees are managing this type of land.

Forest area under ownership/use of non-state segment is 4.228 million ha, which made up 36.3% total national forest area, in which households, individuals: 3.431 million ha, which made up 25.6%.

Vietnam continues to promote forest and forest land allocation policy to non-state segments (private sector, households, individuals, communities). Therefore, in the future, the forest and forest land that belong to the state will decrease, whereas forest and forest land area are under the ownership/use right of non-state segments will increase.

2.2.4. Forest protection

- The Government strictly ordered the reduction of harvesting volume in natural forests. Based on the implementation of "Promotion for forest plantation, regenerate green cover on bare land hills and mountains, moving towards closure of natural forests" scheme, the number of provinces with forest harvesting activities have been reduced from 36 to 20 provinces and the number of forest enterprises reduced from 241 to 134, annual harvesting volume has been reduced from 1.2 million m³ to 300,000 m³, in which major annual logging volume is 150,000 m³.

- Ministry of Agriculture and Rural Development regularly broadcast information about forest fire on mass media to inform forest owners, in order for them to gain initiative in prevention and response.

- Local authorities at different levels have also actively paid due efforts towards forest management and protection. Many programmes, projects in socio-economic development in general, forest protection and development in

specific, have positive impacts on forest protection activities. At community level, more than 62 thousands agreements on forest protection and development are approved by village communities.

- 58/63 provinces and municipalities established Supervising Boards on urgent issues related to forest protection, forest fire combat, with more than 460/520 forested districts and 4,816/5,985 communes establishing Supervising Boards for the steering, administration and supervision of forest owners in the implementation of forest protection, forest fire prevention and combat in their localities; at the same time directly lead the prevention of deforestation and forest fire combat at grass root level.

- Programme 661 from 1998 to 2010 allocated 150-200 billion VND/year for the allocation for protection of over 2 million ha of forest, focused in prioritized areas.

- Forest law violation cases had been reduced: in 1998, there was 62,357 cases, in 2005 there was 39,440 cases (reduced by 37%), in 2010, there was 33,857 cases (reduced by 46% in compared to 1998). Forest area lost due to forest law violation had decreased: in 1998 the loss is 18,377 ha, in 2005 13,942ha (24% decrease), in 2010 the number is 7,415ha (60% decrease). However, the area lost due to forest law violation is still large.

2.2.5. Implementation of 5 Million Hectare Afforestation Program

- The programme had been implemented from 1998 to 2010 and afforested and regenerated 4,675,006 ha forest, specifically:

- + Afforestation of 2,450,010 ha, in which protection forest and special use forest 898,087 ha; material forest plantation of 1,551,922 ha.

- + Zoning and reforestation of 1,283,350 ha; in which zoning area into forests was 900,000 ha.

- + Industrial and fruit plantation of 941,464 ha.

- The programme contributed significantly to the increase of forest cover from 32% in 1998 to 39.5% in 2010. If counting area of rubber, caju nut, fruits plantation with canopy cover and new afforested area in 2009-2010, the national forest cover is 46.4%.

However, the forest cover and development trends area different in each province. In North East, Northern midland and North Central provinces, the forest cover rate is high (over 45%, with annual increase of 1.4%); whereas some provinces in Central Highland and South East area, the forest cover is decreasing (0.2% decrease annually in average). The main reason is the general movement of conversion of forest land use to hydropower plant construction, irrigation or plantation of industrial trees. In coastal province in Red River delta and Mekong Delta, the forest cover is also low with minimal increase rate (0.2%

increase annually). In many places, the area of bare land is still large, in particular the North West and Vietnam-China border area.

2.2.6. Rearrangement and renovation of state forest enterprises and forestry companies

- Up to 2005, there were 365 state forest enterprises, in which 110 enterprises were financially dependent and 245 enterprises were members of state corporations. Natural land area managed by state forest enterprises was: 4.081 million ha, in which, forest land area was 3.914 million ha. In specific: production forest land: 2.114 million ha (54%), protection forest area: 1.686 million ha (43%), special use forest land: 32,483 ha (3%).

- In pursuant of Decree No 200/2004/NĐ-CP dated 3/12/2004 by the Government on the resumption of arrangement and renovation of state forest enterprises and the “Rearrange, renovate and develop state forest enterprises” scheme, by 2010, there were 157 SFEs converted to forestry companies, 96 forest management boards established and operated as income generating administrative agencies, in which 68 management boards were established through conversion from state forest enterprises and 28 were established by separation of protection forest areas from state forest enterprises, 14 SFEs were dissolved. Many forestry companies are converted to sole member limited liability companies with the State being the 100% equity owner.

Forest area currently managed by 157 forestry companies is: 2,190,400 ha, makes up 16.3% of forest land area; by 96 management boards: 1,140,145 ha, equivalent to 8.5% of forest land area. Accordingly, each forestry company manages 14,471 ha in average, each management board manages 11,876 ha. During the rearrangement, land area allocated to local authorities is about 0.5 million ha.

2.2.7. State management agencies of forest and forest land

According to current legislation, two sectors are responsible for the state management of forest and forest land on national scale, which are natural resources and environment sector, and agriculture and rural development sector.

- The land management agencies structural system is established consistently from central to local level (commune level). Land management agency at central level is Ministry of Natural Resources and Environment. General Department of Land Management plays the advisory and support roles for the Minister of Natural Resources and Environment in state management and implementation of state management responsibilities of land on national scale. The agencies responsible for supporting the minister in state administration functions are Department of Registration and Statistics, Department of Land Planning, Department of Economy and Land Reserve Development. Land management agencies at provincial level are provincial Departments of Natural

Resources and Environment, with the Land Use Rights Registration Offices. District level land management agencies are Natural Resources and Environment Office. At commune level, there are land registration officers.

- Professional state management agencies on forestry are organised consistently from central to district level. State management agency on forestry at central level is Ministry of Agriculture and Rural Development. The Vietnam Administration of Forestry is an agency directly under the Ministry, which supports the Minister in state management of forestry on national scale. The agencies that support the Administration are Department of Forest Development, Department of Forest Utilization, Department of Nature Conservation; Forest Protection Department, Administration Inspection, Vietnam CITES Management Unit. State management agencies at provincial level are Departments of Agriculture and Rural Development, in which there are Provincial Sub-Department of Forestry and Forest Protection Sub-Department directly under DARD. State management agencies at district level are functional offices assigned with agriculture and rural development duties, with specialised personnel or personnel with doubled responsibility in both forestry and forest protection aspects. At commune level (where there is large forest area), there may have specialized personnel in charge of forestry.

3. Drivers of deforestation and forest degradation

Drivers of deforestation and forest degradation in Vietnam are diverse and complex, changing along with development stages of the country. These drivers not only originated from forestry sector, but also other sectors as well. Basically, drivers that directly cause deforestation and forest degradation are:

a) Conversion of land use from forestry purposes to agricultural purposes, especially development of perennial industrial trees, crop trees, aquaculture

- Conversion to perennial tree plantations: according to official statistics, in the last 20 years, the area of perennial tree plantations has increased quite rapidly: from 657 thousand ha in 1990 to 1,451 thousand ha in 2000 and approximately 1,986 thousand ha in 2009 (3.02 times of 1990's). Among which, rubber plantation area has the most rapid increase: from 483 thousand ha in 2005 to 632 thousand ha in 2008, with average new plantation area of 50 thousand ha per year. It is predicted that by 2015, rubber trees area alone will be increased by nearly 120 thousand ha, 30 thousand ha of cashew nut new planted, bringing the cashew nut plantation area to 430 thousand ha in 2015. Local long term plans show that rubber plantation area is going to increase very fast. This may lead to large exhausted forest area being converted to rubber plantations. This situation is highly common in Central Highland and South East region.

- Conversion to annual industrial plants: area of annual industrial plantation has also increased. In 1990, there was 542 thousand ha, in 2000, it was 778

thousand ha and in 2009 758 thousand ha (increase 1.4 times in comparison with 1990). Among over 200 thousand ha increased, a significant amount was converted from forest land.

- Conversion to aquaculture establishments: aquaculture area also has the tendency to increase. In 2000, there was 642 thousand ha, in 2009 there was 1,044 thousand ha (increased by 62% in comparison to 2000). By 2015, it is expected that aquaculture area will reach 1,120 thousand ha (7% over 2000). Aquaculture development policies from the authorities and positive signals from aqua product market had directly or indirectly led to conversion on large scale of coastal mangrove forest to shrimp production farms.

- Forest area used for cultivation in highlands: according to statistics from Forest Protection Department (Administration of Forestry), currently there are nearly 40 provinces (with about 1000 communes) with cultivation in highland areas. The area of highland cultivation is over 2million ha, in which rotation crop field area is about 1.2 million ha, fixed field area of 0.9 million ha, widely dispersed over sloped terrain with slopes higher than 16°, at height of over 300m. Most of cultivated land are forested land or planned for forestry purposes.

b) Unsustainable harvesting (both legal and illegal harvesting)

- Forest degradation and deforestation are also driven by unsustainable harvest, inefficient resource management. The underlying reason is the challenged livelihood of people in the area. Deforestation, illegal logging activities are hard to identified and un-controllable in many areas. This is considered to be one of the important reasons that led to deforestation in Vietnam.

- In 5 years (2005-2010), there were 55,200 cases of forest law violations detected and processed (mainly deforestations, illegal harvesting) and deforested 38,535 ha of forest, annual loss of 7,707 ha. State regulation violation in forestry is still severe in some localities, created serious damage and losses of forest resources, upsetting the society and the public.

c) Infrastructure development

Another important factor is the development of infrastructure works, such as hydropower plant, irrigation, mineral mining area, traffic routes, construction of resettlement areas, industrial areas... in and around forested areas.

Among all infrastructure development activities, the construction of transportation roads and reservoirs/dams caused heaviest deforestation.

Transportation route system in Vietnam has doubled in length since 1990. The enlargement of transportation network had allowed easier access to forest,

and therefore forest land encroachment and unsustainable logging have increased.

According to data from Ministry of Agriculture and Rural Development, for 5 years (2005-2010), deforestation due to conversion to other land use, mainly for transportation and hydropower plant constructions, was 142,129 ha. According to national hydropower development planning up to 2015, hundred thousands hectares of natural forest may be lost. Even though it is in compliance with Government norms, this is still the main driver of deforestation and most are permanent.

d) Forest fire

From 1992 to 2002, there were 6,000 ha of forest lost due to forest fire per year in average. During the period of 2005-2009, there were 3,102 cases of forest fire reported, damaged 11,752 ha of forest (2,350ha/year).

The direct causes of forest fire in the last years is burning for cultivation on highland (63%), collecting scrap (13.6%), careless fire use in forest (6%), other reasons (7.7%), deliberate burning due to conflicts, retaliations and conscious burning (9%).

These are direct causes, but the underlying reason that leads to deforestation and forest degradation is poverty, physical and natural population increase, weak forest law enforcement, insufficient institutions and policies...

From such situation, the study and development of REDD+ Programme for implementation on national scale is needed, to constrain drivers of deforestation and forest degradation, reduce emissions, increase forest carbon stock, improve livelihoods of people and local communities who live in and near forests.

PART II

OBJECTIVES, GUIDING PRINCIPLES AND SCOPE OF THE PROGRAMME

I. OBJECTIVES

1.1. Overall objective

The National REDD+ Program will contribute to reducing emissions, enhancement of carbon stocks, biodiversity conservation, and at the same time improving the livelihoods and poverty alleviation, environment protection and promoting sustainable development in Viet Nam

1. 2. Specific objectives

a) Period of 2011-2015

- REDD+ readiness in Vietnam prepared through capacity building and institutional development for relevant organisations, individuals at central and local levels (about 40 provinces with natural forest area over 25,000 ha);

- Contribute to emissions reduction from efforts to reduce deforestation and forest degradation, enhance forest carbon stock, carbon pool conservation and sustainable management of forest resources in demonstration activities in pilot provinces;

- Carry out payments for participation and performance based on emission reduction, carbon stock enhancement at demonstration points in pilot provinces.

b) Period of 2016-2020

- Reduce emissions from efforts to reduce deforestation and forest degradation, enhance forest carbon stock, carbon pool conservation and sustainable management of forest resources on national scale;

- Carry out payments for participation and performance based on emission reduction, carbon stock enhancement on national scale;

- Contribute to improve livelihoods of local people implementing REDD+; sustainably and effectively manage, exploit, utilize biological resources, protect resources, environment, mitigate climate change.

II. GUIDING PRINCIPLES IN PROGRAMME DEVELOPMENT AND IMPLEMENTATION

1. Respect Vietnam policies and legislation, compliance with international treaties that Vietnam is a signatory.
2. The Programme must be implemented in harmony, phased and focused; with transparent governance, following modern governance standards.
3. Programme activities must be decided transparently, democratically, ensuring equality and fairness, with respect to stakeholders' interests and rights, improve sustainable livelihood, respect ethnic minorities people's traditions and custom; promote gender equity.
4. REDD+ Programme must be linked with planning, plans, policies from relevant sectors and locals to strike a balance between different objectives and interests of sectors and localities.

III. DURATION AND SCOPE OF PROGRAMME IMPLEMENTATION

1. Programme implementation period

Phase I: 2011 – 2015;

Phase II: 2016-2020.

Phase III: from 2021

2. Scope of programme implementation

a) REDD+ Programme will be implemented in forested or forest related provinces.

Period of 2011-2015: select at least 8 pilot provinces, develop demonstration models based on results, pilot BDS. Summarize, evaluate, draw lessons and experiences.

Period of 2016-2020: Expand all 5 REDD+ activities to forested and forest related provinces, piloting result-based approach. Prepare for full implementation of REDD+ at nation-wide level.

Period from the year 2021: Full implementation of REDD+ with market-based and result-based approach at nation-wide level with REDD+ credits.

PART III

PROGRAMME CONTENTS

I. PERIOD OF 2011-2015

1. Capacity building and institutional development for management of REDD+ activities in Vietnam

1.1. Objective

Ensure operational capacity for organisational and management structures of REDD+ programme at central and local levels.

1.2. Contents

a) Organize workshops, communications, training supports for people participating in implementing REDD+ Programme at Central and provincial levels;

b) Support the institutional development and adjustments of state management agencies to adapt with REDD+ requirements;

c) Select a number of provinces for implementing REDD+ pilots, to serve as the basis for amending, improving the mechanism, policies for REDD+ implementation in Vietnam.

2. Establishing forest emission reference level (REL)/forest reference level (RL)

2.1. Objective

National RLs and RELs for each eligible activity under the REDD + mechanism are developed.

2.2. Contents

2.2.1. Preparation and inception activities

- Review and quality assessment of the four forest inventory cycles data of the National Forest Inventory Programme since 1991; review and assessment of methodology for RELs/RLs development.

- Consultation with national and international stakeholders on methodological development of RELs/RLs for Viet Nam.

2.2.2. Develop RELs/RLs for all carbon related activities within the scope of the REDD+ mechanism being negotiated under the United Nations Framework Convention on Climate Change (UNFCCC)

- a) Develop RELs/RLs for each of the eligible activities. The national RELs/RLs will principally be aggregates of RELs/RLs developed for each stratum at the sub-national level (provincial level), more specifically, provinces will develop: RELs for deforestation; RELs for forest degradation; RLs (in the future) for enhanced forest carbon stock.

- b) Develop a retrospective REL based on historical deforestation trends since at least 1991. Initial forest activity data for deforestation can be based on full available records or satellite imagery and supplemented with existing forest inventory data from 1991.

- c) Develop RELs from deforestation and forest degradation at local level, and establish a national database that is publicly accessible.

2.3. Process of review and revision

Based on agreement on REDD- related definitions of RELs/RLs for Viet Nam, define eco – regions, assign RELs/RLs based on bio-physical assumptions per eco-region stratum, assess availability of existing forest inventory data according to the eco-region stratum, collect forest inventory and biomass data for each stratum, update/ develop emission factors for each eco-region, allocate RELs/RLs for appropriate administrative unit levels (initially at the provincial level, and applying to the district level in time)...

2.4. Assignment for management, implementation

Responsible for managing the process of RL/REL development will be the Ministry of Agriculture and Rural Development, in cooperation with Ministry of Natural Resources and Environment, assigning specialized departments with the development and establishment of RELs/RLs.

3. Establishment and operation of Measurement, Reporting and Verification (MRV) system

3.1. Objective

National MRV system established and operational.

3.2. Principles for establishing and operation of MRV system

- MRV system must comply with guidance from Intergovernmental Panel on Climate Change (IPCC), in supporting the implementation of UNFCCC;

- MRV system must be adapted with national situations and capacities; to take full advantage of abilities, capacities and information available; ensure effectiveness and multi-purposes; the development and implementation of MRV, information, policies and measures monitoring will be conducted in phases, with the participation from forest owners and stakeholders;

- MRV will operate based on a transparent and effective system for monitoring and reporting forest developments within the scope of REDD+ mechanism, information systems on REDD+ safeguards;

- The implementation of MRV needs to be based on current relevant organisations and only establish new entities where necessary;

- Vietnam would carry out all processes of the MRV system, international organisations and other organisations will support with technical capacity building and institutional capacity development;

- Gas emissions will be reported once every 4 years and updated once every 2 year;

- Vietnam has full and sole responsibility to implement, monitor and report on REDD+ in Vietnam.

3.3. Contents

REDD+ payments in Vietnam will be based on verification of results of emission reduction or enhanced forest carbon stock. MRV system will provide “evidences” for credit certification, supporting in recording of all data on forest resources and continual updates. MRV system will be integrated into national reporting on greenhouse gases inventory to submit to UNFCCC. Therefore, the coordination with Ministry of Natural Resources and Environment will be critical in the design and operation of MRV system.

Establishment and operation contents of MRV include:

3.3.1. Establishment of a transparent and effective national forest monitoring system for reporting on activities within the scope of REDD+ mechanism

- Comprehensive national forest monitoring system and database management for Vietnam will be established to comply with commitment on MRV with UNFCCC. This system not only focuses on activity data about emissions and emission displacement, but also on benefit distribution and other interventions, as well as on the implementation of REDD+ programme. Processes for implementation of activities are separated, but are linked and supplement each other;

- MRV will be established in three steps: (1) Technical support and capacity building; (2) Operationalize and test the system with three elements: forest land management, national forest inventory and greenhouse gases inventory; (3) Operationalize integrated MRV system and provide information for REDD+ Programme;

- MRV system will be provide with necessary information from: (1) Forest land management system (FLMS) – providing information on land use and land use conversion; (2) National forest inventory system – providing information on forest and biomass; (3) Greenhouse gases inventory – providing data on greenhouse gases;

- Linking forest monitoring system at province level with national forest monitoring system;

- Establishment of national forest monitoring system employs remote sensing technology and ground truthing based on carbon stock assessment. The approach and monitoring system will provide transparent, consistent, accurate and sufficient predictions, reduce uncertainties and comparable results with other countries for consideration by UNFCCC.

3.3.2. Monitor emission and emission displacement in pilot provinces

a) The monitoring of emissions will be conducted in a 2 level approach:

- Level1: collection of baseline data by forest owner from a statistically significant number of sample lots;

In level 1, the data is not enough to estimate biomass, therefore it will be supplemented with data from level 2. Existing national forest inventory and other subsequent studies will provide addition data (level2) for conversion of level 1 data into biomass data. In level 1 data is also supplemented by satellite based monitoring for accurate estimation of forest area.

- Level 2: Generation of accurate data on forest through forest inventory, survey. Forest inventory related activities include:

Determine standard lot: determine the change in plants and forest over time, contribute to the verification of changes in carbon stock over time;

Remote sensing: satellite imagery is used to identify changes in forest area and forest quality without having to go on site for survey;

Field measurement: verification of remote sensing data by ground truthing, directly measure plants and forest, to verify forest characteristics such as: forest type, forest structure, current species and possibility of discover forest degradation types that cannot be detected by remote sensing imagery;

Data collection and management: collection and dissemination of information; local people can be involved in data collection; data management requires a reliable database system and well organized with specially trained staff for the operation of this system.

b) Emission displacement is considered as an issue that need to be addressed within REDD+ mechanism

- Emission displacement monitoring system will be established for quantification of displacement;

- An important implication of the monitoring process is access to feedbacks from neighbouring countries. Reduction of displacement risk can only succeed if both governments apply an effective control mechanism, for example through a strict procedure to control cross-border trade of forest products;

- The government will be supported in establishing a system to effectively monitor emission displacement. Along with several legal controlling measures, a broad communication programme will be implemented to prevent risks. This issue will be closely monitored and remedy measures will be applied when necessary;

- Emission inventory (generated through MRV system) will be used to report REDD+ results on carbon gases equivalence to UNFCCC.

3.3.3. Data reporting and management

- Basic data reported by forest owners would be managed through a national database infrastructure under MRV. There are many options on available technologies that might be applied to support forest owners and organisations in reporting their data to national MRV system;

- At central level, all data from forest owners will be referenced, incorporated with other sources of information for analysis. The analysis will include data quality assessment, estimation of biomass and change in biomass, review stratification of ecological areas...Analysis results will be presented in reports on reduction of emissions and emission displacements, in compliance with requirements of REDD+ mechanism defined in the summit conference of parties to the UNFCCC.

3.3.4. Verification of emissions and emission displacements

- Verification of reports on reduction of emissions and emission displacement will be conducted at national level, before submitting to UNFCCC, and independent audit as required by UNFCCC;

- Government of Vietnam will define the verification procedure to report on reduction of greenhouse gas emissions and displacement following UNFCCC's criteria. MRV system will incorporate functions for independent auditing;

- After submitting reports, access for independent auditors (international) will be granted for review of all data in MRV system, from basic data provided by forest owners during reporting stage, forest inventory data, procedure analysis and assessment of data quality, biomass estimation and reporting... Therefore, MRV system will function as main storages for all relevant data for reporting on reduction of emissions and displacements;

Independent audit: for REDD+, each country calculates its own amount of reduced emission and requests for a certain amount of REDD+ credit. These requests are verified by an independent third party.

- Emissions and displacement reduction verification in several provinces selected for piloting.

3.4. Management, implementation responsibilities

a) Forest Land Management System (FLMS)

This system might be fully implemented with participation and cooperation from key organisation related to monitoring, supervision of land and forest use, which include:

General Department of Land Administration (under Ministry of Natural Resources and Environment) and sub-national land registration agencies will conduct monitoring of land.

Cooperating agencies, organisations include:

Department of Forest Protection, Forest Inventory and Planning Institute under Vietnam Administration of Forestry (Ministry of Agriculture and Rural Development) and sub-national department of forest protection;

National Center of Remote Sensing, several related universities.

b) National Forest Inventory

- Vietnam Administration of Forestry (Ministry of Agriculture and Rural Development) is the leading agency to carry out national forest inventory;

- Forest Inventory and Planning Institute (FIPI), Department of Agriculture and Rural Development (sub-department of forest protection,

forestry) are professional agencies that support Vietnam Administration of Forestry in conducting national forest inventory, developing conversion factors and growth equations, independent verification and reporting of field measurements;

- Vietnam Institute of Forestry Science: conduct forest research, develop ecological categories, develop growth equations;
- Vietnam Forestry University: training and capacity building.

c) Greenhouse gases inventory

Ministry of Natural Resources and Environment is in charge of providing information on greenhouse gases inventory.

d) Monitoring of emissions and displacement

- Stakeholders can play important roles in each type of monitoring;
- Civil society should participate in the development and decision making on participatory monitoring. Currently, civil society organisations in Vietnam, especially at grass root level, have limited capacity and network, mass organisations such as Women Union and Farmers Union may contribute better at this level;
- International non-governmental organisations are encouraged to participate at national level.

4. Financial management of REDD+ Programme

4.1. Establishment and management of REDD+ Fund

4.1.1. Justification for establishment of REDD+ Fund

- a) Mobilizing social resources from national and international sources to archive REDD+ objectives;
- b) REDD+ Fund contributes to generating employment opportunities, improve livelihoods for beneficiaries from forest or those whose actions directly caused deforestation and forest degradation;
- c) Financing from REDD+ Fund is utilized to raise awareness and sense of responsibilities for individuals, households, organisations, village communities towards forest protection and development activities by those who benefit from forest or have direct impacts on forest;
- d) REDD+ Fund contribute to build capacity for implementation of policies, legislation and management capacity, effective utilization of forest resources to prevent deforestation and forest degradation. Enhancing forest carbon stock, fulfil the objective of forest protection and development.

4.1.2. REDD+ Fund operational principles

a) Vietnam REDD+ Fund, without merging with state budget like other state revenues, will not be used for other purposes beside REDD+; disbursement of the fund will be conducted following targets, objectives and regulations by international REDD+;

b) REDD+ Fund operates socially and for the environment, to contribute to encourage social members participating in forest and environment protection; REDD+ Fund does not operate for profit;

c) REDD+ Fund must operate openly, transparently, effectively, for the right objectives and compliance with Vietnam legislation and international treaties and agreements.

4.1.3. Conditions for establishing REDD+ Fund

According to current legislation, the establishment of REDD+ Fund must meet the main conditions:

a) There is a need to establish the Fund to support REDD+ Programme in forest protection and management;

b) There exists the ability to mobilize financial sources for the Fund and management of REDD+ Fund, ensure stable, long term and effective operation of REDD+ Fund;

c) Establishment, management and utilization proposal for the Fund is approved and made decision of establishment by authorized state agency.

4.1.4. REDD+ Fund revenues

a) National REDD+ Fund

- Bilateral support from countries, international organisations to Vietnam;
- Multi lateral sources from countries and organisation contribution to international REDD+ Fund to support Vietnam;
- Revenues from associated forest owners, who market carbon credits from REDD+ in the international market.

b) Provincial REDD+ Fund

- Payments, advances transferred from central REDD+ Fund;
- Contributions from national and international donors to the Fund;
- Addition expenditure for the Fund from local state budget;

- Legal revenue from financial fines for violations of REDD+ commitments by implementation entities.

4.1.5. Structure of REDD+ Fund

a) National level

- Establish REDD+ Trust Fund Office (hereafter referred to as Central Fund) directly under Vietnam Forest Protection and Development Fund, established and managed by Ministry of Agriculture and Rural Development;

- REDD+ Trust Fund Office in Vietnam will have representatives from international partners participating in the management and administration structure of the Fund, including Fund Management Council (hereafter called Council). Supervising Board and management structure of Forest Protection and Development Fund also used for implementation of activities following REDD+ Vietnam;

- REDD+ Fund management council is established by Minister of Agriculture and Rural Development, with representatives from international REDD+ partners, civil society organisations in Vietnam;

- Fund management council include Chairman, international REDD+ partnership representative serves as co-chairman; Vice Chairman and council members, depending on requirements from international partners in agreement with MARD to assign experts to participate, support and monitor Fund activities. Members of the council work part-time;

- Chairmen of the council are representative of leaders of Ministry of Agriculture and Rural Development and representative of international REDD+ partners, Vice Chairmen are appointed by Minister of Agriculture and Rural Development;

- Council members are appointed by Minister of Agriculture and Rural Development, including senior officers from Departments of Ministries, sectors: Agriculture and Rural Development, Finance, Planning and Investment, Government Office, international REDD+ experts, representatives from civil society organisations at central level;

- REDD+ Fund management council is responsible for all their activities before Vietnamese and international legislation and regulations, and before Minister of Agriculture and Rural Development, Administration of Forestry;

- REDD+ Fund Supervising Board is proposed by the Council for approval by Minister of Agriculture and Rural Development;

- Vietnam REDD+ Fund Office is under Forest Protection and Development Fund, located in Administration of Forestry (under Ministry of

Agriculture and Rural Development), is responsible before the Council, Head of Administration of Forestry and before the law;

- Ministry of Agriculture and Rural Development approves Regulations on the organisation and operation of Vietnam REDD+ Fund Office.

b) Provincial level

- Establishment of Vietnam REDD+ Trust Fund under Forest Protection and Development Fund at provincial level to receive revenues from REDD+ and provide trusted services by the provincial Forest Protection and Development Fund, defined in Decree No. 05/2008/ND-CP dated 14/1/2008 by the Government, according to contents of REDD+ projects approved by the Central Fund management council;

- Ministry of Agriculture and Rural Development coordinates with relevant line ministries, sectors on the formulation of framework regulations for organisation and operation; financial mechanism for management, utilization of REDD+ Trust Fund account at provincial level, in compliance with Decree No. 99/2010/ND-CP and regulations from international REDD+ organisation;

- Province People's Committee regulates the organisation and conducting of disbursements; mechanism for management and utilization of REDD+ Fund account under Forest Protection and Development Fund at province level, comply with regulations in Decree No.99/2010/ND-CP and regulations from international REDD+ organisation;

- For provinces with large forest and forest land area, province people's committees consider the establishment of Vietnam REDD+ Trust Fund accounts at State Bank at district level to carry out payments for implementation of REDD+ activities at their localities.

4.1.6. Duties and mandates of REDD+ Fund

a) Duties

- Receive and manage financial funding from donation supports, grants, voluntary contributions, trusts from countries, international organisations, individuals to REDD+; counterpart funding from state budget (if available);

- Organize meetings for REDD+ Fund management council, to select programmes, projects or non-project activities on REDD+ for approval or decision for investment support;

- Financial support (disbursements) to programmes, projects or non-project activities on REDD+ which are approved by REDD+ Fund management council for investment support;

- Supervise, provide guidance to targets of support funding by REDD+ Fund;

- Comply with regulations by the law on records, accounting and auditing and regulations of international REDD+.

b) Mandates

- Fund allocation to each programme, project or non-project activity according to annual plan approved by REDD+ Fund management council;

- Review, assess, check and accept implementation results from programme, project and non-project activities supported by REDD+ Fund;

- Suspend, retrieve supported funding after detection of projects implementing outside of approved contents, violation of commitment on fund utilization or violations of other relevant regulations, violations of law and international REDD+ regulations;

- Make recommendations to authorized state management agencies to issue, amend, adjust regulations on targets, activities supported by REDD+ Fund.

4.2. Allocation and payments from REDD+ Fund according to Benefits Distribution System (BDS)

4.2.1. Principles of BDS

Vietnam REDD+ Fund is a sub-fund under Forest Protection and Development Fund, but is a trust fund that has funding outside of state budget. REDD+ Fund is also a specific fund for payments for REDD+ services, which one amongst forest environmental services defined by Decree No. 99/2010/NĐ-CP, dated September 24th 2010 by the Government. Therefore the allocation and payments from REDD+ Fund must comply with Decree 99/2010/NĐ-CP, and also follow international regulations on REDD+. Accordingly, the benefits distribution system is established to allocate and make payments from REDD+ Fund following the principles below:

- Timeliness. The REDD+ mechanism is partly about payments to forest managers for performance in terms of carbon removals verified by MRV system. Performance can be measured and will be reported some time after the interventions have been made. If payments are made after performance (performance payments), people and communities registered to perform REDD+ activities (mainly in mountainous areas and ethnic minority communities) cannot make upfront investments and are not encouraged to perform initial activities. This might be addressed by timely payments, in which payments are made right from initial activities of REDD+ implementation; incentives are offered more regularly (annual payments) than the measurement intervals of MRV system;

- Adequacy. In areas that perform REDD+ services, there might be several alternative land uses of forest land such as conversion of forest land to

short term or long-term crops. These alternatives can bring benefits to forest owners or people allocated with forest protection. The REDD+ BDS must create direct or indirect benefits to entities who receive payments at an adequate amount not lower than other alternative uses of forest land. In cases of many alternatives of forest land uses (protection and development, harvesting, or conversion to agriculture...), the opportunity cost of REDD+ activity might increase, so the payments must also be increased. Therefore, in order for REDD+ to receive support from people and be sustainable, the BDS must incorporate direct and indirect payments methods, so that total benefits that people can receive correspond with costs incurred to maintain REDD+, protect forest as committed;

- Equity. BDS must ensure that for similar efforts similar benefits may be expected. In REDD+ services, for the same amount of carbon removals, costs and efforts incurred might be different due to different natural, socio-economic conditions. Therefore, in some cases, if there is enough evidence to conclude the difference in efforts to archive carbon removals, there should be some certain level of differentiation in payment levels. However, BDS should always ensure that payment level and benefit received by beneficiaries is corresponding with efforts;

- Flexibility. REDD+ services are a comprehensive set of services with many different activities, with direct and indirect contributions by relevant stakeholders. Therefore, BDS must take into account diverse activities that contribute to enhance forest carbon stock, reduce emission, improve biodiversity, sustainable forest management, at the same time suitable to each areas' social, economic and cultural conditions, compatible with characteristics of forest ownership, forest land use rights of many types. BDS must be designed with diverse schemes, flexible assignment of rights on decision making for subordinate management structures. This diversity means BDS is not a single system, consistent in all areas, but rather a flexible system with different models and payment methods, adapted to suit different local conditions;

- Effectiveness. Costs incurred during REDD+ management such as MRV operation costs and BDS management costs must be paid from the Fund. However, MRV operation and REDD management costs must be effective and monitored following standards and close procedures to maximize financial resources paid to ultimate beneficiaries;

- Efficiency. All financial activities of REDD+ must ensure Programme efficiency. Processes, procedures for BDS implementation must ensure time and cost efficiency to the maximum level, in order to increase funding direct and indirect payments to payees.

- Transparency. Corresponding with decentralized Fund management model, BDS decisions must also be decentralized to local participatory

management levels, following consistent principles and standards, ensure transparency in decision making, nature and magnitude of payments. Information on BDS must be disseminated widely, including information of decisions made. Payments and benefits from BDS must follow traditions and customs on grass-root level democracy, suitable with local existing capacity and capacity to be built. All BDS activities must be conducted with support from a modern, verifiable information system, and conduct international auditing.

- Compliance: BDS must be institutionalized with legal regulations with enforcement regime at all level of authorities and stakeholders.

4.2.2. Utilization of funding from REDD+ Fund

In Phase 2 of the Programme, REDD+ Fund revenues are mainly from international partnership and trust donations, both bilateral and multilateral. Funding from REDD+ Fund is allocated as follows:

a) Payments for national REDD+ Programme management activities

At national level, REDD+ Fund is authorized to finance the following activities:

- Expenditure for activities of Fund Management Council, Central Fund Office, in compliance with state finance cost norms on management of national target programmes and national fund;

- Retain a proportion for administrative and professional tasks of Central Fund (as trust service fee);

- Salary payments to experts (national and international) working on contracts at Central Fund;

- Payments as project for common activities of the Programme, such as MRV system operation, BDS implementation consulting, training, capacity building and relevant state management agencies;

After deducting the above expenditures, Central Fund can allocate funding to local REDD+ funds following proposed and approved criteria.

b) Payments for local REDD+ Programme management activities

Local REDD+ Funds (might be both province and district level) are authorized to use a proportion of Fund finance to pay for REDD+ Programme activities at province and district level following expenditure items, regimes, standards regulated by REDD+ Programme. Ministry of Agriculture and Rural Development determines the magnitude and proportion of expenditure available for Fund management activities at province, district levels, with maximum retained revenues by local REDD+ management units remains at 10% of total revenues of local REDD+ Fund;

Province and district REDD+ Fund can use Fund finance for the following activities:

- Administrative operation of Fund management board, Supervising Board;
- Local participatory MRV activities on forest cover/ carbon stock/ emissions;
- Participatory monitoring on indirect payments to project-type investments and REDD+ activities;
- Training and communication activities to raise awareness of organisation and the public about REDD+ and emission reduction, forest carbon stock enhancement methods;

After deduction of expenditures for provincial, district Fund activities, REDD+ Fund can allocate all funding resources to communes, areas, river basins, to each project (indirect payments) and each beneficiaries (direct payments).

4. 2.3. BDS or payment arrangement

4.2.3.1. Beneficiaries

Beneficiaries of REDD+ revenue are according to Article No. 8 in Decree 99/ND-CP as follows:

- + Households, individuals;
- + Groups of households/ village communities;
- + Forest management boards/Forest companies.

The above mentioned beneficiaries could be forest owners, could be the people having contracts for long- term protection of forests with state forest owners as forest management boards, forest companies. In the case of two-level participation (forest owner level and people having contracts signed with forest owners), the REDD+ Fund management board will decide the proportion of BDS among the two and the payment should be directly made to the real beneficiaries.

4.2.3.2. Payment forms

The REDD+ Fund will apply two forms of payment: direct and indirect, according to the Article No. 6, Decree 99/ND-CP. The selection of the payment forms and the proportion of each form will be decided by the local communities, based on the following criteria:

- Socio- cultural characteristics of local communities, the tradition on forest resource utilization and BDS in the local area.

- Infrastructure conditions of localities: the status of public infrastructure such as health care, school, local market, transportation road.

- Capacity on forest management, financial management of local communities.

- a) Direct payment

This is the main form of REDD+ Fund. There could be two forms of payment: i) Result-based payment; ii) Participation payment.

- Result-based payment (payment after having the results):

This form ensures the principles of REDD+ payment. However, this form can be only applied when the REDD+ comes to the third phase – full implementation, when the REDD+ financial revenue can be transferred to the country if the country shows positive results based on a comprehensive MRV. Therefore the payment will be made only when the activities are completed and the results are measured, reported and verified. According to this form, after getting the revenue from National REDD+ Fund, the Local REDD+ Fund will make payment to different beneficiaries when their results are measured and verified. The BDS or payment should link with a professional MRV accepted by international community. Beside this, in order to secure the result-based approach to be effective, efficient and sustainable, there is a need of law enforcement of Forest Protection and Development Law to strengthen the responsibility of forest owners or people signing contracts for forest protection and management to mitigate deforestation as well as other REDD+ activities.

- Participation payments (ex-ante payments)

Advance payments (ex-ante payments) for the implementation of initial investments (participation) is a suitable payment form for phase 2 of REDD+ Programme. With this payment form, participants of REDD+ need to be paid in advance so they have the finance to follow commitments and create positive incentives to implement REDD+ activities. This scheme is particularly suitable for locations where most people are poor, of ethnic minorities, those who need initial financing to sustain and work before REDD+ results are verified. Vietnam's experiences in utilizing micro financial measures for forest rehabilitation have shown that participation payments are need and quite effective in many areas. However, this form of payments induce more risks due to the lack of regulations for recover payments paid in case of in-compliances from the recipients' part;

- Hybrid method – participation payments through saving books;

Payments through conditional saving books with the participation of banks can help local REDD+ fund creating up-front incentives, provide necessary financial resources to forest managers to improve their management

practices, at the same time uphold the principle of performance based payments, avoid risks. With this scheme, local REDD+ fund can make participation payments but not directly and unconditionally, but through Vietnam Bank of Social Policies or equivalent financial agencies. The Bank will cooperate with REDD+ Fund at local level, to create a saving book for each receiving household, with the condition of commitment performance. This payment method is recommended at local levels.

The selection of bank to perform payments is decided by Provincial REDD+ Fund management board, on the basis of limited bidding of service, ensuring REDD+ payment principles.

b) Indirect payment

Indirect payment is need when implementing REDD+. In REDD+ implementation areas, even though many people or communities are not allocated with land and forest land, without their agreements and united actions, forest owners cannot effectively protect forest resources. Therefore, there needs to be some kind of compensation (payments) for the commitment not to deforest of these entities. The recommended form is payment in kind of grant support to construction projects of public services such as schools, medical stations, roads or clean water facilities, trees nursery..., or sustainable livelihood development project to share yields. The determination of listing, contents and scope of projects are fully done by village communities based on dispensable fund allocated to the area, and projects must be within the range of activities stated above.

Indirect payments as projects are conducted following Decree No. 99/NĐ-CP.

4.2.3.3. Payment level

a) Payment level for REDD+ activities are determined in Decree No. 99/2010/NĐ-CP, dated 24/09/2010 by the Government. However, to meet specific requirements of REDD+ Programme, payment level to each locations, recipients are calculated as carbon stock (emission reduction level) " ΔC " multiply by REDD+ payment coefficient (R coefficient). Accordingly, payment level is determined by the following formula:

$$T = \Delta C \times R \times Pc$$

Of which:

+ T: Payment level to district, commune, location, target;

+ ΔC : Increase in carbon stock (reduction in emissions) (ton of CO_{2e});

+ R: Payment coefficient.

+ Pc: Price of ton of CO_{2e}

b) Determination of increase in carbon stock (emission reduction) ΔC

Emission reduction quantity is determined based on comparison between carbon stock measurements at two different points in time.

Under current Vietnamese situation, carbon stock verification can only be done based on carbon stock above ground. Other types of carbon stock such as underground have not been subjected to specific standardized guidance and therefore cannot be measured in reality.

Increase in carbon stock can be calculate using the formula:

$$\Delta C = Ct1 - Ct2$$

Of which:

+ Ct1: Carbon stock at year t1, measured by MRV system.

+ Ct2: Carbon stock at year t2, measured by MRV system.

In case of participation payments (ex ante payments), the payments are made annually. Therefore, increase in carbon stock must be determined annually, as the yearly average in carbon stock increase for the measuring period.

c) Establishing R-coefficient

R-coefficient must be used in determination of payment levels from Phase 2 of REDD+ Programme. R-coefficients are comprehensive coefficients to reflect impact factors and priority factors of REDD+, such as social, economic, environmental and geographical factors of each specific location. REDD+ Fund management units at local level will establish their R-coefficient in a democratic, participatory and transparent manner. Central REDD+ Fund Office and BDS technical expert teams take responsibility to support local level in the initial implementation stage in establishing and applying R-coefficients.

4. 2.4. Monitoring, recourse on BDS

a) Monitoring

BDS must be monitored at all levels, in particular at grass root level. Participating in monitoring at ground level are representatives from local authorities, commune level social organisations, representatives from villages, payees.

REDD+ Programme Office is responsible for issuing rules and guidance on monitoring of payments and audit at local and grass root level.

b) Recourse

At grass root level, recourses, complaints related to payments from REDD+ Fund are resolved following current procedures such as grass root level democracy principles, people inspectorate, village elders, leaders. In case of un-resolvable cases at low level, within 5 days from receiving complaints, responsible parties will submit to direct supervisors, and the next level should resolve the case within 7 days. National REDD+ Fund takes charge of providing guidance and professional support on resolution of complaints related to BDS.

II. PERIOD OF 2016-2020

1. Complete a sustainable MRV system for REDD+

- Establish a long-term institution for a sustainable MRV system for REDD+. MRV system will perform all reporting functions at international level, including satellite land monitoring system (SLMS) and participatory carbon monitoring (PCM). MRV will be integrated with other systems and establish a strong coordination mechanism between these systems to ensure interaction between all relevant stakeholders at national and local level, such as National Forest Inventory (NFI) system, Forest management information system (FORMIS), greenhouse gases inventory system, to report to UNFCCC;

- Reduction of emission according to Tier 3 of reporting requirement of UNFCCC;

- Information system ensures the proper operation;

- MRV plays important role in national PaMs to achieve REDD+ activities; provides information for provincial agencies in socio-economic plan development; plan for forest protection and development.

2. Complete BDS according to result-based approach to reduce emission or enhance carbon stocks at national level.

3. Information will be documented to meet reporting requirements mentioned in UNFCCC guidelines; implement IPCC guidelines on information provision and estimation of emission reduction and leakage according to the 5 principles: transparent, consistent, accurate,...

PART IV

POLICIES AND MEASURES (PAM) FOR REDD+ IMPLEMENTATION

I. PERIOD OF 2011-2015

1. Complete the legal framework related to activities under REDD+

mechanism.

1.1. Complete the legal framework related to land and forest resource management.

1.1.1. Complete the provisions of law on land-use planning in general, including forestry land use planning as the legal basis for the establishment of the stability for national forest and forest areas included in the agenda for national REDD+ program.

In addition, the Land Law in 2003 is modified with the following:

- Providing for coordination between the Ministry of Natural Resources and Environment and Ministry of Agriculture and Rural Development in the preparation and approval of projects and plans on using agricultural land, including forest land. Regulating Ministry of Agriculture and Rural Development the responsibility to propose the demand for using agricultural land, including forest land;

- Specifying the requirements on establishing land-use projects and plans that must be linked to specialized projects; the land-use plans at each level must balance the needs of land use and land allocated to the development of all sectors (agriculture, forestry, fisheries, construction, transportation, mineral ...);

- Determine forest land at national scale, carry out consistent planning on the basis of establishing stable national forest boundaries, with sub-areas, blocks, plots on maps and on ground;

- Strictly regulated the transfer of land use on protection forests, special-use forest land in the direction of relevant authority of each level for granting the land use purpose (National Assembly, Prime Minister, the provincial People's Committee, district). Additional regulations on the coordination mechanism between agriculture and rural development with natural resources and environment sector in the consideration of the purpose of transferring land use on forestry. Additional regulations on the mechanism of the coordination between agricultural and rural development and natural resource and environment sectors in consideration of the purpose of transferring forestry land use.

- Additional provisions on relations between with forest management and forest land management and assigned forest management agencies to manage both forest and forest land.

- Additional policy mechanisms to encourage land use synthetic.

- Specific provisions for monitoring and supervising the implementation of land use planning, strict sanctions for violations of projecting and land use planning that have been approved.

The following content was added to the 2010 Mineral Law.

- Specify the restricted areas for mining: besides the provisions of using special forest land, protective forest land or land zoned for planting protective forest, plantations of forest natural production forests with rich or average reserves also need to be covered.

1.1.2. Complete the legal framework related to establishment of land-use and forest use rights and create legal basis for payments for REDD+.

- Complete mechanisms and policies for allocating and leasing of production and protection forests which are natural forests. Test and build the legal basis for allocation and lease special-use forests for non-State economic sector venture.

- Address the limitations of legal obstacles to community with the right of receiving REDD+ payments on the basis of securing and recognizing their authority on land and forest traditions of local communities living in and near the forest.

- Institutionalize the rights of forest owners that has been defined in the Law on Protection and Development of Forests in 2004 (rights to exchange, transfer, lease, bequeath, mortgage or contribute capital with the right to use forests), especially on institutionalized right to transfer the value of forest use rights to forest owners who are households, individuals and rural communities;

- Researching and building a legal framework for carbon rights and the right to transfer forest carbon. Forest carbon and forest carbon ownership are new problems in Vietnam and there is no legal framework and regulations of the state to operate so far. To get the guarantee of the transparency of rights and obligations, specific provisions on the rights of carbon as well as the related rights, regulations on the service beneficiaries to absorb and store carbon forests and benefit sharing mechanisms in REDD+ are needed to be added.

1.1.3. Complete mechanisms and policies for allocation of forest land and forest and long-term stability of these aspects: object, form, contracted time; mechanism for sharing benefits and responsibilities of all related parties.

1. 2. Complete the legal framework related to financial management

1.2.1. Research and build the legal framework for managing revenues from REDD+.

- Study and formulate regulations on the management of revenues from REDD+;

- Research and develop regulations on BDS to meet the requirements of the international agreement on REDD+ (ensure that all parties are benefiting, especially local people and community living in and around forests,

implementing mechanisms for monitoring of benefit sharing that is independent), in accordance with the law of Vietnam.

- Establish trust funds, including REDD+ fund at the national and local levels to manage and disburse funds from various sources, risk sharing and decentralization of financial resources to supply the locality. Paying attention to complete the mechanisms on management and use of forest protection and development funds in both central and local level, mandated mechanism should be in accordance with the regulations and law of Vietnam and international agreements related to REDD+.

1.2.2. Modify the relevant legislations: Research, develop and submit the Prime Minister for consideration and promulgation of following legal documents.

- Provision on transferring, purchasing emission quotas of greenhouse gases between Vietnam and foreign countries (in accordance with Article 84 of Law on Environmental Protection)

- Provisions on payment policies for forest environmental services with services related to absorb and storage carbon (implementation of Decree No. 99/2010/ND-CP dated 24/9/2010 of the Government on payment policies for forest environmental services).

1.2.3. Research and complete investment policy on forest towards mobilizing of social resources on protecting and developing forests, declining subsidies from the state.

- Research and complete investment policies on protection forest, special-use forests and use forest revenues such as sources from forest environmental services, joint ventures, lease... for direct reinvestment in the protection and development of forests;

- Research and complete policies to attract investors, particularly private investment and foreign investment in production forest areas to reduce pressure on natural forests, conservation of natural forests, participate on management of forest resources through sustainable land allocation, land lease, ensure that forest owners will have stable long-term business on their allocated land, reduce or exempt on land-use tax.

- Develop mechanisms to ensure that all economic sectors involved in forestry production and be able to access to long-term loans in accordance with the business cycle of forest trees; permitted to use property rights, forest-use rights to participate in joint venture projects related to forestry and forest services, prior for credit-lending from ODA funds to developing forestry.

1.2.4. Research, supplement and complete several peculiar policies on forestry:

- Research and revise taxation policies on forest towards reducing the taxation rate on resources for timber, firewood, tax revenues from forest resources are mainly reinvested to protect and regenerate forests.

- Promulgate policies to support investment in building infrastructure, training personnel for all business related to forest planting in difficult areas, or businesses that attract the labor of ethnic minorities to plant forest in that area;

- Allowing foreign investors to join joint ventures with domestic enterprises, households for reforestation or materials processing for domestic consumption and export.

- Complete legal documents on forest valuation as the basis for researching and developing regulations on fees for forest use, forest rents, taxes on transferring forest use right;

- Policies to encourage the production and trade forest products, especially non-timber forest products to improve living standards for local communities;

- Policies to encourage joint ventures and public-private links;

- Policies to encourage the management of forest resources sustainability.

- Policies to encourage to improve the quality of forest management and conservation.

1.3. Complete the legal framework related to REDD+ technical management.

- Review, develop and improve processes and technical rules of planting forest, tending and restore forest, renovate, nurturing and enrich, pest control, protect and prevent forest fires.

- Review, develop and improve processes, technical regulations, method of conducting the investigation, evaluate and monitor forest resources to collect necessary data for calculating the amount of deforestation of REDD waste, such as determine the forest area, measure and calculate the forest growth level, as well as absorptive and carbon storage level of forests.

- Review and adjust the criteria for land use classification, including adapting and mitigating climate change and other environmental criteria;

- Research and develop monitoring standards and facilitate these standards to be verified by a third independent organization. Apply national and international standards and international on approving REDD+ projects and verify the results from REDD+.

1.4. Complete the legal framework related to enforcing forest law and forest product trade.

1.4.1. Complete the legal framework related to forest resource sustainable management, ensure the legality of wood and wood products.

- Build national standards system for sustainable forest management (FSC FM), chain of products process (FSC CoC).

- Encourage forest owners, especially smallholders to apply the FSC on forest management and get FSCFM certification;

- Build and complete systems regulations on ensuring the legality of timber including five components: (1)-Define or regulate on the legality of timber; (2)-Requirements on the traceability of wood products in the supply chain from mining to processing and exporting (3)- Verify: the extent requirements on verifying the compliant level with the definition of legality of timber and the controls timber supply chain, (4)-The licensing mechanism: details on who will grant licenses and how; (5)- The independent monitoring of a third party.

- Build and complete licensing processes to export legally harvested timber;.

- Encourage enterprises to adopt wood management systems under the FSC CoC wood and have FSC CoC certification.

1.4.2. Policies to encourage the development of forest products process

- Encourage organizations, households and individuals to invest in building timber processing factories and to export forest products;.

- Encourage the innovation on design and produce technologies to achieve higher value added;.

- Encourage the development of other forest product producing, rather than just export timber.

1.4.3. Forest products consumption policies.

- Develop strategies to develop forest products market, promote trade promotion activities, focus on developing both foreign and domestic market of forest products.

- Implement mechanisms of circulating forest products freely within the country, encourage all economic sectors to participate in the market, create a transparent and competitive environment and ensure producers and consumers' interests.

Woods from production forests are circulated freely like all agricultural and industrial products, together with having strict rules to forest owners which indicated that forest owners are responsible for the lawful origin of forest products in accordance with state requirements and other relevant international treaties.

1.4.4. Strengthen timber trade control to stop illegal timber products.

- Apply strong methods in dealing with violations of forest law. Commit to fight and neutralize the “magnates”, who instigated, incited deforestation, opposing public servants, slander lawsuits, disturbing social order. Members the authority that are irresponsible, conniving, abetting violations of the law on forestry should be strictly punished in accordance with the provisions of law.

- To study to adjust levels of fine on the legal documents with the purpose of effective deterrence.

1.4.5. Adjust and supplement legal provisions, mechanisms and policies for the commune level to help local authorities to have responsibilities, authority and funding for forest management and protection.

1.5. Create a legal framework for the formation of carbon credits market.

- Carbon credit is formed as the basis for purchase - sale and carbon servicepayment through market mechanisms. This is a very new form of goods not only in Vietnam but also in the world. Thus, legal provisions regulated conditions, procedures and processes that economic entities can participate in the purchase - sale and exchange of carbon credits should be issued;

- Promote to exchange and learning experience as well as make the discussion forum between the private sector and government organizations on issues related to the development of voluntary carbon market from forest service;

- Research and experimental application and promulgating mechanisms and policies for investment in voluntary forest carbon market in Vietnam.

2. SOLUTIONS

2.1. Measures with purpose of reducingforest deforestation and degradation.

2.1.1. Land measures related to the purpose of reducingforest deforestation and degradation

- a) Review land-use planning, forestry planning and zoning of forest areas and forest land into REDD+ program.

- Maintain the long-term planning of16.24 million ha of forests and forest land (of which 2.19 million ha of special use forests, 5.55 million ha of protection forests and 8.49 million ha of production forests), set up a sub-zone system, map plotting and field marking; set up compartment, block and plot system on forest maps and on the ground;

- Re-inventory and planning of forest and forest land areasfor REDD+, focusing on special use forests, protection forests, production forests which are natural forests, prioritize to the area of natural forest managed by households,

individuals, communities and villages and use with the purpose of long-term forest stability.

- Review and determine the actual situation of using forest and forest land under the management of the each stakeholder (special-use forest management boards, protection forest management boards, forestry companies, military units, enterprises, households, individuals, communities and commune People's Committee), facilitate to identify forest and forest land area that included in REDD+;

- Integrate forest area and forest land that was identified as objects of REDD+ program to the process of land-use planning, zoning, forest development and protection plans at all levels.

b) Review the actual situation of land and land-use planning with the purposes of agriculture, fisheries and other concerned sectors.

- Review the planning for land used for agricultural purposes, especially woodland perennial industry (rubber, cashew ...), aquaculture land, slash and burn area to avoid forest land encroachment and minimize converting natural forest land to agricultural purposes;

- Review and create stable plans for land used with the purpose of road construction, mining, hydroelectric development, resettlement, etc... towards reducing pressure on invasive to natural forest lands.

- Mining plan should avoid the forest area that has a level of forest cover in a good condition (except for force majeure).

- Plan, identify and protect areas that have a high conservation value of biodiversity in the mining areas;

- Develop monitoring system for mining.

c) Integrate REDD+ into the process of land-use planning at the national level for the period 2011-2020, and into the province land-use plans that are currently built for the period of 2011-2015, as well as in districts and communes plans.

2.1.2. Forest allocation and leasing.

- Provincial People's Committee organise a review of forest allocation and forest lease, ensure that all forest areas in the province must have a specific owner, combine the process of forest allocation and leasing with allocating and leasing land, and granting right certificates of land-use;

- Forest areas which are managed ineffective by commune People's Committee, the Committee forest management, forestry companies have to be allocated or leased to households, organizations, individuals, communities and private enterprises, prioritily assigned to communities that have needs and

protect conditions.

- Review and complete records of forest owners for forest areas that have been allocated or leased with the principle: the right people, objects, qualified; allocate and lease forest associated with the allocation and lease of forest land. Ensure that owners who have the legal right to use land and use this right to manage and have sustainable use of forests.

2.1.3. Improve basically on implementing forest law enforcement and forest product trade, strengthen the enforcement of forest legislation, and contribute to reduce degradation.

- a) Apply Reduced impact logging (RIL).

- b) Develop administrative and techniques systems to monitor mining activities, identification and traceability of timber to ensure the legal timber harvesting (for all types of natural forests and plantations), transport, process and export to ensure that imported timbers are from legal sources.

- Renew the available system to ensure the legitimacy and help to access the source of timber and timber products.

- Control wood supply chain from the extraction, production, processing and export; imported timber and verify to ensure the legality of the timber to issue permits according to principles and criteria that have been specified in treaties, international agreements that Vietnam has signed.

- Ensure information about the location of the exploited forest and the person assigned land use rights are always available to allow inspecting with the purpose of confirming that the exploitation has been permitted by the relevant authority;

- Establish mechanism for checking on standing trees in timber harvesting location in forests, allowing full identification and records before transporting, following regulations on timber harvesting and processing;

- Transportation measures

- + Maintain information related to transportation and timber identification, no confusion between with illegal wood or wood from not clear sources that will help to check and identify the timber source timber in transit storages;

- + Strict control to ensure that only legal timber is delivered to the processing factories;

- Inspect the efficiency of the forest product processing factories.

- Inspect timbers at export points: all round wood, lumber, timber semi-product before getting to the export site should have supporting documents and clear legality identification to ensure the legal resources;

- Testing volume: at each transit or gathering point from different supply chains, measuring system must be included in order to inspect and record each type of timber or timber product clearly and completely;

- Wood products for import must be tightly controlled to ensure the legal origin of imported timber.

- Verify to ensure the legality of timber for licensing. Verification process must be systematic, transparent, focus on important evidence and periodically performed.

- c) Development of models that link between public and private, joint ventures between businesses and households in resource development issues for the processing industry.

- d) Protect the forest.

- Organizational aspects.

- + Strengthen the forest protection system in the country; reasonably increase staffing for forest protection in communes, mobile forest protection and forest fire combat and prevention, ensuring total staffing of national forest averaged at 01 forest ranger per 1,000 ha of forest. Ensuring that forested communes have local forest ranger, advising commune people's committees on forestry activities general implementation.

- + Increase forest protection organization at commune level, within forestry companies, forest management units (where there is no forest protection unit) and communities. Strengthen legal responsibilities and authorities of forest protection force at grass root level.

- + Communes with forests must form forest protection groups, in which self defence militia force is the core, with local authorities organising specilized teams for the purpose of local forest protection;

- Implement forest protection and regeneration policies to organizations, households, individuals and rural communities to ensure forest long-term stability;

- Develop operational structure to enforce forest laws on the scale of average and long term.

- Protection of forests from forest fire induced by human activities or natural impacts.

- d) Cooperate within the region in managing and rational using of forest resources in the region.

2.1.4. Plantation development, contribute to reduce pressure on natural forests.

2.1.5. Incentive programs to create jobs in the province where have forest deforestation and degradation.

2.1.6. Improve farming techniques that use less agricultural land. Research and develop agricultural intensification.

2.2. Solutions to strengthen forest carbon stocks.

- Research and apply technology to improve productivity of forest plantations and natural forests.

Research and apply silvicultural measures in planting, tending and regeneration, nurturing, improving and enriching forest.

Research and apply high technology in seedling and planting intensive. Select new varieties that have high productivity and the ability to resistant to diseases and other adverse conditions of climate change;.

- Improve reforestation in areas of deforestation and soil mineral extraction;

- Encourage to increase carbon storage in degraded and burned forest areas;.

- Implement the process of enriching planting forest in degraded areas and restoring forest in conservation areas and other areas.

- Improve the recovery of mangroves;.

- Encourage sustainable forest management: develop model of forest plantation with certification of household size.

2.3. General solutions

2.3.1. Organize state management structure.

- Complete and unite forest administration structure at all levels from central to local. Implement the process of assigning tasks to specific functions, duties and powers of forestry agencies at all levels.

- Enhance the decentralization of state management on forests for district and commune levels. Specify responsibilities and powers of government at all levels, law enforcement agencies and forest protection force of forest owners and villages if forests are appeared to be loss and deforested in the area.

2.3.2. Modify and supplement responsibilities and coordination mechanisms of state management agencies at all levels and departments for implementing REDD+, including:

- Review and adjust roles and tasks of state management system for forestry in the country and increase the capacity of coordination between local people, communities, private sector and society organizations in developing and implementing REDD+programs and projects;

- Build coordination among agencies at all levels of state management to participate in REDD+, particularly in Agriculture and Rural Development and Natural Resources and Environment department to formalize for REDD+ preparation (land-use zoning and powers, etc ...).

- Create mechanisms to link private sector closely in designing and implementing REDD+ in Vietnam.

- Connect REDD+ projects to REDD+ program (REDD+ nesting), ensure that REDD+ activities in the locality must be within the national REDD+ framework.

2.3.3. Renew organizational forms of forest management.

a) Continue renewing state forestry enterprises.

- Review land funds of state forestry companies to finalize which forest areas and lands are in dispute or invaded in order to enhance efficient land management, ensure the identification of forest owners and their effective forest management;

- Restructure of forest owners as limited liability companies (according to Decree No. 25/2010/NĐ-CP), modify planning and financial mechanisms for forestry enterprises with the direction of identifying that revenues from forest products are key resources to ensure all forest protection and development activities of the enterprise, facilitate to enterprises to have other sources of legal revenue to protect and rebuild the forest.

- Enterprises organise forest protection and development according to plans and projects that already approved; maintain forest protection within the allocated or leased forest area; be proactive in forest product harvesting, exploitation, utilizing forest products under the plan of sustainable forest management or other approved schemes, self-organize forestry production activities as prescribed by law; entitle to benefits from forest environmental services; allow to mortgage, guarantee or contribute capital by their own capital which equal to the value of planted production forests.

b) Develop other forms of forest production organisation

- Develop forestry production in the form of households, farms, rural communities and cooperatives; support to establish associations of forestry production enterprises, processing and export and import forest products;

- Continue to test and create a suitable legal framework to replicate forest management, forest management based on the community models.

2.3. 4. Develop human resources

- Develop and implement training plans and enhance capacity for forestry staff at all levels, particularly at commune and village communities in remote

areas, giving priority to minority children; accreditation forestry officials in remote areas to meet renewal requirements of the industry and international integration. Specifically:

Vocational training for farmers working in forestry sector and craft villages of producing forest products;

Create training on forest inspection and implement forest management and protection plans for forest management staff at local levels.

Complete and update programs, training curriculas to meet the requirements of renewing and international integration;.

Educate and create trainings for officials and stakeholders at district level and the community on environmental protection.

2.3.5. Mobilize the participation of citizens and local communities in planning, implementing and monitoring REDD+. Take advantage of traditional knowledge from local community when designing and implementing REDD+ measures.

- People and local communities are included by land users, people living in forests and other minority communities. They are directly affected by the implementation of REDD+, therefore, they must be involved in the formulation and implementation of projects/specific activities as well as participate in the monitoring and inspection process of REDD+. Without supports of the local community, any attempt might not be effective in the long-term.

- Attracting people to participate in REDD+ is consistent with the policies of grass root democracy, which emphasizes the rights to be informed, consulted and involved in the process of decision making of local citizens (FPIC).

2.3.6. International Corporation

- Strengthen cooperation with other countries and international organizations, including multilateral, bilateral, non-governmental; financial organisations within the region and the world to attract financial supports and technologies to implemen forest protection and development.

- Strengthen advocacy, attracting and using ODA on the right target to support the forest development and protection, biodiversity conservation, environmental protection, poverty alleviation, improving livelihood for people who depend on forests and enhancing forestry management efficiency;

- Continue implementation of multilateral agreements on environment, international commitments relating to forestry which Vietnam has acceded to, such as the Convention on International Trade in animals and plants endangered (CITES), Convention on Biodiversity (CBD), Convention to Combat Desertification (UNCCD), UNFCCC, etc... to increase Vietnam's

position in the world and the region, as well as taking advantage of finding new funding supports for forest protection and development, such as the Global Environment Fund (GEF), Mechanisms Clean Development (CDM), Green Climate Fund (GCF), etc

PART. V

ORGANISING PROGRAM IMPLEMENTATION

I. ESTABLISH CENTRAL EXECUTIVE COMMITTEE, PROGRAM OFFICE

Assign to the Minister of Ministry of Agriculture and Rural Development:

1. Establish the Central Executive Committee, including representatives of relevant departments from different ministries and agencies: Agriculture and Rural Development, Government Office, Natural Resources and Environment, Planning and Investment, Finance, Science and Technology, Foreign Affairs, State Committee of Nationalities.

2. Establish National office for REDD+ program, which will help the Central Executive Committee to coordinate all the program activities, located at the Forestry Department.

3. Promulgate operating regulations for the Central Executive Committee and National office for REDD+ program followed by law.

4. Lead and coordinate with relevant ministries, agencies and organizations(including international organizations) to research, develop and promulgate management structures for REDD+ programme, in accordance with laws of Vietnam, together with requirements and international agreements related to REDD+.

II. RESPONSIBILITIES OF RELEVANT MINISTRIES AND DEPARTMENTS

2.1.Ministry of Agriculture and Rural Development.

- Act as focal agency for REDD+ program;
- Formulate mechanisms and policies for managing, administrating, creating guidelines for program implementation, submit to the Prime Minister for promulgation according to functions and duties needed to be assigned;
- Develop, approve and implement action plans for implementing REDD+ program;
- Calculate the necessary fund, create annual budget plan in accordance with General Budget Law submitted to the Ministry of Planning and Investment and Ministry of Finance;
- Review annually and report to the Prime Minister results of program

implementation, propose solutions to resolve issues arising beyond its competence;

- Guide, supervise and evaluate the implementation of REDD+ program;
- Lead international negotiations on REDD+.

2.2. Ministry of Natural Resources and Environment.

- Act as the leading agency on climate change and the national focal agency for the United Nations Framework Convention on Climate Change (UNFCCC) and the clean development mechanism (CDM). Ministry of Natural Resources and Environment coordinate with the Ministry of Agriculture and Rural Development, becoming an official channel to report REDD+ to the UNFCCC;

-Responsible for planning and land managing, including forest land and integrate REDD+ into land use planning.

- Issue under the authority or submit to other authority level for promulgating mechanisms and policies for allocating and leasing forest land that related to REDD+ implementation;

- Integrate relevant contents of REDD + program on land-use planning at all levels.

2.3.Ministry of Planning and Investment.

Coordinate with the Ministry of Agriculture and Rural Development to build mechanisms and policies to manage and implement REDD+ program.

2.4. Ministry of Finance.

- Coordinate with the Ministry of Agriculture and Rural Development to build mechanisms and policies to manage and implement REDD+ program;

- Settlement with international agencies on issues relating to REDDpayments;

- Monitor REDD+ financial implementation.

2.5. Ministry of Information and Communications.

Guide and direct media agencies to propagate awareness and responsibilities of agencies, organizations and people in the protection and development of forests, and REDD+ implementation.

2.6. Government Office

Evaluate the proposal for the Program, participate in monitoring and overall assessment of REDD+ program.

3. Responsibilities of other relevant ministries and departments

According to functions and duties of their jurisdiction, relevant ministries and departments coordinate with Ministry of Agriculture and Rural Development to implement the program, together with direction of relevant units under their management to participate into the implementation of REDD+ program.

4. Responsibilities of the Provincial People's Committee.

a) Organize the propagation and dissemination of REDD+ program in their area.

b) Establish Programme Executive Board led by a leader of Provincial People's Committee;

c) Department of Agriculture and Rural Development coordinate with relevant agencies to build and submit to Provincial People's Committee for approving action plans and projects to develop REDD + program implementation in each province.

d) Actively mobilize more resources and activities from other related programs implementation in the province to achieve objectives of the Program.

e) Coordinate with relevant ministries and agencies to direct and supervise the program implementation by organizations and individuals in accordance with program requirements;

g) Ensure and comply with principles in monitoring and evaluating provisions of the Program.

h) Submit progress reports periodically on the implementation of program goals and tasks in the province and city under current regulations.

5. Social organizations, non-government organizations and enterprises.

Encourage political - social, social - professional, public, non-government organizations and enterprises according to their function and duty to participate actively in related program activities, especially in information, education and communication field; support and mobilize community participation, disseminate REDD+ benefits distribution models; inspect and monitor monitoring; implement or participate in implementation of program/projects and action plans of ministries, department and localities.

PART VI

MONITORING, ASSESSMENT AND INFORMATION ON SAFETY MEASURES.

I. MONITORING AND EVALUATING NATIONAL REDD+ PROGRAM

1. The outcome of REDD+ program might be resulted from several policies and measures that are implemented simultaneously in both national and local level, therefore, monitored parameters should be to diversify. To be able to monitor and evaluate the program, it is required at least at two levels: central and provincial levels.

2. Develop mechanisms to monitor and supervise REDD+, ensure the transparency and independence of the provided information and complaint mechanisms for the implementation of REDD+.

3. MRV system is one key tool in the process of monitoring and evaluating of REDD+ program. Quantitative targets and indicators will be based on information obtained from MRV system. MRV system will be designed to allow non-state partners as well as civil organizations or non-governmental organizations involved in the division of MRV systems.

4. The key criteria for monitoring and evaluation is to assess the transparency, accountability and fairness of the program REDD+ from the perspective of participants (who are paid for participating), from the perspective of government and international community (integrity and stability of the emission reduction and removal of emissions, compliance with protection methods, etc).

5. Monitoring and supervising contents

- Supervise performance activities based on results from selected plot province: reduction on net emissions and enhance carbon stocks, determine analysing procedures for monitoring and evaluating, carbon monitoring with participating (PCM), results from implementing carbon reserves;

- The intervention of REDD+ and actions: supervise the implementation of planning and zoning land use; review, modify and complete the allocating process on land and forest, FPIC; supervise security measures;

- Disburse revenues and other financial transactions (monitoring BDS system, auditing, etc.)

6. Ministry of Agriculture and Rural development shall sponsor and coordinate with related agencies to manage the monitoring and evaluation on REDD+ program.

II. ESTABLISH INFORMATION SYSTEM ON SAFETY MEASURES.

1. MRV system will be the main tool to coordinate, harmonize and synthesise all the information collected from national, province and community levels. This system will use open data software technology to allow that all

individuals participating to the system can access the information (organisations, international agencies, NGO, community, participating parties, society).

2. Functions

- Provide information about “secured measures” that are being addressed. UNFCCC at COP 16 verified some secured measures that all countries that currently implementing REDD+ needed to follow. REDD+ information system will be supplemented with supervision on national forest and information manage system. The system will provide information about manage structure and functions that oriented to REDD+, from central to local government and NGOs;

- MRV system will connect to FLMS and PCM to provide integrated data related to forest and forest land. This system will connect with other information system such as national forest investigation (NFI), information system for forest management, etc... This system will support the analysis of national level, verify the emission reduction level, enhance forest carbon stock and report to national agency on inventory of GHG. MRV will also provide information to support the development and updating based scenarios at national level, especially at the difference between each ecological zone and administrative units and help to run the development scenario at national level. Especially, MRV will provide evidences as the basis for payments to participations from REDD+ fund.

3. Ministry of Agriculture and Rural development shall sponsor and coordinate with related agencies to manage the information system and ensured measures within the framework of REDD+ program.