



Annual Joint Programme Progress Report – Viet Nam

UN-REDD PROGRAMME SIXTH POLICY
BOARD MEETING

21-23 March 2011

Da Lat, Viet Nam



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Country/Global	Viet Nam
Title:	UN-REDD Viet Nam Programme
Reporting Period	01st January – 31st December 2010
Date of Submission	January 2011
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I. PURPOSE

1.1. Programme's objectives:

The long-term objective of the UN-REDD Viet Nam Programme is to assist the Government of Viet Nam in developing an effective REDD mechanism in Viet Nam and to contribute to reduction of greenhouse gas emissions and climate change.

The specific objective of the Programme is to strengthen institutional and technical capacity of relevant organizations of the Ministry of Agriculture and Rural Development (MARD) at Central and local levels to ensure that by the end of 2012 Viet Nam is REDD+-ready and able to contribute to reducing emissions from deforestation and forest degradation.

The success of UN-REDD Programme in Viet Nam will contribute to the following One UN Plan Outcome and outputs:

Outcome 3: Economic growth takes into account environmental protection and rational use of natural resources for poverty reduction under the following specific outputs:

- Output 3.1: Capacities and systems for enhanced oversight by national and local legislative bodies on the implementation of the Strategic Orientation on Sustainable Development (SD), National Strategy on Environmental Protection and various other national environmental laws and policies.
- Output 3.2: Sustainable development and environmental legal frameworks, strategies, policies and long-term plans developed with broad participation of local people and stakeholders and in line with international environmental conventions.
- Output 3.3: Improved institutional mechanisms and capacities for action planning and implementation to ensure that environmental concerns are integrated with poverty reduction and economic growth.

1.2. Programme Component

The Programme's interventions are designed in three components:

- Component 1: Improve technical and institutional capacity for national coordination to manage REDD+ activities in Viet Nam.
- Component 2: Improve capacity to manage REDD+ activities and provide other Payment for Ecological Services at district level through sustainable development planning and implementation.

- Component 3: Establish cooperation on information and experiences sharing on REDD+ implementation in the Lower Mekong Basin, especially among the four countries selected under the FCPF (Cambodia, Lao PDR, Thailand and Viet Nam).

1.3. Implementation arrangements

National Implementing Partner: The Ministry of Agriculture and Rural Development (MARD) was selected as the National Implementing Partner of this Programme, following the Prime Minister's approval of the Programme Document on 20th July 2009. The MARD carries overall accountability for the Programme to the Government of Viet Nam and to the UN agencies.

The UN partners: The MARD is partner of the three UN Agencies namely: i) the Food and Agriculture Organization (FAO); ii) the United Nations Environment Programme (UNEP) and iii) the United Nations Development Programme (UNDP).

II. RESOURCES

Total resources for the entire project duration

Outcomes	FAO (US\$)	UNDP(US\$)	UNEP(US\$)	Total
1. Improved technical and institutional capacity for national coordination to manage REDD+ activities	658,200	634,700	61,000	1,353,900
2. Improved capacity to manage REDD+ activities and provide other Payment for Ecological Services at district level through sustainable development planning and implementation	598,000	1,290,800	119,200	2,008,000
3. Improved knowledge of approaches to reduce regional displacement of emissions	324,000	84,900	0	408,900
Programme management		350,000		350,000
Indirect Support Cost (7%)	110,614	140,728	12,614	263,956
Total Resources	1,690,814	2,501,128	192,814	4,384,756

III. RESULTS

The following sections provide information on the Programme's results in the reporting period from 1st January to 31st December 2010.

3.1. Assessment of the Programme during the reporting period

3.1.1. Overall assessment (detailed assessment in annex 1)

Despite the very ambitious 2010 work plan, many of the activities were successfully implemented with positive results. The major achievements at national level include:

- Development of a national REDD+ strategy;
- Benefit Distribution System (BDS);
- Communication strategy and international and regional presence;
- Contribution to the development of the Readiness Preparation Proposal (R-PP) and the UN-REDD Phase II Proposal. The two proposals were submitted in November and December respectively, and appraisal results are expected in early to mid 2011.

At the local level, the Free Prior Informed Consent (FPIC) process commenced successfully, and was evaluated and documented for sharing domestically and internationally. The Provincial REDD+ working group was also established and is now functional in Lam Dong Province. In addition, historical and current land-use maps are being developed. The incorporation of REDD+ into Forest Protection and Development Plans as well as preparations for analyses on opportunity costs of REDD+ are now progressing well. Manual development and field testing of participatory carbon monitoring (PCM) were also completed, paving the way for rolling out PCM in the two pilot districts in 2011.

Regional activities have been started with information exchange between Asia-Pacific UN-REDD countries which was followed by a regional dialogue on emissions displacement in November in Bangkok. Viet Nam shared its experiences on FPIC, BDS, National REDD+ Strategy (NRS) and initiated discussions among lower Mekong countries on a regional collaborative plan for regional emissions displacement.

Last but not least, the communication and awareness raising strategy has been developed and is being implemented. Communication materials including leaflets, brochures, reports, video clips, and photos have been developed and distributed widely, including on BDS and FPIC. Lessons gained from the Viet Nam experience have been shared broadly nationally as well as internationally.

The financial delivery of the Programme by end of 2010 is expected to reach satisfactory levels (78%) based on the revised budget from October 2010.

3.1.2. Main activities undertaken and achievements:

Outcome 1: Improved institutional and technical capacity for national coordination to manage REDD+ activities in Viet Nam

Activity 1.1.1: Awareness-raising workshop on REDD for staff of VNFOREST and MARD departments and provincial staff

Three days workshop was organized. The 43 participants were representatives of provincial Departments of Agriculture and Rural Development and Forestry Departments and Forest Protection Department in northern area and MARD and VNFOREST officials. The workshop has covered topics on: Climate change and role of forests; Forest changes over 20 years in Viet Nam and its causes; Basic concept and international negotiation process on REDD+; REDD activities and program in Viet Nam; Introduction to UN-REDD program; REDD: monitoring and governance of REDD benefit distribution; Participating and benefit/impact by REDD; Risks of REDD; National legal framework for REDD implementation.

Activity 1.1.3: National REDD+ Network

The National REDD+ Network held three meetings during the year, in February, July and November. The priority actions of the Network are to involve in and provide supports in development of the National REDD+ Strategy; forest inventory, REL, MRV, database management; Piloting REDD+ benefit-sharing in accordance with formulation of decree on PFES; capacity building, information and experience sharing, promotion of stakeholder participation; study and share information on carbon market; integration of forest governance with REDD+ and Forest Law Enforcement, Governance and Trade (FLEGT); and participation in regional and international REDD+-related Networks.

Five sub-technical working groups (STWG) have been proposed but the only two functional ones are MRV and Local Implementation and not yet functional includes REDD+ Governance, REDD+ Financing and Distribution, and REDD+ Capacity building.

Most of the REDD+-related activities have been shared among stakeholders including on MRV, UN-REDD-related FPIC activities, and Information System for Forestry

Sector(FORMIS) architecture development and introduction of Viet Nam REDD website, through the Network and STWGs.

The Network is under review to analyze its current operating and make recommendations on increasing its effectiveness and outreach. The scope of the review is:

- Review of current operating procedures of the Network, including its formal leadership and practical implementation.
- Analyze bottlenecks in the current operating procedures of the Network that impact effectiveness, transparency and inclusiveness of stakeholders.
- Recommend changes to the formal operating procedures to enhance effectiveness, transparency and inclusiveness.
- Formulate a strategy or coherent set of options to enhance the communication of the Network with its (potential) stakeholders.

The review is expected to complete in January 2011.

Activity 1.1.4: Exchange visit:

Exchange visit to mangrove forest in Kien Giang and Ca Mau was organized with participation of REDD+ Network some members, VNFOREST and local agencies, provincial REDD+ working group members and representatives from involved local governments and agencies and representatives from local communities. Participants experienced different forest types, learned about the potential for REDD+ activities and improved their understanding of the need to develop specific approaches for the different forest types. They also improved their understanding of methods and tools to implement REDD+ operationally, particularly in mangroves and *Melaleuca* forests. They also learned about experiences from wetland, coastal and mangrove forests management and conservation models for carbon sequestration and REDD+ potential. The study tour had a chance to visit some field sites of the Kien Giang Conservation and Development of Biosphere Reserve Project funded by GTZ and received this GTZ Project proper supports.

A joint visit by UN-REDD and other organizations working on REDD+ was organized through the STWG-MRV on PCM and applicability of REDD+ in community forest managed areas. Through the STWGs, and outside the scope of the specific activities mentioned in the Programme Document, UN-REDD is contributing to organizing and hosting opportunities for exchange and learning.

Activity 1.1.5: Participation in International Meetings and Conferences

The Programme has supported the Viet Nam Government officials' participation in various international meetings, conferences and trainings. These have helped strengthen the participation and the voice of Viet Nam in international conferences such as Climate and Forests Conference, COP 16, REDD+ Partnership, UN-REDD Policy Board Meetings and also built technical capacity of government staff in REDD+ related fields.

Activity 1.1.6: REDD Website operation

The website of Viet Nam REDD was successfully developed and well functional with updated information and documents. The website can be viewed at <http://www.Viet-Nam-redd.org>. Delivery of up-to-date information, especially from other organizations implementing REDD+ activities in Viet Nam, is still minimal. As it stands now, the site displays mostly information from the UN-REDD Programme.

Output 1.2: REL/RL Development

A large part of the actions identified in the Programme Document has been receiving assistance from Japan International Cooperation Agency (JICA) and the Embassy of Finland. As such, the activities for this Output were restructured for the Programme to provide only supplementary assistance on preliminary guidance for methodologies on development REL/RLs. in Viet Nam Through this intervention, UN-REDD has been able to work out

collaborative arrangements between the government and the other projects working on the area of REL/RLs. In the absence of definitive guidance from the UNFCCC on REL/RL development all activities are so far concentrating on preparing data sources and strategies for when such guidance is issued.

Redirecting the funds initially budgeted for REL/RL activities, a study on ecological stratification of the Vietnamese territory for REDD+ purposes is being undertaken through a contract with the Research Centre on Forest Ecology and Environment (RCFEE). These eco-regions will potentially be an important input in many aspects of the National REDD+ Program, including assessment of potential for carbon stock enhancement, stratification of RELs and RLs, determination and monitoring of performance of interventions, determination of “R-factor” for benefit allocation, etc.

Output 1.3: National REDD+ Strategy

The UN REDD Programme has supported the development of the National REDD+ Strategy document. The Strategy document is now available in an early draft for further steps including stakeholder consultation and development of a legal document to be submitted to the Government of Viet Nam by mid-2011.

The National REDD+ Strategy document covers the following issues:

1. Land suitability and zoning;
2. Legal framework;
3. Mainstreaming REDD+ into other policy areas;
4. Governance, including budget planning;
5. Ownership and land-use rights;
6. Free, prior and informed consent;
7. Capacity building;
8. Monitoring, Reporting and Verification;
9. Benefit distribution system, carbon credits and REDD+ finance;
10. Enabling implementation of REDD+ on the ground;
11. FLEGT; and
12. Reference Emission Levels and Reference Levels.

The document is expected to be finalized in April 2011, after a full-scale national consultation with stakeholders inside and outside of the Government. The document will be the basis for drafting a Decree on the establishment of the National REDD+ Program, possibly as a program under the 2006 – 2020 Forest Development Strategy and/or the National Target Program to Respond to Climate Change, to be signed by the Government in late 2011.

The National REDD+ Strategy document not only provides a legal context for the National REDD+ Program, it also defines the roles and responsibilities of state and non-state actors in the implementation of REDD+ in Viet Nam. It will form one of the guiding documents for the UN-REDD Phase II Programme.

Output 1.4: Benefit Distribution Study (BDS)

The initial BDS was completed in 2009. It included a comprehensive description of numerous financial, institutional and governance issues, and recommended 16 Policy Decisions required for an effective REDD+ compliant BDS. However, further research and analysis was required in order to formulate specific recommendations.

In 2010, a follow-up to the BDS study was conducted. It identified three priority legal and policy issues on REDD+ BDS:

- (i) forest management and protection;

- (ii) legal status of village community; and
- (iii) linking payment to performance through R coefficient.

The report has also pointed out four following priority issues in piloting REDD+ BDS:

- (i) community forestry management
- (ii) (ii) forest land allocation
- (iii) (iii) capacity of the local government
- (iv) (iv) risk sharing.
- (v) The follow-up study is available at <http://Viet Nam-redd.org/Web/Default.aspx?tab=project&zoneid=110&itemid=60&lang=en-US> and <http://www.un-redd.org> and/or <http://www.unredd.net>.

Output 1.5: Lessons learnt and Communication

In collaboration with regional UN-REDD office, lessons learnt and experience on National REDD+ Strategy development, FPIC consultation and benefit distribution study have been developed and shared with the regional and global stakeholders including Regional FPIC Workshop and Katoomba Group Meeting XVII (an international working group dedicated to advancing markets and payments for ecosystem services) in June in Hanoi and at COP 16 in Cancun, Mexico.

Communication materials such as REDD+ films, posters on climate change, REDD+, UN-REDD activities, leaflets on FPIC, on UN-REDD, handbook for FPIC interlocutor have been designed, printed and disseminated (please see <http://www.Viet Nam-redd.org>). In particular, these products and website design have been shared with countries conducting REDD+ activities in the region such as Indonesia, Myanmar and Sri Lanka.

UN-REDD communication strategy for Viet Nam has been developed and presented at the PEB meeting in mid July. A number of activities in the strategy have been conducted during the second half of 2010.

A display of communication materials was made at COP 16 in Cancun, Mexico.

Outcome 2. Improved capacity to manage REDD+ and provide other Payment for Ecological Services at district level through sustainable development planning and implementation.

A number of activities implemented at local levels this year. These are, among others, the FPIC process was successfully completed with a series of lessons learnt produced and shared nationally and internationally. Participatory carbon monitoring (PCM) testing and training were organized with field exercises. The provincial REDD+ working group is functional. The historical and current land use mapping exercise is being implemented by a local contractor FREC. Opportunity cost analysis for REDD+ is being conducted which shall serve as basis for development of a framework assessment for opportunity cost analysis for REDD+ in Viet Nam; the incorporation of REDD+ in the Forest Protection Development Plan is also on the spot and finally the local BDS consultation workshop which was held in December. Discussions with local government agencies on the possibility of piloting BDS in Lam Dong in the near future were also held.

Activity 2.1.1: Historical and current land use mapping:

The objectives of the activity are to (i) create high quality historical forest status maps of two districts (Lam Ha and Di Linh) in Lam Dong province; (ii) provide basic data for a study on trends of deforestation and forest degradation, and major driving forces behind these. In-house analysis and field work are progressing well.

Activities 2.1.3: Opportunity Cost Analysis

The main objective of the activity is to develop an assessment framework for opportunity costs given REDD+ credits relative to incomes from alternative economic uses of forests. Implementation of REDD+ requires changes in the management of forest resources. Managers of forest resources are faced with choices of different forest land uses, which generate different levels of revenue. Incurring revenues under REDD will mean that at least parts of the potential revenue from alternative land uses will need to be waived – “an opportunity cost”. In the 2 pilot districts, the forest protection development plan is the only forest sector plan at the district level and therefore the opportunity cost analysis should be integrated into this planning process for REDD+. The Forest Companies, Forest Protection Management Boards and the Forest Protection Stations are the most appropriate agencies to work with as they are the agencies responsible for development of the Forest Protection Development Plan (FPDP) at the district level. Staff from the planning and technical divisions of these agencies are the key people who need to be trained on opportunity cost analysis for REDD+. These agencies are the sole forest owner and as such have the responsibility to carry out forestry protection, development and planning activities. Furthermore, these agencies work at the local level with households and communities for forest protection and are the most relevant and knowledgeable about forestry activities in the districts. The challenge will be in finding data to use in the analysis. Current forestry and agriculture planning processes are based on technical aspects, there is limited data collected about input costs and there are only estimates of gross income from various crops which are calculated from area and current market prices. Therefore, significant attention will be given to the issues of data requirements, availability and collection in the training programme.

A validation workshop is required to gather stakeholder feedback on the forestry planning processes in Di Linh and Lam Ha districts of Lam Dong province in early 2011. Stakeholder feedback from the workshop will be incorporated into the development of the training programme to implement the OCA into the district level forestry planning processes

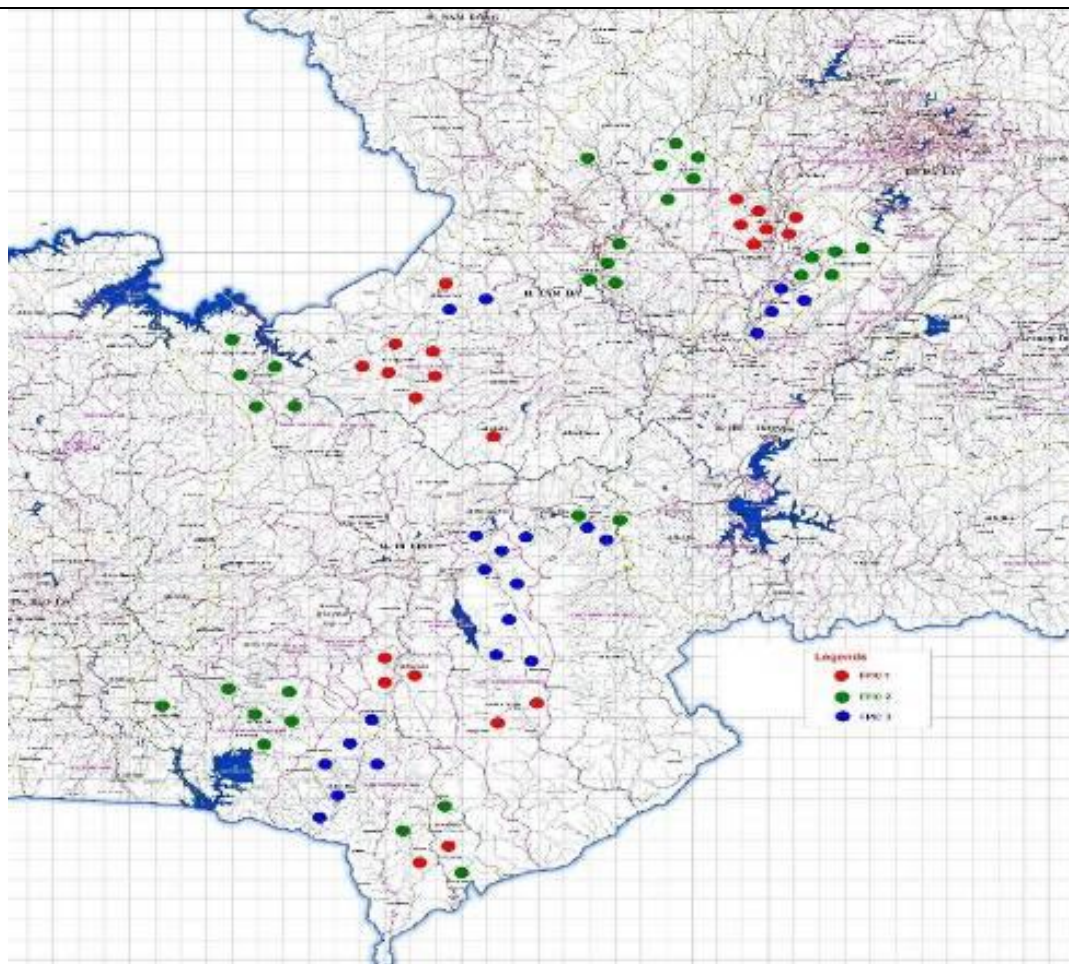
Activity 2.1.4: Conduct Free Prior Informed Consent (FPIC)



Pictures: Some pictures of the local people with UN-REDD Programme's communication materials

Viet Nam FPIC was implemented in an 8- step and 3 phase approach from the end of January to mid June. Seventy eight village consultation meetings were held with about five thousand, four hundred and seventy four people participation from twenty communes of the two pilot districts.

Figure 1: Map of the three phases of village-level FPICs events;
(red: phase 1; green: phase 2; blue: phase 3)



During FPIC preparation phase in Feb-March, substantial work was done including consultation meetings with local governments as well as Sub-Committee of Ethnic Minority of Lam Dong Province about the FPIC process; development of FPIC communication materials (clips and posters) and recruitment of interlocutors.

Within this period, a set of four posters (on Climate change, REDD+ and UN-REDD VN activities) was developed in five different versions; twenty six interlocutors (including seven K'Ho and one Tay ethnic) were identified from forty five candidates. All of them are local; four awareness-raising workshops were conducted in Lam Ha and Di Linh for district and communal officials as well as village heads. Thirteen awareness-raising workshops were further conducted in nine communes of the two pilot districts. Local people as well as local government have paid great attention to the UN-REDD Programme and look forward to actual implementation in the coming months.

In the implementation phase, seventy eight village consultation meetings were conducted from April to June. Awareness raising events for the commune, district officials as well as village headmen and then followed by village meetings were carried out. Information on climate change, REDD+, UN-REDD was broadcasted widely on radio waves and television. In addition, a group of eight site interlocutors were sent to villages to disseminate the information and talk to villagers about one week before the village consultation meetings.

To effectively handle the village work, trainings for interlocutors were conducted. After each phase (see table 1 below), lessons learnt were drawn. In particular, after each phase of the village consultation, a review was conducted to assess, draw lessons and receive additional training where necessary. These training processes have been documented in a manual for interlocutors to use and share with other country programmes.

Table 1: Summary of progressing in the village meeting preparatory and conducting activities

Activities	FPIC Phase 1	FPIC Phase 2	FPIC Phase 3
Mobile communication	Not carried out	Carried out	Carried out
Commune level awareness raising	Only carried out in some communes	More thoroughly carried out	More thoroughly carried out
Advance survey, working with commune officials and village heads	Not carried out	Carried out with more time spent	Carried out with more time spent
Decoration of meeting room and reception of the villagers	Relatively simple	More methodically prepared	More methodically prepared
Presentation of issues	Disorderly	In a well organized structure	In a well organized structure
Discussions	In plenary session	In groups and with prepared questions	In groups and with prepared questions
Voting for consent	By show of hands	Colour votes	Ballot with colour votes
Review meeting with village officials to learn experience	Not organized	Organized by some groups	Organized by all the groups
Meeting minutes	Not made	Not made	Made by almost groups

An independent FPIC verification and evaluation was conducted by RECOFTC and the full report is available on UN-REDD and Viet Nam REDD website.

The result of FPIC activities in Viet Nam including preliminary findings have also been shared at the FPIC regional workshop held by the UN-REDD Global Programme in Hanoi in June. This experience sharing from FPIC process in Viet Nam was appreciated by colleagues from other countries that attended this workshop

Serving this FPIC process, a number of communication materials, among others, including posters, leaflets, brochures, booklets, and films produced and used on topic of awareness raising on forests and climate change, REDD+ issues, UN-REDD programme and local implementation potentials. A short film on UN-REDD Viet Nam FPIC implementation can be viewed at <http://www.youtube.com/watch?v=qpXQOOrTXNc>. Up till now, the film has been viewed more than a 138,000 times.

The final report of FPIC implementation was completed and shared widely. The brief as well full reports are now available on the UN-REDD and Viet Nam REDD website.

Output 2.2: Participatory Carbon Monitoring (PCM)

Participatory Carbon Monitoring (PCM) is being developed and tested as a field-based approach for accounting carbon in REDD+ forests. Though still in the early stages of conceptual and methodological development in Viet Nam, PCM is being designed as an integral part of the larger MRV framework, which enhances awareness raising of forest managers in the field, has the potential to generate data for reporting on national GHG inventory together with the National Forest Inventory (conducted by the professional national forest survey institution), and can also provide a basis for calculation of payments – if so decided. PCM methodological manual is being developed and field-tested in two sites in the two pilot districts. A field-testing was carried out with participants were from Protection Forest Management Boards (PFMB), Forest Protection Department (FPD), sub-FPD, and contractors (households) of PFMBs – including many of whom belong to ethnic minority groups.

The field testing included indoor training on the purpose and methods of carbon measurement for the five carbon pools (and for measurement of carbon in herbs, shrubs and grass), as followed by a field surveying practicum where participants practiced using different tools for

measurement and monitoring activities. Participants engaged in learning to use tools and techniques such as GPS and clinometers, setting sampling plots, identification of tree species and measuring tree diameters. It was observed that the level of comprehension of participants (particularly those from ethnic minority groups) were higher than was expected. The next step for PCM will be for district level roll-out in 2011, with a session for training-of-trainers.



Some picture of PCM activities in the field

Output 2.3: Benefit Distribution System

The preliminary benefit distribution system (BDS) has been presented at a local consultation workshop in Lam Dong in December to receive feedback on key specific areas, including: REDD+ fund (establishment and operation) and REDD+ payment (method and eligible recipients). The discussion also touched on the possibility of piloting BDS in Lam Dong in the near future. The workshop attendants also had a chance to visit pilot sites of payment for forest environmental services (PFES) to learn how the benefits are being distributed to local stakeholders under this PFES scheme. Provincial authorities showed its high commitment in establishment of local BDS and willingness to pilot the operation of REDD+ fund in Lam Dong. Local authorities have also proposed recommended actions for provincial REDD+ fund readiness in 2011.

Output 2.4: Awareness Raising at District and Local levels

The communication strategy at the local level is included in the UN-REDD communication strategy for Viet Nam. It was carried out during the 3rd and 4th quarters of 2010.

Posters, pamphlets, radio programmes, leaflets, brochures, booklets, video (visit www.VietNam-redd.org) were developed and distributed to the communes in the two pilot districts during the FPIC process and local awareness raising/communication activities.

Outcome 3: Improved knowledge of approaches to reduce regional displacement of emissions

Output 3.2: Regional dialogue on displacement of emissions risk

A regional UN-REDD workshop and regional emissions displacement dialogue were organized in Bangkok in November. At the dialogue, a number of issues discussed and planned to further boost the collaboration among Lower Mekong countries for REDD+ activities.

The meeting was attended by about 30 representatives from countries in the region and staff from UN Agencies. In addition to regional displacement of emissions, the meeting addressed options for collaborating on REDD+ implementation in the countries. The increasing economic integration and enhanced transportation system make such collaboration very relevant.

Other activities:

Three Programme Executive Board meetings (PEB) were organized on 8 of January, 14-15 of July (second meeting held in Da Lat) and 15 of December, respectively.

The 1st PEB meeting focused on the 1st annual work plan discussion. During the 2nd PEB meeting, PEB members paid a visit to Di Linh district to obtain a first-hand impression of land-use change and deforestation and forest degradation. PEB members also held an exchange with BaoThuan commune. The exchange was a great opportunity for local people as they could have direct interaction with leaders of the Programme and posed their burning questions on REDD+ possibilities and benefits.

At the third PEB meeting, several important issues were discussed and concluded including National REDD+ Programme development, communication and awareness raising, international participation, and importantly the principle approval of the workplan for 2011. Phase II proposal has also been submitted to Norwegian Government at the meeting.

Visit of the Norwegian Delegation to Lam Dong: the Norwegian Climate Change Ambassador, Hans Brattskar, Government of Norway's Climate and Forest Initiative and 16 other members paid a visit to Lam Dong to work with Lam Dong leaders on REDD+ issues and followed by a field visit to pilot district, Di Linh, to learn about current status of forests, drivers of deforestation and forest degradation, REDD+ potential as well as to experience the progress of the UN-REDD implementation in the field. The delegation discussed with local people and local authorities their thinking of and awareness on climate change and REDD+ initiatives.

Development of UN-REDD phase II proposal: UN-REDD has provided VNFOREST with great support during the development process of the proposal. The proposal was also shared with different stakeholders including NGOs before it was submitted to the Norwegian Government in middle December.

FCPF R-PP: the FCPF R-PP was developed by VNFOREST with support from the UN-REDD Programme (through the recruitment of two international consultants). The R-PP was submitted to the FCPF in August for preliminary comments, and the finally submitted in early October.

3.1.3. Implementation constraints, lessons learned

Coordination with provincial authorities in Lam Dong proved a good mechanism. Provincial authorities are full engaged and collaborating. Experience in Lam Dong province indicates that full commitment and pro-active participation from provincial authorities and executive agencies can only be expected when they are fully aware of the REDD+ mechanism; extensive awareness-raising is therefore required.

Experience from awareness-raising activities at local level has shown high expectation of local people on REDD+. Local people should receive adequate and full information about their role, responsibility and eligibility for REDD+ benefits. This is obviously not easy since the Programme has no budget allocation to distribute benefits among stakeholders. This leaves the Programme in a situation where it needs to generate experience through piloting, but with limited scope of involving the ultimate beneficiaries.

The Programme Management Unit was short staffed in particular for procurement, finance, network and communication. These positions were not included in the approved Joint Programme Document and they require time for formal endorsement. These human resource constraints are being covered with recruitment of additional staff who shall be on board in early 2011.

The Programme timely reviewed and revised the original 2010 annual work plan at the 2nd PEB meeting in mid July. The Programme has been extended by 8 months in order to finalize the activities, without additional financial resources. Closing date of the Programme is now 31 December 2011.

UNDP used the national execution (NEXT) modality for cash transfer to the Government of Viet Nam before the procedure was formalized when Harmonized Approach to Cash Transfer (HACT) was introduced in 2007. Since neither UNEP nor FAO belong to the ExCom agencies that agreed to implement HACT, the two agencies have been using the directly execution modality (DEX) instead. Upon acquiring the final Micro Assessment report and the Macro Assessment report¹, FAO has internally processed the application of HACT to start employing HACT in Quarter 1, 2011.

One of the key reasons for the delay in Programme delivery (especially relevant for FAO components) has been the need to coordinate implementation timing in response to the on-going UNFCCC negotiations and to the resulting developments of technical guidance. Another issue contributing to the delay in Programme delivery - which has been to a large extent addressed - has been the need for substantial changes to be made to the initial activities, Outputs and Outcomes identified in the Programme Document, due to evolving international and national discussions and circumstances (i.e. Output 1.2 on REL/RLs and newly added Output 1.6. on MRV for implementation in 2011).

Additionally, the scheduling in the Joint Programme Document has proven to be far too ambitious, given the initial capacity of MARD to understand and support REDD+ and the need for more extensive awareness-raising in the province of Lam Dong in order to attract the interest and commitment of the provincial authorities. Consequently, several activities could not be implemented or completed during 2010 and these have been moved forward to 2011. This affects in particular:

- Awareness raising (1.1): More elaborate than originally planned.
- Analysis of trends and drivers of deforestation (1.2): Deferred to await development of the FCPF R-PP, now re-introduced to prepare for RL/REL development.
- Framework National REDD+ Program (1.3): Extended duration, to accommodate Vietnamese procedures and new developments such as Government-level Steering Committee establishment.
- BDS study tour (1.4): Deferred to 2011 for lack of a suitable period for traveling during 2010.
- District-level land-use planning and mapping (2.1): Late implementation due to problems with procurement of a contractor and satellite imagery. Started in 2010, but carried over into 2011.
- Drivers of potential regional emissions displacement (3.1 and 3.3): Redefined to better match guidance from the UNFCCC. To be implemented in 2011.

International developments and internal “lessons learned” have led to the definition of a number of new initiatives. These have been formalized during the Logical Framework revision (see annex I), which has been endorsed by the Programme Executive Board on 15 December 2010. The major new initiatives are:

- Stakeholder consultation for UN-REDD Phase II (1.1)
- Support for the National REDD+ Office (1.1)
- Ecological stratification of the Vietnamese territory (1.2)
- Identification of “National Circumstances” for RL/REL development (1.2)
- Drafting of legal texts for the National REDD+ Program (1.3)

¹ Delivered to FAO in November 2010. Only a draft version of the Macro Assessment report has been made available to date.

- Definition of the National REDD+ Fund as a sub-fund under the FPDF (1.4)
- Design of the National MRV System (1.6)
- Full-scale participatory carbon monitoring in the pilot districts in Lam Dong (2.2)
- Definition of the Provincial REDD+ Fund as a sub-fund under the FPDF (2.3)
- Development of a framework for assessment of regional emission displacement (3.1)
- Regional collaboration on regional emission displacement (3.2)

In addition to the Programme activities, the Programme has also actively contributed to the development of the FCPF R-PP and the proposal for Phase II of the UN-REDD Viet Nam Programme.

3.1.4. Key partnerships and inter-agency collaboration

Collaboration with GTZ, ICRAF, JICA, SNV, RECOFTC, FORMIS project, the Finnish embassy and its supported project have been established and continued during the reporting period on all aspects of the programme. Collaboration with Winrock International led to UN-REDD involvement in Winrock's regional technical project and workshop on REL and MRV development in Hanoi early May. Contacts have been established with NGOs (ICRAF, IUCN, SNV, FFI, MFF) and CSOs (SRD, CERDA); some of these contacts have led to pledges from these organizations to actively participate in the programme.

A visit was paid to the Embassy of Finland in Hanoi to discuss Finnish cooperation in a possible Phase II of the UN-REDD Programme.

GTZ has indicated its willingness to contribute to the National REDD+ Strategy development. GTZ celebrated its collaboration with Viet Nam in a forestry congress, early September; UN-REDD actively contributed to this congress. GTZ has invited UN-REDD to elaborate the REDD+ programme and potential for integrating elements of REDD+ in current GTZ-sponsored projects as well as for integrating REDD+ into the new GTZ-Viet Nam strategy which will form the basis of the new GTZ forestry programme, as of 2011.

IV. FUTURE WORKPLAN

Key activities in 2011 – The idea ahead is the continuation of current activities and additional new elements for the National REDD Programme.

1. Strengthening national coordination mechanism through continued support for stakeholder consultations through the REDD+ Network and technical working group and more emphasis on awareness raising and capacity building and more directed to identifying requirements of the Government.
2. Further elaboration of Phase II of UN-REDD Programme
3. The National REL/RL data should be available in 2011. This activity shall be focused on collection of data, identification of "National circumstances", forest ecological stratification, analysis of drivers of deforestation and stakeholders' consultation.
4. Development of Framework National REDD+ Strategy: stakeholders' consultation to be continued, the legal text should be available in the first semester of 2011 and launching of the National REDD+ Program.
5. Benefit distribution system will be put into operation. A National REDD+ Fund will be designed or assessment of the option to create a REDD+ sub-fund under the existing Forest Protection and Development Fund and R-factors shall be developed to differentiate payment levels for different service providers and different ecological conditions. The BDS shall be put through a consultation process at national level as well as local level.
6. Continue to support local government in development of district-level forest land-use plans, mainstreaming REDD+ potential (period 2010-2020).

7. Development of participatory C-stock monitoring system which shall be tested and applied in line with the BDS activities.
8. Implementation of awareness activities at district and local levels.
9. Packaging lessons learned into information materials and further development of communication materials for sharing nationally and internationally.
10. Design of the national MRV system (design, piloting and training) and development of allometric equations.
11. Development of framework for assessment of drivers of potential emissions displacement as well as assessment of domestic displacement of emissions. This shall be developed through stakeholder' consultation.
12. Regional synergies and collaboration on REDD+. A work plan to address regional drivers of emissions displacements shall be developed and a regional workshop on emissions linkages organized.

V. FINANCIAL IMPLEMENTATION

Participating UN Org. ²	Total Transferred Up to 30 December 2010	Cumulative Up to 30 December 2010 ACTUALS	
		Commitments	Disbursements
FAO	1,690,814.00	210,062	172,992
UNDP	2,501,128.00	216,118	1,457,235
UNEP	192,814.00	156,987	61,181
Total	4,384,756.00	583,167	1,691,409

² No disbursements or commitments were made from the Government of Viet Nam in 2010.

Annex I: Assessment of the Programme Progress against the Targets

Result	Key activities in 2010	Indicator	Baseline	Proposed target	Achievement	Assessment of the progress
Goal:	By the end of 2012 Viet Nam is REDD+-ready and able to contribute to reducing emissions from deforestation and forest degradation nationally and regionally					
Objective: <i>To assist the Government of Viet Nam in developing an effective REDD+ regime in Viet Nam and to contribute to reduction of regional displacement of emissions</i>		- Recognition of REDD+-VN as a state-of-the-art national system - Preliminary programme to reduce emissions from deforestation and forest degradation	- No system in place - No programme	By the end of 2010, Viet Nam has in place a preliminary programme to generate independently measurable and verifiable REDD+ C-credits		The programme is on track toward its set of objectives. On the substantive dimension of the programme: UN REDD programme has presented key results at the COP16 especially FPIC and National REDD+ Strategy On the operational dimension, the implementation structure is established PMU management capacity is full however in order to meet demand of 2011 work plan, PMU need more strengthened
Outcome 1: Improved institutional and technical capacity for national coordination to manage REDD+ activities in Viet Nam		Components of REDD+ architecture in place	Support to SFM has established partial elements, but none are REDD+-ready	By the end of 2010 key components of REDD+ architecture (coordinating mechanism, reference scenario, payment distribution system) are completed		
Outputs:						
1.1. National coordination mechanism	- Organization and convening of regular meetings - Provision of technical support and advice - Organization of workshops to review lessons learned - Organization of study-tours to field sites - Viet Nam REDD+ website development	Establishment of system	Proposal for “interim working group” exists	- By the end of 2010 all partners have endorsed a roadmap generated by the working group - By September, all network members demonstrated good knowledge on REDD+ and actively participated in network events and REDD+ activities - All departmental level officials in key state agencies related to REDD+ programme	- National REDD+ Network and TWG established - Provincial REDD+ Network in Lam Dong established - Training of government staff - Attendance at international meetings and negotiations - Viet Nam REDD website functional	Achieved. However, coordination with other ministries needs to be strengthened. There should be developed a training strategy for government staff

Result	Key activities in 2010	Indicator	Baseline	Proposed target	Achievement	Assessment of the progress
				exposed to REDD+ information and demonstrated basic knowledge about REDD+ By end of the 1st quarter, Viet Nam REDD website launched		
1.2. National reference scenario for REDD+	- Review of methodologies for establishing REL - Collection, manipulation and compilation of data required for generating the REL - Analysis of national circumstances and development of interim REL - Training of government officials - Organization of workshops to promote stakeholder buy-in - Analysis of current and future causes and drivers of deforestation - Analysis of opportunity costs of land use - Identification of additional data needs	- Data/analysis on deforestation and degradation using FRA RSS and other robust methodology - Historical data on forest resources (volumes, carbon stock, forest classes etc.) for historical emission levels - Trained staff for REDD+ REL development - Stakeholder-endorsed interim reference scenario of forest C-stocks	- Some data/analysis exist - Not covering the whole country, existing NFI data not calculated - Some staff trained, but not specifically on REDD+ - No scenario exists	- By the end of June 2010, NFI data analyzed - By the end of August 2010, a REDD+ REL/reference scenario team is fully trained - By the end of 2010 a multi-stakeholder endorsed interim REL/reference scenario has been developed - Dec 2010: A core group of national experts are trained on RELs/RL methodology” - by Sept 2010, the proposal on national forest inventory and monitoring system submitted to the Government of Viet Nam reflects MRV requirements	- Guidelines for REL/RL establishment developed - Training of government staff conducted in Viet Nam, Mexico and Canada - Supported participation of government staff in REDD+ Governance workshop, Italy	Partially achieved. Other projects made some activities redundant, in particular those supported by the FCPF (drivers of deforestation), JICA and Finland (on REL/RL historical data analysis). New activities have been identified such as Eco-region stratification. The proposal on national forest inventory and monitoring system was delayed until early 2011.
1.3. Framework National REDD+ Program (Strategy)	- Review of existing international proposals and national policies for a National REDD+ Programme - Formulation of draft programme structure - Identification of information requirements to complete each element - Drafting of those elements for which information requirements are already met - Preparation of a plan to generate additional information - Organization of consultation workshops on development of the National REDD+ Programme	- Baseline analysis on governance and policy for REDD+ - Structure of national REDD+ programme - Information gap analysis	- No integrated analysis - No structure exists - Gaps only known in general terms	- Draft structure of the strategy developed by September - Draft structure endorsed by REDD+ Network by September - Information gaps identified and work plan to fill gap prepared by Dec	- First draft of the National REDD+ Strategy document has been produced - Government-level consultation initialized	Achieved. Different stakeholder consultations at national and local levels continue in 2011

Result	Key activities in 2010	Indicator	Baseline	Proposed target	Achievement	Assessment of the progress
1.4. Performance-based, transparent benefit sharing payment system from national to local levels	- Analysis of payment systems and experiences for relevance to REDD+ - Identification of modifications required - Development and implementation of required modifications - Organization of workshops to secure stakeholder endorsement	Stakeholder satisfaction with payment system, monetary or in-kind benefits in target communities of a magnitude that could influence on decision-making	No REDD+ system, but Programme 661 system provides model	- By the end of 2010, a payment system has been developed that meets the expectations of all stakeholders and beneficiaries - Benefit distribution system (BDS) and follow up study consulted with different stakeholders	- Design document for the BDS has been published - Follow-up studies have been conducted	Partially achieved. BDS design document has received international attention.
1.5. Communications materials for sharing lessons internationally	- Identification of lessons likely to be of relevance internationally - Preparation of appropriate learning materials - Organization of study tours for knowledge dissemination	Production of communications materials	No materials	By December, lessons learnt documented.	- Communication strategy developed - Many brochures and other forms of communication developed	Fully achieved
Outcome 2: Improved Capacity to manage REDD+ and provide other Payment for Ecological Services at district-level through sustainable development planning and implementation		Operational district pilots in at least 2 districts	No pilots underway	By the end of 2010 pilots in at least 2 districts in Lam Dong have demonstrated a viable approach to planning for REDD+, participatory monitoring, and a system for distribution of benefits		
Outputs:						
2.1. District-level forest land-use plan mainstreaming REDD+ potential	- Training of staff of local authorities and other stakeholders - Establishment of historical and current land-use maps - Assessment of causes and trends in deforestation and forest degradation - Mapping of at risk forest and “REDD+-priority” forest areas - Preparation of district socio-economic and land-use plans - Organization of workshops to secure stakeholder endorsement - Establishment of district REDD+ team	District socio-economic development plan with REDD+ priorities identified	Local plans do not include REDD+	- By the end of 2010 a multi-stakeholder endorsed socio-economic development plan has been developed that incorporates status and trends of forest cover and identifies economically-viable at risk areas - By end of June: free prior informed consent conducted	- FPIC methodology developed and implemented in 78 villages - Various contracts for services tendered and in execution: - Historical maps - Districts socio-economic and land-use plans - Provincial and district REDD+ teams established	Achieved
2.2. Participatory C-stock monitoring system	- Assessment of practicality of existing methodologies to local conditions - Design and implementation of modifications, as necessary - Training of local stakeholders - Design of monitoring programme - Analysis of samples to test accuracy	Engaged stakeholders at the district and local levels (including ethnic minorities and forest dependent communities) involved in participatory monitoring	Local institutions have little capacity for forest monitoring	By the end of September 2010, local institutions are able to conduct participatory monitoring	- Guidelines for PCM for authorities and implementers developed - Training implemented	Partially achieved.

Result	Key activities in 2010	Indicator	Baseline	Proposed target	Achievement	Assessment of the progress
	of participatory monitoring methods	- Sample plot system for ground-truthing - Preliminary C-stock estimates	- No sample plots exist - Existing processes are non-participatory	- By the end of 2010 responsible organizations have produced C-stock survey data - By September 2010, Methods for participatory C-stock monitoring are established and local institutions are able to carry out exercises		
2.3. Equitable and transparent benefit sharing payment systems	- Analysis of strengths and weaknesses of existing payment system(s) - Identification and implementation of modifications necessary for REDD+ - Organization of workshops to educate local officials and stakeholders - Testing of system	Stakeholder satisfaction with payment system, monetary or in-kind benefits in target communities of a magnitude that could influence on decision-making	No REDD+ payment system, but forest protection system provides a model	By the end of 2010, a payment system has been developed that meets the expectations of all stakeholders and beneficiaries	- BDS follow-up studies identifies lessons learned from existing payment systems - BDS consultation conducted in Lam Dong province	Partially achieved.
2.4. Awareness raising at district and local levels	- Assessment of awareness-raising needs and opportunities - Preparation of awareness-raising materials - Organization of awareness-raising events - Re-assessment of additional awareness-raising needs	Level of awareness among local stakeholders (including ethnic minorities and forest dependent communities)	Stakeholders unaware of REDD+	- By the end of 2010, stakeholders in pilot districts are aware of REDD+ and potential benefits - By end of May, A Communications and awareness-raising strategy for Viet Nam UN-REDD programme and an accompanying strategic communication plan.	- Many (visual) communication materials developed - Audio-visual material developed - Radio broadcasts on REDD+	Fully achieved.
Outcome 3: Improved knowledge of approaches to reduce regional displacement of emissions		Roadmap for reducing regional displacement of emissions	Regional “R-PIN” drafted but not funded; no roadmap exists	By the end of 2010, a roadmap to address regional displacement of emissions has been endorsed by the GoV and at least one other regional government		
Outputs:						
3.1. Quantification of regional “displacement of emissions” risk	- Compilation of existing data - Analysis of status and trends - Identification of areas of uncertainty - Pilot surveys of cross-border timber and wood products movement	Completion of analysis	Magnitude of problem understood only in qualitative terms	- By the end of 2010, an analysis providing quantitative estimates of regional displacement of emissions risk has been produced. - By Dec 2010, Framework for assessment of regional	Not yet implemented	Unachieved.

Result	Key activities in 2010	Indicator	Baseline	Proposed target	Achievement	Assessment of the progress
				emissions leakage is established and presented including to regional audience Dec 2010, Framework for assessment of regional emissions leakage is established and presented including to regional audience		
3.2. Regional dialogue on “displacement of emissions” risk	- Engagement with partners working on cross-border movement - Organization of workshops to discuss problems and possible solutions - Analysis of drivers - Preparation of a work-plan for regional cooperation	Emerging agreements on approaches to reduce regional displacement of emissions	Essentially no debate has taken place	- By the end of 2010 elements of a work plan to address drivers of regional displacement of emissions cooperatively are documented - Experience and learnt lessons on challenges facing REDD+ readiness shared	- Workshop conducted with country representatives from the Lower Mekong Region in Bangkok - Follow-up work in progress	Partially achieved.
3.3 Analysis of opportunities for linkage with non-REDD+ initiatives to reduce cross-border flow of illegal timber	- Review of progress in FLEGT/FLEG and identification of gaps - Analysis of strengths and weaknesses of REDD+ - Organization of workshops to identify opportunities for mutual support - Preparation of a work-plan to implement collaborative measures	Completion of analysis	No analysis exists	- By the end of 2010 the potential for collaboration between REDD+ and FLEG(T) in reducing regional displacement of emissions has been identified - By Dec 2010, potential partners or working group mechanisms to address non-REDD+ areas for reducing regional emissions leakage and improved efficiency in timber use are identified and consulted	Not yet implemented	Unachieved.

Annex II. List of Acronyms

BDS	Benefit Distribution System
CERDA	The Center for People and Forests
CSO	Civil Society Organization
FAO	Food and Agriculture Organization of the United Nations
FCPF	Forest Carbon Partnership Facility
FFI	Fauna and Flora International
FLEGT	Forest Law Enforcement, Governance, and Trade
FORMIS	Forest Management Information System
FPD	Forest Protection Department
FPIC	Free, Prior and Informed Consent
GPS	Global Positioning System
GTZ	German Technical Cooperation
GoV	Government of Viet Nam
HPPMG	Harmonized Programme and Project Management Guidelines
ICRAF	World Agroforestry Centre
IUCN	International Union for the Conservation of Nature
JICA	Japan International Cooperation Agency
MARD	Ministry of Agriculture and Rural Development
MFF	Mangrove for Future
MRV	Measurement, Reporting and Verification
NORDECO	Nordic Agency for Development and Ecology
NRS	National REDD+ Strategy
OCA	Opportunity Cost Analysis
PCM	Participatory Carbon Monitoring
PEB	Programme Executive Board
PFES	Payment for Forest Environment Services
PPC	Provincial Peoples' Committee
RECOFTC	The Center for People and Forests
RCFEE	Research Centre on Forest Ecology and Environment
REDD	Reducing Emissions from Deforestation in Developing Countries
REDD+	Reducing Emissions from Deforestation and Forest Degradation in Developing Countries; and the role of Conservation, Sustainable Management of Forests and Enhancement of Forest Carbon Stocks in Developing Countries
REL	Reference Emission Level
RL	Reference Level
R-PIN	Readiness Project Identification Note (of the FCPF)
R-PP	Readiness Preparation Proposal (of the FCPF)

SD	Sustainable Development
SNV	Stichting Nederlandse Vrijwilligers (Netherlands Development Organisation)
SRD	Sustainable Rural Development
Sub-FPD	Sub-Forest Protection Department
TWG	Technical Working Group
UN	United Nations
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNFCCC	United Nations Framework Convention on Climate Change
UN-REDD	United Nations Collaborative Programme on Reducing Emissions from Deforestation and Forest Degradation in Developing Countries
VNFOREST	Viet Nam Administration of Forestry