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Designing REDD+ Benefit Sharing Systems in Vietnam

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I. REDD+ Implementation in Vietnam

1.1 Relevant Policies and Programs;

1.2 Participation in key international REDD+ Initiatives

1.3 Progress

1.1 REDD+ Implementation in Vietnam

- GoV of Vietnam has paid great attention on responding to negative impacts of climate change;
- REDD is one of the key important components of National Target Program to Respond to Climate Change and National Forest Development Strategy;
- PES - The implementation of REDD + PES is expected to create an innovative and sustainable financing mechanism for SFM, biodiversity conservation and socio-economic development in rural areas;
- Based on voluntary basis , national circumstances and country ownership;
- REDD implementation should be well-organized in collaborative, coordinated, transparent and effective fashion;

1.2 Participation in the REDD+ Initiatives

- Forest carbon partnership facility (FCPF): August 2008;
- The UN-REDD: October 2009;
- REDD+ Partnership in May 2010;



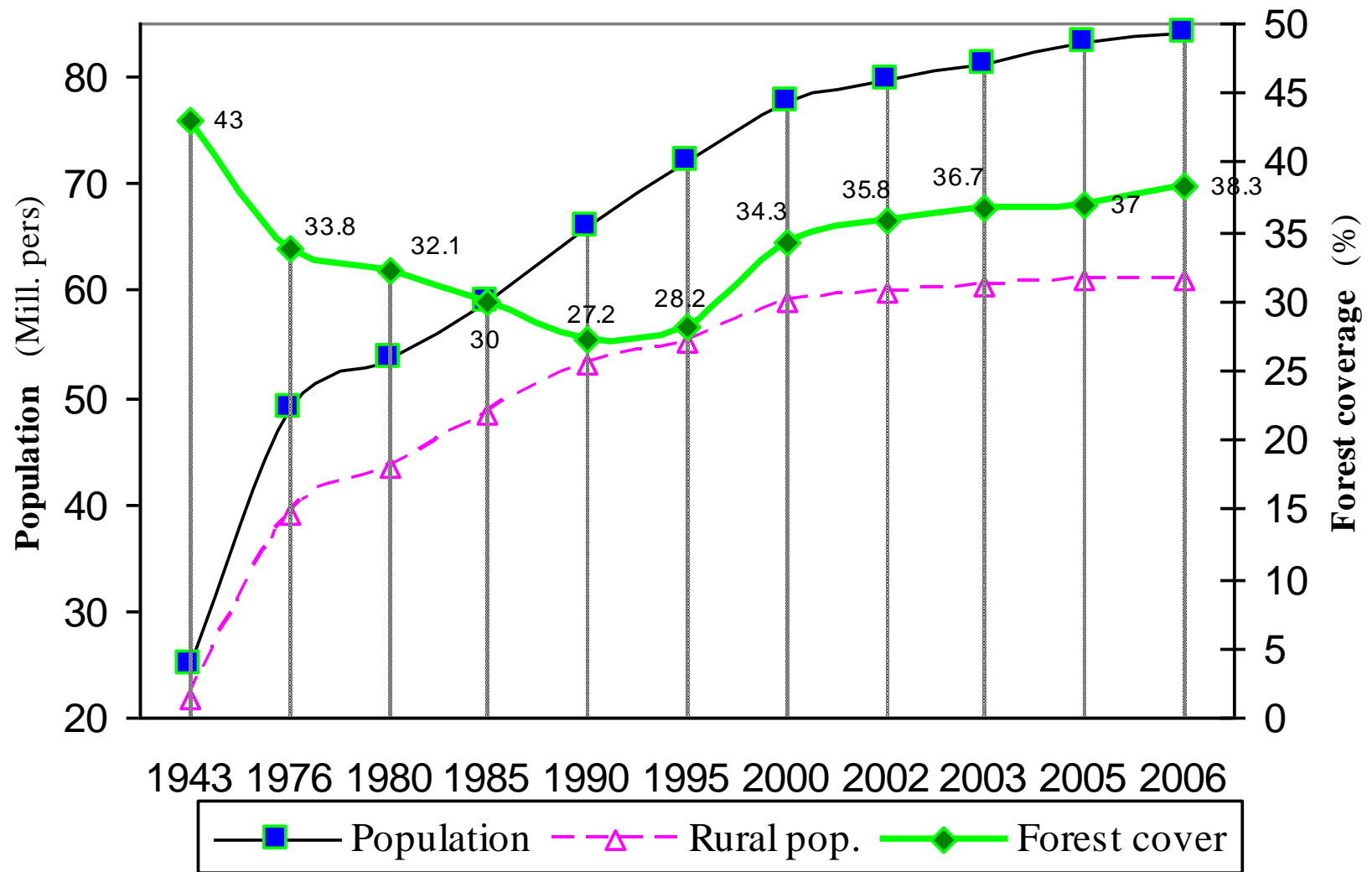
1.3 Progress (1): Institutional aspect

- **National REDD Network** and REDD Technical Working Group;
- Establishment of SC of the UN-REDD Prog in Vietnam chaired by MARD Vice Minister and UN Res. Coordinator;
- Donors coordination: **Institutional donors' mapping** to mobilize the support from potential partners and to avoid overlap and conflicts;
- Study on benefit-sharing systems for REDD;
- Launch the website;

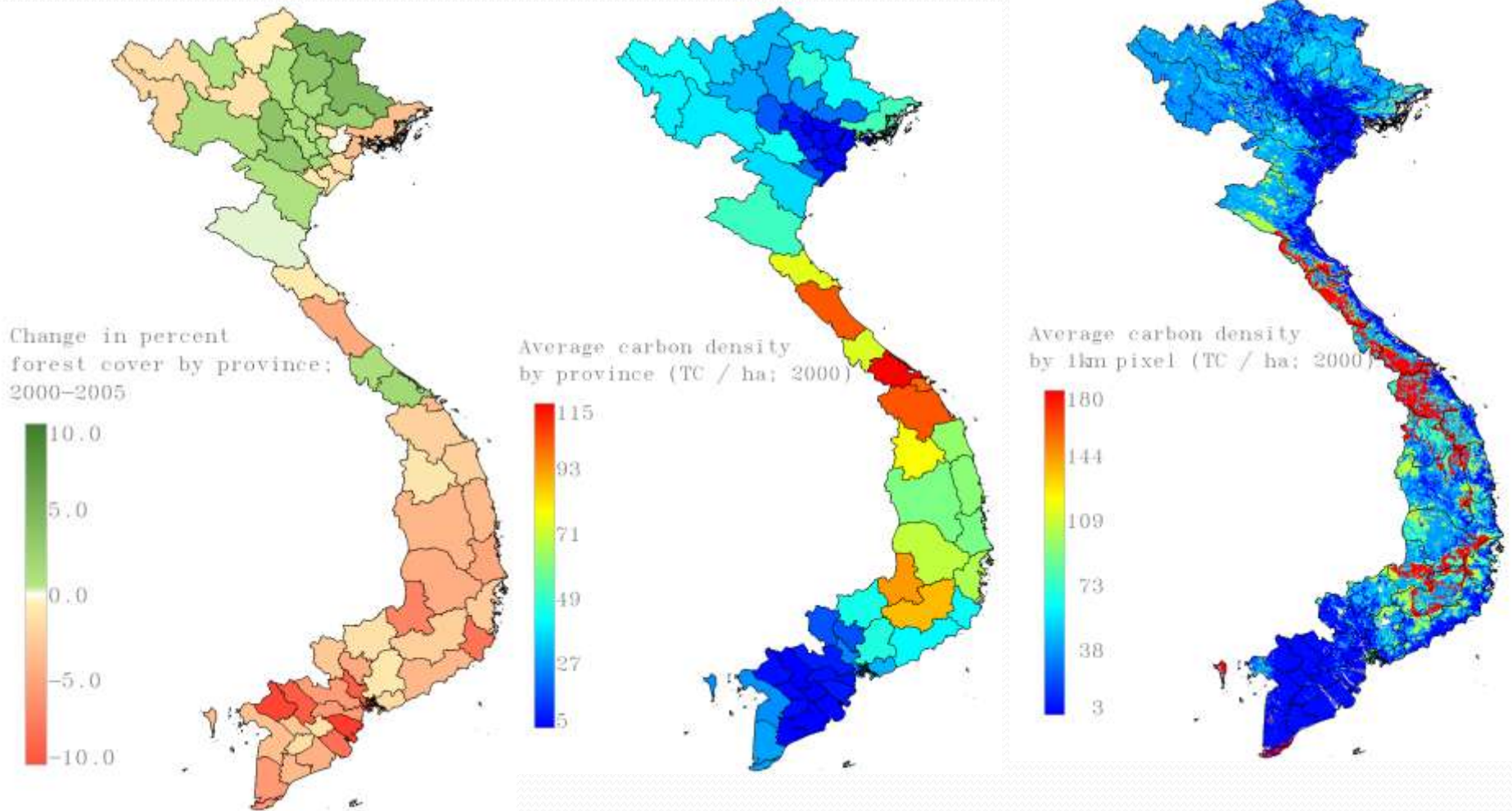
1.3 Progress (2): Technical Capacity Building

- **GoV:** scientific research on forest carbon measurements;
- **UN-REDD, JICA, ICRAF, AusAID,:** capacity building for relevant stakeholders at national and local levels;
- **FAO:** Strengthening the National Forest Inventory, Monitoring and Assessment Program (since 1991) in CC context;
- **GoV & Finland:** Forest Monitoring and Information System (FOMIS) and forest fire prevention and information system;
- **GTZ, SNV, AusAID, USAID, Finland:** forest carbon measurements;
- **WB:** Strategic environment and social impact assessment

Forest cover changes



Deforestation and Carbon density



II. Designing the REDD+ Benefit Sharing System in Vietnam

- 1.1 Relevant Policies and Programs;
- 1.2 Participation in key international REDD+ Initiatives
- 1.3 Progress

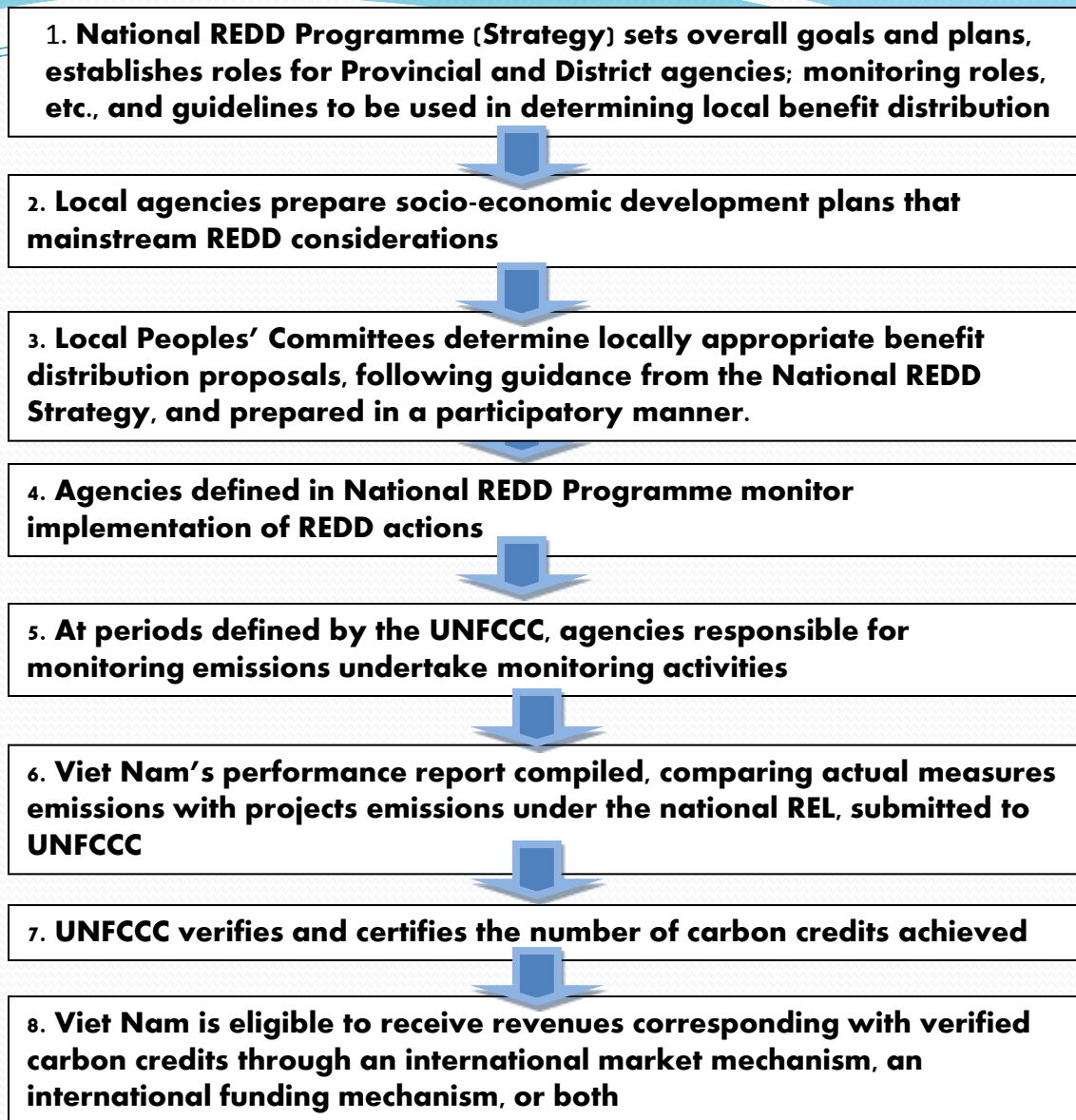
Benefit Distribution Study (BDS)

- Conducted in from Oct-Dec 2009, funded by the UN-REDD Program in Vietnam and GTZ;
- Study team: 10 international and national experts;
- Outcomes of the Study:
 - Executive Summary presented at the CoP15
 - Full report is uploaded into UN-REDD website
 - Policy review process & further in-depth analysis

PES	REDD
Local buyers	Global buyers
Prices set by local studies	Prices set by global market (or fund)
Weak performance-based conditionality	Strong performance-based conditionality
Monitoring procedures determined by local buyers	Monitoring procedures determined by international agreement
PES funds can be co-mingled (e.g., water and ecotourism)	PES funds cannot be co-mingled except with considerable safeguards
Buyers (e.g., dam operators, water utilities) can be legislated	Buyers must be attracted and retained

KEY CONCLUSIONS

3. Given strong performance link, four criteria will guide GoV response:
 - i. **Performance:** REDD funds are specific and must be managed accordingly.
 - ii. **Additionality:** payments only made for activities that would not otherwise have occurred.
 - iii. **Equity:** the way social and political considerations are matched to performance will be influenced by international expectations.
 - iv. **Transparency:** independent monitoring needed to ensure transparency and credibility.



**Planning and
Implementation**

Benefit Distribution

9. Viet Nam receives revenues into a National REDD Fund (stand alone fund, or sub-fund of an existing fund), overseen by a broad-based, multi-stakeholder governing body

10. Staff of National REDD Fund calculate provincial shares of the total revenues based on provincial performance

11. Staff of the National REDD Fund calculate implementations, transaction costs, and opportunity costs incurred by the central government and subtract these amounts from the gross revenues

12. Net revenues are distributed to Provincial REDD Funds (mirrored on the National Fund, and also with participatory governance structures), according to R_p coefficients

13a. Provincial REDD Fund staff repeat steps 10-12 to determine distribution of net REDD revenues to District Funds

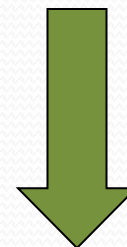
13b. Provincial REDD Fund staff are responsible for disbursement to ultimate beneficiaries

14. Provincial/District Fund staff (depending on Option 1 or 2) determine net revenues to be distributed to ultimate beneficiaries, and deliver payments or other benefits

15. Agencies monitor disbursement activities

16. Agencies responsible for providing recourse in the event of disputes undertake actions to ensure that all beneficiaries are able to register a complaint if desired

18. Staff of the National REDD Fund initiate independent external auditing of National, Provincial, and (if relevant) District REDD Funds



17 POLICY DECISIONS

- Design and governance of Fund
- Eligibility of beneficiaries
- Multi-level management of revenues
- Payment structuring and timing
- Monitoring (4 types)
- Recourse mechanism

POLICY DECISION #1: LEGAL FRAMEWORK FOR REDD

- Recommendation:
 - Pilot REDD in a number of provinces for 2-3 years
 - Prepare REDD-specific decree covering rights, and revenue management, etc. and incorporating lessons from pilots

POLICY DECISION #2: REVENUE MANAGEMENT

- Recommendation:

A) **FPDF sub-fund**, if legal basis can be modified to allow participatory governance

B) If (A) is not possible, **a new REDD Fund with participatory governance structures**

POLICY DECISION #3:

SUB-NATIONAL REVENUE MANAGEMENT

- Recommendation:
 - In pilots, use only national and provincial levels for revenue disbursement (provinces responsible for disbursement to beneficiaries)
 - Build capacity to eventually allow district level disbursement too (districts responsible for disbursement to beneficiaries)

POLICY DECISION #4: REDD MONITORING

- Recommendation:
 - Four types of monitoring required: build on existing monitoring capacities
 - Pilot national and provincial REDD monitoring bodies with governmental and civil society participation

POLICY DECISION #6: PAYMENT STRUCTURING

- Recommendation:
 - Devolve decision making to local authorities, but with strong checks and balances
 - Design “R-coefficients” to account for local circumstances during piloting

POLICY DECISION #7: FOREST OWNERS ELIGIBLE TO RECEIVE REDD+ BENEFITS

- Recommendation:
 - Review advantages and eligibility of community beneficiaries
 - Establish circumstances for PAMBs to be beneficiaries and legal issues affecting SFEs

POLICY DECISION #8:

STRENGTHENED LAW ENFORCEMENT FOR PERFORMANCE-BASED DISTRIBUTION

- Recommendation:
 - Assess experiences with community-based law enforcement and translate into national regulations
 - Make strengthened law enforcement, with a focus on compliance, a key component REDD+ pilots

POLICY DECISION #9: PARTICIPATORY MONITORING

- Recommendation:
 - Commit to participatory monitoring;
 - Identify participatory monitoring methods that have a history of effectiveness, and develop principles to be applied for participatory monitoring related to REDD+



POLICY DECISION #10: DESIGN OF A CREDIBLE RECOURSE MECHANISM

- Recommendation:
 - Commit to establishing an effective recourse mechanism
 - Following CoP15, undertake an analysis of the institutional structure for a participatory recourse mechanism



**Thank you very much for
your attention!**