



# REQUEST FOR CEO ENDORSEMENT

**PROJECT TYPE: Full-sized Project**

**TYPE OF TRUST FUND: GEF Trust Fund**

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## PART I: PROJECT INFORMATION

Project Title: Integrating Biodiversity Conservation, Climate Resilience and Sustainable Forest Management in Trung Truong Son <sup>1</sup> Landscapes of Viet Nam			
Country(ies):	Viet Nam	GEF Project ID: <sup>2</sup>	5005
GEF Agency(ies):	AsDB (select) (select)	GEF Agency Project ID:	40253-02
Other Executing Partner(s):	Ministry of Natural Resources and Environment (MONRE)	Submission Date:	12 Sep 2014
GEF Focal Area (s):	Multifocal Area	Project Duration(Months)	48 <sup>3</sup>
Name of Parent Program (if applicable): ➤ For SFM/REDD+ <input type="checkbox"/> ➤ For SGP <input type="checkbox"/> ➤ For PPP <input type="checkbox"/>	Greater Mekong Sub-region Forests and Biodiversity Program (GMS-FBP)	Project Agency Fee (\$):	341,546

### A. FOCAL AREA STRATEGY FRAMEWORK<sup>4</sup>

Focal Area Objectives	Expected FA Outcomes	Expected FA Outputs	Trust Fund	Grant Amount (\$)	Cofinancing (\$)
(select) BD-1	Outcome 1.1 Improved management effectiveness of existing and new protected areas (Component 1)	Output 1.1. One new Protected Area (approximately 17,000 ha) and improved management effectiveness of approximately 214,000 ha of seven existing protected areas (cumulative total of 231,000 ha).	GEF TF	464,688	6,700,000
(select) BD-1	Outcome 2.1 Increase in sustainably managed landscapes and seascapes that integrate biodiversity conservation. (Component 1)	Output 2.2 Sub-national land use plans that integrate biodiversity and ecosystem services valuation	GEF TF	330,000	4,900,000
CCM-5 (select)	Outcome 5.2 Restoration and enhancement of carbon stocks in forests and non-forest lands (Component 1)	Output 5.2 Forests and non-forest lands under good management practices (linked to LD-2, Outcome 2.3)	GEF TF	488,771	7,100,000
CCM-5 (select)	Outcome 5.1 Good management practices in LULUCF adopted both within the forest land and the wider landscape	Output 5.1 Carbon stock monitoring systems established	GEF TF	305,917	1,300,000

<sup>1</sup> Refers to Central Annamite region of Viet Nam

<sup>2</sup> Project ID number will be assigned by GEFSEC.

<sup>3</sup> Reduced from 60 to 48 months to match the duration of the baseline ADB funded Biodiversity Conservation Corridors Project

<sup>4</sup> Refer to the [Focal Area Results Framework and LDCF/SCCF Framework](#) when completing Table A.

	(Component 2)				
(select) LD-2	Outcome 2.3 Sustained flow of services in forest ecosystems in drylands (Component 1)	Output 2.3 Suitable SFM interventions to increase/maintain natural forests in dryland production landscapes	GEF TF	1,245,178	5,500,000
(select) LD-3	Outcome 3.3 Increased investment in integrated landscape management (Component 2)	Output 3.3 Appropriate actions to diversity the financial resource base	GEF TF	77,969	1,700,000
(select) SFM/REDD+ - 1	Outcome 1.2 Good management practices applied in existing forests (Component 1 and 2)	Output 1.2 Forest area (approximately 20,000 ha) under sustainable management within two communes adjacent to Saola Nature Reserve in Quang Nam (one site <sup>5</sup> )	GEF TF	882,431	3,550,000
(select) (select)			(select)		
<b>Total project costs</b>				3,794,954	30,750,000

## B. PROJECT FRAMEWORK<sup>6</sup>

**Project Objective: To strengthen the management and ecological integrity of the protected area network in the Trung Truong Son region of Viet Nam<sup>7, 8</sup>.**

Project Component	Grant Type	Expected Outcomes	Expected Outputs	Trust Fund	Grant Amount (\$)	Confirmed Cofinancing (\$)
Component 1: Strengthened planning and management of the biodiversity and forests in the Protected Areas and their Buffer zones in the Trung Truong Son landscapes	TA	Improved management effectiveness of eight protected areas covering over 231,000 ha of land and effectively linked to an approximately additional 450,000 ha mosaic forest watershed in buffer zones and biodiversity corridors outside of the protected areas (25% increase in management		GEF TF	2,377,096	25,000,000

<sup>5</sup> The original PIF had three SFM/REDD pilot projects (sites) under the SFM/REDD+ focal area, with one in each of three priority provinces. However, as the available budget for component 2.2 (and 2.3) is inadequate to cover three sites, only one such pilot covering around 20,000 ha is proposed for pilot testing under the project;

<sup>6</sup> The Project Framework now only includes the GEF funded components, outcomes and outputs. Non-GEF funded baseline activities that were in the original PIF are discussed in Section A.4 (Baseline Project).

<sup>7</sup> The Project Objective has been modified from the original PIF to emphasize the focus on improved management of the PA network and its integration with the broader Trung Truong Son landscape.

<sup>8</sup> The Project Objective is to be achieved by maintaining and restoring forest biodiversity, ecosystem and related watershed processes, strengthening species conservation, enhancing forest carbon stocks, strengthening climate resilience and actively encouraging the participation and sharing of conservation benefits with local people.

<p>Sub-Component 1.1. Improved Protected Area operational planning and management</p>		<p>effectiveness score) Reduced GHG emissions from avoided deforestation and degradation in 231,000 ha of protected areas (est. 5.6 -8.4 million tonnes CO2 eq. over twenty years)</p>	<p>1.1.1 One new protected area covering around 17,000 ha established and conserving globally important species and habitats and maintaining carbon pool</p> <p>1.1.2 Two new PA management boards established and effectively planning and managing about 22,000 ha of new and existing protected areas for globally important species and habitats and maintenance of carbon pool</p> <p>1.1.3 Five PA operational management plans established with stakeholder participation addressing key threats to biodiversity rich forests in over 159,000 ha of protected areas</p> <p>1.1.4 Eight new and/or revised operational management plans covering around 231,000 ha under effective</p>			
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<p>Sub-Component 1.2: Enhanced community participation in benefit sharing from conservation and sustainable use of biodiversity in Protected Areas and their surroundings<sup>9</sup></p>		<p>Effective institutional arrangements for buffer zone management tested and operationalized</p> <p>Protected Areas and their surrounding forests and micro-watersheds with increased natural forest cover and – benefit sharing with local communities</p> <p>Carbon sequestration increased through forest restoration of 10,000 ha of degraded lands (est. 1.9 – 2.4 million tonnes CO2</p>	<p>implementation and integrating conservation, co-management, PES benefits and community livelihood activities in the PAs and buffer zones.</p> <p>1.1.5 Staff in eight protected areas trained in operational management planning and effectively facilitating stakeholder participation in forest conservation and management</p> <p>1.2.1 Institutional arrangements in place and effectively supporting conservation and sustainable benefits for local communities in at least 40 villages within and outside six Protected Areas</p> <p>1.2.2 At least 10,000 ha of forest land in PAs and their surroundings under co-management regimes and providing NTFP and PES benefits, ecosystem services and livelihood benefits to local communities (linked to sub-</p>			
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<sup>9</sup> This sub-component is a modification from the original PIF proposal to rehabilitate 2,000 hectares of degraded lands within the PAs, which was not found to be cost-effective and viable as: (i) there are no standard protocols, cost norms and guidelines for the replanting of degraded natural forest areas within PAs; (ii) current legislation is not supportive of reforestation activities within PAs; (iii) experiences and the track record on reforestation of degraded natural forests has been very poor; and (iv) the exorbitant cost of reforestation of degraded natural forest lands and limited success with past efforts. A more viable and effective way of protecting and revitalizing partly degraded natural forest areas within and outside PAs is to promote natural regeneration through community protection, co-management, sustainable forest resource use and benefit sharing, PES benefit sharing, and provision of conservation linked livelihood programs so that communities living adjacent to these areas have adequate incentives that encourage protection and sustainable use of these resources.

<p>Sub-Component 1.3: Strengthened conservation management of target species</p> <p>1.4. Strengthened biodiversity planning and management at the Provincial level</p>		<p>sequestered over twenty years)<sup>10</sup></p> <p>Sustainable alternative livelihood mechanisms which engage local communities and generate additional incomes and community action for conservation</p> <p>Reduced threats and enhanced conservation status of three key target species</p> <p>Landscape level biodiversity and ecosystem services values mainstreamed in provincial planning</p>	<p>component 2.1)</p> <p>1.2.3 At least 20% of total value of livelihoods and incomes of participating households derived from sustainable use of forest resources</p> <p>1.3.1 Baselines updated for at least 3 key target species in Trung Truong Son landscape</p> <p>1.3.2 At least three globally important species management plans developed and under effective implementation in Trung Truong Son landscape.</p> <p>1.3.3 At least 20% reduction of incidents of timber poaching and trapping reported in the eight project PAs and buffer zones</p> <p>1.4.1 Three Provincial Biodiversity Actions Plans mainstreaming landscape level biodiversity and ecosystem services values derived from project (PA OMPs, species management actions plans, buffer zone participatory and PES mechanisms, etc.)</p>			
<p>Component 2: Landscapes</p>	<p>TA</p>	<p>Feasibility of carbon financing for buffer</p>		<p>GEF TF</p>	<p>1,228,110</p>	<p>5,000,000</p>

<sup>10</sup> The ADB cofinancing (BCC Project) support reforestation in the buffer zones of protected areas and the GEF project will test the feasibility and viability of seeking REDD+ support for upscaling such programs based on the pilot site within two communes adjacent to the Saola Nature Reserve, and if it is deemed viable to produce a draft project design document for the buffer zone support across a larger number of communes.

<p>conservation measures at the community level in PAs and their surroundings providing financial sustainability and reduced GHG emissions</p>		<p>zone management programs tested on a pilot basis within 2 communes funded by ADB cofinancing, initially estimated at 124,000 t CO<sub>2</sub>e (pilot site to be confirmed)</p> <p>Capacity strengthened and institutionalized for carbon stock and forest monitoring in the three Trung Truong Provinces</p>				
<p>Component 2.1: Improved financial sustainability through ecosystems service assessment and payment of environmental services (PES).</p>		<p>New and increased financial resources being applied for landscape conservation and community livelihoods</p>	<p>2.1.1. Scaling up of delivery mechanisms for revenue (benefit) distribution systems (BDS) in and around PAs in 3 Provinces (by 2018, at least 25 additional village groups<sup>11</sup> receive payments of environmental services for conservation of forests linked to hydro-power generation )</p> <p>2.1.2 At least 20% of selected communities in the three Trung Truong Son provinces effectively applying PES revenues for livelihood improvement activities linked to conservation outcomes.</p>			
<p>Component 2.2: Improved SFM and carbon sequestration in forest landscapes</p>		<p>Successful SFM pilot(s) through scoping of sites and review of options/approaches</p>	<p>2.2. An evaluation of SFM/REDD+ as a potential funding source for the upscaling of buffer zone</p>			

<sup>11</sup> To the extent feasible the 25 PFES villages will be selected from amongst the villages covered under sub-component 1.2  
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Component 2.3: Established Provincial forest impact/safeguard monitoring systems (linked to emerging national MRV)		Technical guidance and road map in place for how to strengthen capacity and institutionalization for carbon stock and forest monitoring in the three trung Truong Provinces	management program in 2 communes of Tay Giang District, Quang Nam province <sup>12</sup>  2.3.1 Capacity and frameworks in place for local level project/forest impact monitoring, to be piloted in three Trung Truong Son provinces or sites (linked to 2.2 above)  2.3.2. Monitoring systems strengthened in 1-3 provinces linked to national MRV development			
	(select)			(select)		
	(select)			(select)		
	(select)			(select)		
	(select)			(select)		
	(select)			(select)		
	(select)			(select)		
Subtotal					3,605,206	30,000,000
Project management Cost (PMC) <sup>13</sup>				(select)	189,748	750,000
<b>Total project costs</b>					3,794,954	30,750,000

### C. SOURCES OF CONFIRMED COFINANCING FOR THE PROJECT BY SOURCE AND BY NAME (\$)

Please include letters confirming cofinancing for the project with this form

Sources of Co-financing	Name of Co-financier (source)	Type of Cofinancing	Cofinancing Amount (\$)
GEF Agency	Asian Development Bank	Soft Loan	30,000,000
National Government	Viet Nam	In-kind	750,000
(select)		(select)	
(select)		(select)	
(select)		(select)	
(select)		(select)	
(select)		(select)	
(select)		(select)	

<sup>12</sup> Refer footnote number 5

<sup>13</sup> PMC should be charged proportionately to focal areas based on focal area project grant amount in Table D below.  
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(select)	(select)	
<b>Total Co-financing<sup>14</sup></b>		30,750,000

**D. TRUST FUND RESOURCES REQUESTED BY AGENCY, FOCAL AREA AND COUNTRY<sup>1</sup>**

GEF Agency	Type of Trust Fund	Focal Area	Country Name/ Global	(in \$)		
				Grant Amount (a)	Agency Fee (b) <sup>2</sup>	Total c=a+b
AsDB	GEF TF	Biodiversity	Viet Nam	794,688	71,522	866,210
AsDB	GEF TF	Climate Change	Viet Nam	794,688	71,522	866,210
AsDB	GEF TF	Land Degradation	Viet Nam	1,323,147	119,083	1,442,230
AsDB	GEF TF	Multi-focal Areas	Viet Nam	882,431	79,419	961,850
(select)	(select)	(select)				0
(select)	(select)	(select)				0
(select)	(select)	(select)				0
(select)	(select)	(select)				0
(select)	(select)	(select)				0
(select)	(select)	(select)				0
<b>Total Grant Resources</b>				3,794,954	341,546	4,136,500

<sup>1</sup> In case of a single focal area, single country, single GEF Agency project, and single trust fund project, no need to provide information for this table. PMC amount from Table B should be included proportionately to the focal area amount in this table.

<sup>2</sup> Indicate fees related to this project.

**F. CONSULTANTS WORKING FOR TECHNICAL ASSISTANCE COMPONENTS:**

Component	Grant Amount (\$)	Cofinancing (\$)	Project Total (\$)
International Consultants	442,000	1,051,000	1,493,000
National/Local Consultants	852,400	1,883,000	2,735,400

**G. DOES THE PROJECT INCLUDE A “NON-GRANT” INSTRUMENT? No**

(If non-grant instruments are used, provide in Annex D an indicative calendar of expected reflows to your Agency and to the GEF/LDCF/SCCF/NPIF Trust Fund).

**PART II: PROJECT JUSTIFICATION**

**A. DESCRIBE ANY CHANGES IN ALIGNMENT WITH THE PROJECT DESIGN OF THE ORIGINAL PIF<sup>15</sup>**

A.1 National strategies and plans or reports and assessments under relevant conventions, if applicable, i.e. NAPAS, NBSAPs, national communications, TNAs, NCSA, NIPs, PRSPs, NPFE, Biennial Update Reports, etc.

A.2. GEF focal area and/or fund(s) strategies, eligibility criteria and priorities.

A.3 The GEF Agency’s comparative advantage:

<sup>14</sup> Co-financing amounts now more accurately capture activities that are directly relevant and linked with the GEF project activities. This is the reason for the difference of co-financing amounts between PIF and current document. Further, the co-financing projects in PIF that have either closed or are nearing closure and are not included in Table C.

<sup>15</sup> For questions A.1 –A.7 in Part II, if there are no changes since PIF and if not specifically requested in the review sheet at PIF stage, then no need to respond, please enter “NA” after the respective question.



The Asian Development Bank (ADB) has a strong regional presence in the Greater Mekong Sub-region and been the driving force in support of the management of the most important biodiversity conservation landscapes in the sub-region that are vulnerable to increased pressures and environmental degradation. The ADB is currently implementing Phase II of the Biodiversity Corridors Project in the Trung Truong Son area and has been implementing the Greater Mekong Sub-region Biodiversity Corridors Initiative since 2005, when the pilot phase was endorsed by the GMS Summit of Leaders in Kunming. As part of the Greater Mekong Sub-region program, ADB is actively engaged with countries in this region to improve biodiversity conservation in the Greater Mekong Sub-region which provides a great opportunity for sharing and exchange of experiences and lessons in biodiversity conservation across the many countries and projects in the sub-region. ADB also maintains a close relationship with both donors and international conservation NGOs that have related programs in this region as well as manages the program of the Working Group of Environment Ministers of the GMS countries as well as the Environment Operations Center (ADB-EOC) in Bangkok and is strategically positioned to deliver both national and regional support services related to GMS and the Trung Truong Son landscapes, forest and biodiversity.

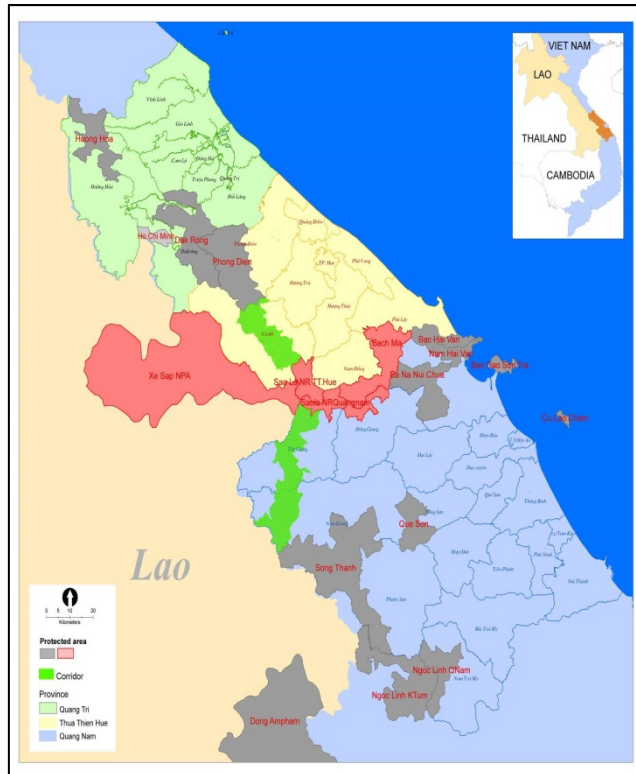
A.4. The baseline project and the problem that it seeks to address:

The proposed Project targets three prioritized Central provinces of Quang Tri, Thua Thien Hue, and Quang Nam and 6 districts, 34 communes therein; although project activities will only take place within the districts and communes where the the 8 PAs and/or their respective buffer zones are located<sup>16</sup>. GEF Project interventions have been coordinated with, and are designed to build upon six baseline initiatives that support Trung Truong Son PAs and Biodiversity Conservation Corridors (Figure 2) including the east-west corridor (under the WWF/CarBi Project), the green north-south corridor (under the ADB-BCC) and the ADB-financed Scaling up of the Payment for Forest Environmental Services Program in Quang Nam Province. (Figure1)

Figure 1: Trung Truong Son PAs and Conservation Corridors

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<sup>16</sup> 3 focal provinces=ca. 3.1 million people; 34 focal communes=ca. 72,881 people  
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Source. WWF/CarBi project

It is envisaged that the GEF project components will focus on the ‘core zones’ of the landscape, meaning the eight PAs and their immediate surroundings or buffer zones, while the ADB-funded parent BCC project will focus on the corridors (political and physical) and transboundary linkages.

- (i) The ADB Biodiversity Conservation Corridors Investment Project in Viet Nam (\$30 M; ADB-BCC, 2011-2018).

The main baseline project is the ADB Core Environment Program and Biodiversity Corridors Initiative (2006-2010, CEP-BCI) which was successful in promoting the establishment of a biodiversity conservation corridor within the large-scale landscape bordering Viet Nam and Lao PDR. As a follow-up, the ADB Biodiversity Conservation Corridors Investment Project (BCC) in Viet Nam is providing \$30 million to develop a Trung Truong Son (Central Annamite) Biodiversity Conservation Corridor and will establish enabling policy and frameworks and management regimes in Quang Nam, Qunag Tri, and Thua Thien Hue Provinces. This project was designed to address provincial, district and commune institutional capacities, forest tenurial security, habitat restoration on degraded communal lands, livelihood improvements and small scale infrastructure support. The project’s primary focus is on wider landscape and production areas. The impact of the project will be climate-resilient sustainable forest ecosystems benefiting local livelihoods. The project’s outcome will be sustainably managed biodiversity corridors in the Trung Truong Son. The project has three main outputs:

- (i) institutions and communities strengthened for biodiversity corridor management –Investments under this output will focus on (a) the preparation of management plans and policies and legal framework for biodiversity corridors; and (b) preparation of participatory land use maps and commune and village investment plans with delineation and demarcation of permanent forest boundaries and provision of new land use certificates.
- (ii) biodiversity corridors restored, protected, and maintained – This outputs will focus on commune and village-based forest protection and restoration activities, including natural forest replanting, enrichment planting, NTFP planting, and agroforestry. Commune and village development fund mechanism will be used as a decentralized local instrument to receive PES and /or REDD+ funding for carbon sequestration. The project will also assist the selected districts in the provinces to establish inventory sample plots, conduct biodiversity surveys, and draft village/commune forest management plans.

- (iii) livelihoods improved and small-scale infrastructure support provided in target villages and communes – This output will support demand-driven conservation orientated livelihoods and small-scale infrastructure subprojects. Small-scale infrastructure support will primarily focus on (a) commune-based potable water schemes; (b) provision of waste management and sanitation facilitations; and (c) improvement of rural access roads from communes to markets. Special attention will be given to ensure that the poor and ethnic minority groups participate equitably in subproject benefits. Safeguard procedures will be established to ensure that small scale infrastructure does not result in forest degradation or loss.

With the GEF addition, the project will provide critical support to PA institutional mechanisms, develops spatial linkage in the north-south corridor, and will integrate important biodiversity, landscape and climate mitigation and resilience measures into spatial planning and sectoral development plans. The ADB-GEF project also targets carbon sink monitoring and reporting, and provides SFM/REDD+ as important forest-based livelihood framework to participating local communities.

- (ii) The ADB Core Environment Program and Biodiversity Conservation Corridors Initiative in the GMS, Phase II (\$28.4 M CEP II regional project, co-financed by the Govt. of Finland, Government of Sweden, Nordic Development Fund and ADB; 2012-2016).

The CEP focuses on improving biodiversity conservation and climate resilience across the GMS. The project is focused at the national-regional interface to build environmental planning systems, methods, and safeguards; improve management of transboundary biodiversity conservation landscapes and local livelihoods; establish climate-resilient and low-carbon strategies, and; improve institutions and financing for sustainable environmental management. Building on this, the GEF project will model cost-effective forest restoration, SFM/REDD+ interventions (upon which the CEP will build framework supporting definition of ecosystem based adaptation co-benefits), and integrate conservation landscape and biodiversity values (via ecosystem service/PES assessment; PA OMPs and Species Management Action Plans) which the CEP-BCI will integrate into subnational development processes, including Regional and Provincial Biodiversity Action Plans and sectoral planning.

- (iii) The WWF/KfW CarBi Project (\$7.2 M; CarBi).

The CarBi project aims to ‘avoid deforestation and forest degradation in the border area of southern Lao PDR and central Viet Nam for the long-term preservation of carbon sinks and biodiversity.’ The overall goal of the project is sustainable management of ca. 200,000 ha transboundary forest area rich in species and carbon. This project seek to better protect and develop the interconnected conservation areas in central Viet Nam and southern Lao PDR in an east-west corridor, to rehabilitate neighbouring forest corridors, introduce systems which make timber trade in Viet Nam and Lao PDR more transparent and, train local administrations in trans-boundary REDD mechanisms, project design and assessment of forests carbon reserves. Building on this, the GEF project will fill a strategic and spatial gap to link the east-west CarBi project to provide a more comprehensive landscape-wide approach linking PAs, bufferzones and the developing biodiversity corridor in a joint effort to address priority biodiversity conservation issues and climate change risks. The GEF project will review, and potentially build upon the CarBi project’s SFM/REDD+ for small-holder farmers, as well as its local-level piloting of MRV system.

- (iv) The WB Adatable Program Lending for Strengthening regional cooperation for wildlife protection in Asia (proposed \$20 M Regional IDA).

The proposed project objectives are aimed at assisting participating governments to ‘build or enhance shared capacity, institutions, knowledge and incentives to collaborate in tackling illegal wildlife trade and other select regional conservation threats to habitats in border areas’. The project will do this by building and enhancing shared capacity, institutions, knowledge and incentives to collaborate in tackling illegal wildlife trade and other select regional conservation threats to habitats in Viet Nam-Lao PDR border areas, with a particular focus on the Global Tiger Initiative partnerships. There nevertheless remain substantial gaps that the GEF addition will help to address in developing landscape connectivity on the Vietnamese side, as well as management capacities, practices and mechanisms for integrating PA landscape conservation with corridor commune, district and provincial authority plans. The GEF increment will also assist the project by integrating biodiversity safeguards and habitat complexity and connectivity into project SFM, as well as develop more effective and wider engagement of local communities in conservation planning and monitoring.

- (v) ADB – project Scaling up the Payment for Forest Environmental Services Programme in Quang Nam Province

The ADB has supported the provincial authorities in Quang Nam Province to develop a system for the rapid implementation of payment for Forest Environment Services (PFES or PES) based on two major innovations: (1) the formation of PES/PFES household groups and (2) the use of satellite imagery and GIS methods for the assessment of forest resources. The project built on an earlier pilot by Winrock International that provided proof that PES/PFES can work but that needed adaptation to be scaled up to a provincial level.

The attempt to speed up was based on the formation of PES/PFES groups, which consist of 10 or more households from the same village who are allocated a plot of forest to manage and receive funds from the Fund for Forest Protection and Development (FFPD) which they can use for group livelihood activities or have as individual household income. The planning at provincial level is based on maps produced from satellite images. The maps show the location and condition of the forests in PES/PFES areas and, with the use of a GIS, can be used to calculate the K-coefficient. The maps provide the basis for calculating the PES/PFES payments due to individual communes and large-scale commune maps can be used for planning the allocation of forest plots to PES/PFES groups. The project will further scale PES/PFES models to buffer zone villages.

(vi) World Bank - Forest Carbon Partnership Facility (FCPF)

The objective of the World Bank's FCPF REDD+ Readiness engagement in Vietnam is to support Vietnam to become ready for future REDD+ implementation by preparing the key elements, systems and policies needed in a socially and environmentally sound manner. In line with the structure of the Forest Carbon Partnership Facility, the World Bank/FCPF engagement with Vietnam would involve two phases generally referred to as "REDD+ readiness preparation" and "REDD+ implementation".

First, the REDD+ preparation phase will consist of analytical work and consultations. It would be supported by the proposed US\$3.8 million grant from the FCPF Readiness Fund. Second, the REDD+ implementation phase would consist of performance-based payments for verified carbon emissions reductions. Of particular relevance for the GEF project are FCPF components (1) and (2), where harmony and coordination should be sought through direct contact/communication and discussions with MARD/Viet Nam Forest, including the UN-REDD team:

Component 1 of the FCPF Carbon Fund supports analytical studies and development of capacities for the effective and efficient REDD+ implementation at national and provincial level. This component is aimed to provide support for the GoV to strengthen capacities for effective management, implementation and coordination of REDD+-related activities in Vietnam by i) strengthening the capacities of National REDD Steering Committee (NRSC) and Vietnam REDD Office (VRO) at MARD; ii) providing technical support and analytical studies for the formulation of relevant national and sub-national policies and programs which are under preparation. The analytical studies will aim to better understand the drivers of deforestation, as well as recommendations to address them. The component will contribute to the development of roadmaps for 2 provinces to feed into preparation of Provincial REDD+ Action Plans. The information generated during the process, including opportunity cost analysis of doing REDD+ and economic assessment of the different options will provide guidance on what are the most cost-effective and appropriate strategies to pursue.

Component 2 of the FCPF Carbon Fund supports policies review, studies and development of user - friendly guidance materials on State Forest Companies (SFC) reform for REDD+ service provision. As these SFCs still manage so much of Vietnam's forest estate - much of which is under poor management - they will be important in any efforts to reduce deforestation and forest degradation. Vietnam continues to gear up the renovation process of the SFCs to ensure effective forest management with active participation of local communities and households. To complement this, REDD+ could offer further financial incentives for some SFCs to improve their operations to access possible carbon financing mechanisms through REDD+. The Government wants to explore different opportunities and approaches that the

Forest Management Boards (FMBs) and SFCs could participate in and assist local authorities and communities in the REDD+ and PES implementation. The SFCs and FMBs may serve as the intermediaries between the relevant government agencies and local households and communities. These issues will be explored as part of this Component. Among them, the benefit distribution system and providing communities with forest protection contracts will be further examined to propose a more appropriate performance based mechanism.

The GEF Project should interface with FCPF to ensure that design and delivery of REDD piloting, and the components therein, are as harmonised, and thus compatible/'nestible', as possible. In particular, with regard to FCPF

Component 1, the Project team would liaise with the FCPF to ensure benefit from, coordinate with and provide learning to, the provision of “technical support and analytical studies for the formulation of relevant national and sub-national policies and programs which are under preparation” It might well be advantageous and efficient to include the Project SFM/REDD pilots and provincial forest/safeguard monitoring as part of the FCPF “studies” from the offset, with the FCPF stating that: “The [this] component will contribute to the development of roadmaps for 2 provinces to feed into preparation of Provincial REDD+ Action Plans”, suggesting that FCPF and the GEF Project could cooperatively design interventions for the same two Provinces. If that is not deemed valuable or logistically feasible, then at least there is the possibility here to gain from each other’s capacities and learning. With regard to FCPF Component 2, the Project would coordinate with the FCPF on: “policies review, studies and development of user - friendly guidance materials on State Forest Companies (SFC) reform for REDD+ service provision”. As for Component 1, there may be opportunities for the sharing of approaches and lessons learnt. Crucially, the FCPF recognise that: “Forest Management Boards (FMBs) and SFCs could participate in and assist local authorities and communities in the REDD+ and PES implementation”, which will be key to the successful development and implementation of the GEF SFM/REDD pilots.

A. 5. Incremental /Additional cost reasoning: describe the incremental (GEF Trust Fund/NPIF) or additional (LDCF/SCCF) activities requested for GEF/LDCF/SCCF/NPIF financing and the associated global environmental benefits (GEF Trust Fund) or associated adaptation benefits (LDCF/SCCF) to be delivered by the project:

The project will fill strategic spatial and thematic gaps in the Trung Truong Son landscape, strengthen trans-boundary cooperation processes between Viet Nam and Lao PDR, and facilitate programmatic impacts on the larger landscape between: the WWF/KfW-funded CarBi Project which is focusing on the east-west conservation corridor between Viet Nam and Lao PDR; the ADB BCC Project which is focusing on the north-south corridor outside of the PAs, and World Bank Adaptable Program Lending (APL) tackling illegal wildlife trade between Lao PDR and Viet Nam.

Overall, the GEF Project aims to integrate biodiversity conservation, climate change mitigation, climate resilience, and sustainable forest management in Trung Truong Son Landscapes. Its specific objective is to strengthen the management and ecological integrity of the protected area network in the Trung Truong Son region of the country. This is to be achieved by maintaining and restoring forest biodiversity, ecosystems and related watershed processes, strengthening species conservation, enhancing forest carbon stocks and strengthening climate resilience at the landscape level<sup>17</sup>, and actively encouraging the participation and sharing of conservation benefits with local people. The project supports a unified approach for development of regional ecosystem connectivity, addressing forest land degradation, filling gaps in capacity required for sustainable forest management, and supporting climate mitigation, habitat restoration, and biodiversity protection<sup>18</sup> within and outside Protected Areas (PAs).

The Project focuses on eight target PAs (Table 2) with a combined total area of over 231,000 hectares (Table 2) and will develop critical linkage within a mosaic of forest ecosystems covering an additional 450,000 hectares of in PA surroundings and biodiversity corridors of forest and non-forest land (in 34 communes of Quang Nam, Quang Tri and Thua Thien Hue Provinces), and possible linkages ca. 130,000 hectares of Lao PDR-Viet Nam trans-boundary forest complex. The Project will build upon GoV international commitments, national and provincial priorities, and baseline Trung Truong Son conservation programs to dedicated investment and practical on the ground activities. The GEF Project builds upon baseline initiatives to specifically target the conservation and management of the eight PAs and its surrounding buffer zones in the Trung Truong Son landscape.

Table 2: Eight Protected Areas in Trung Truong Son landscape

<sup>17</sup> An unit of land that contains a mosaic of land uses, but typically would include one or more protected and their buffer zones, and connecting biological corridors (the latter including protection and production forests, agricultural and other productively used lands, and village settlements)

<sup>18</sup> A mandate shared by MARD (i.e. responsible for management of forests and PAs) and MONRE (i.e. responsible for biodiversity coordination).  
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Protected Area	Legal Status of PA	Management Board for PA Exists	Master Plan	Operational Management Plan Current	Area of PA	Area of Buffer Zone
North Huong Hoa	+	+	+	-	23,456.72	34,600
Dak Rong	+	+	+	-	37,681	88,755.90
Ho Chi Minh Legendary Trail	+	-	-	-	5,237.40	6,064
Phong Dien	+	+	+	+	41,508.70	43,600
Sao La TTH	+	+	+	+	15,519.93	16,533.90
Sao La QN	+	+	+	+	15,380	33,039.20
Song Thanh	+	+	+	-	75,274	135,477.90
Ngoc Linh	-	-	-	-	17,141	36,331.50
<b>Total (hectares)</b>					<b>231,198.75</b>	<b>394,392.40</b>

The project would specifically address the components, sub-components and activities listed in the description that follows.

Component 1: Strengthened planning and management of the biodiversity and forests in the Protected Areas and their Buffer zones in the Trung Truong Son landscapes. The geographic placement of the eight PAs in the Trong Truong Son landscape within the north-south and the east-west biodiversity corridors provide a critical opportunity to conserve and enhance ecosystem services, including carbon rich sinks, critical watershed important to downstream users, and habitat to biodiversity of global importance.

The ADB-BCC project is designed to support the establishment and management of biodiversity corridors to connect important conservation areas, including the PA system. The GEF Project will contribute important inputs into the landscape and system wide approach. It would afford opportunities to integrate (spatially and thematically) global environment benefits generated by improved PA management effectiveness and protection for forest restoration, livelihoods and income generation, carbon storage, and wider landscape management and improved connectivity.

Component 1 seeks to ensure that GoV institutions responsible for PA management have the capacity to use appropriate tools and methods and apply these tools and methods for effective and sustainable PA and corridor management. Specifically, PA OMPs (1.1, below) and Species Management Action Plans (1.3 below) aid consolidation of baseline projects and support the National Biodiversity Strategy and National Protected Area Strategy. It also supports other key legislation of PA management and Forest protection such as Government Decree No. 117/2010/NĐ-CP (Organization and management of special-used forest system), Prime-Minister Decision No. 07/2012/QĐ-TTg (Issuing some policy for strengthening forest protection that promulgate the piloting of co-management mechanism for PA), DECISION No. 24/2012/QĐ-TTg (Investment policy for development of special – use forests in 2011 – 2020), DECREE No. 99/2010/ND-CP (Policy for Payment for Forest Environmental Services) and PA’s Buffer Zone Circular no. 10/2014/TT- BNNPTNT of 2014 on Regulate the criteria for bufferzone identification for special use forest and the protection belt for marine protected area. The implementation of the above strategies and legislations aims to mainstream PA protection and biodiversity conservation objectives into wider corridor sectoral planning. The Project will define and address important PA management capacity gaps, threats to habitats and species, and forest connectivity issues that will inform the

development of landscape wide comprehensive Provincial Biodiversity Management Action Plans and sectoral planning.

Sub-component 1.1. Improving PA Operational Management. This activity is considered by the GoV as an important exercise in developing an effective conservation management planning of international standard.

The OMPs will build on existing PA master plan (10-year planning effort) that provides the overall framework that guides management and investments in the PAs and their surroundings. While some PAs have developed master plans, others will be developed during the life of the project with funding provided by the project and/or provincial governments. The OMPs will be developed and implemented mobilizing comprehensive stakeholder input. It would seek to mobilize recurrent GoV PA investments to address main threats to the PAs, along with additional support from the project.

The Project will (i) prepare/update and assist implementation of priority activities under all eight OMPs; (ii) develop new strategic OMPs in 5 focal PAs, (iii) work with the Quang Nam Provincial government to establish one new protected area (Ngoc Linh); (iv) establish two new management boards (Ngoc Linh and Ho Chi Minh Legendary Trail); (v) develop an PA Investment Plan (Ngoc Linh); and (vi) prepare master plans for two PAs (Ngoc Linh and Ho Chi Minh Legendary Trail).

After OMP prioritization, the Project will allocate a significant part of the sub-component budget to OMP implementation. Local level conservation-related activities may include benefit sharing mechanisms with local communities to improve PA enforcement; environmental education and awareness; inter-agency protection protocols; PA habitat and species management, biological surveys, boundary demarcation and; other community conservation and livelihood improvement priorities.

Building improved management effectiveness in the 8 target PAs is also expected to reduce degradation and deforestation of PA Strict Protection Zones (or core areas) covering 231,000 ha of Trung Truong Son forest. Assuming the Project will be able to reduce by 40-60% the current primary forest deforestation rate (currently est. at 1.18%) and maintain at least 'medium' quality forests through improved protection, the Project will avoid GHG emissions of 4,722,867 tCO<sub>2</sub>e to 7,084,600 tCO<sub>2</sub>e over 20 years. (See Annex F, tables 3 and 4).

Sub-Component 1.2: Enhanced community participation in benefit sharing from conservation and sustainable use of biodiversity in Protected Areas and their surroundings<sup>19</sup>. Within the Trung Truong Son landscape there are significant areas of fragmented and heavily used and degraded forest in the immediate vicinity of the protected areas that threaten the viability and the integrity of the PA network and that of the corridor and landscape as a whole. To negate the threat of degradation of forests around the PAs, the project will encourage community participation in forest protection and sustainable use and benefit sharing within and outside the protected areas.

Under this sub-component, the integration of community participatory mechanisms in PA management, sustainable resource use and benefit sharing and alternative livelihoods is aimed at providing adequate incentives for local people living in PA surroundings to change current unsustainable and destructive resource use practices. The project will institute a participatory planning process at the village level in a selected number of villages within and outside PAs to integrate a number of programs for community benefit sharing linked to conservation such as sustainable resource use of forests and natural resources, PFES revenue benefits from forest protection, SFM and REDD+ benefits and sustainable alternative livelihoods and incomes to encourage community support for conservation. To implement the participatory planning approach at the village level, the project will provide technical and participatory contract support to facilitate participatory approaches, training and capacity development for staff and communities, investments in livelihood improvement, technical support for scaling up

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<sup>19</sup> This sub-component is a modification from the original PIF proposal to rehabilitate 2,000 hectares of degraded lands within the PAs, which was found to be not cost-effective and viable as: (i) there are no standard protocols, cost norms and guidelines for the replanting of degraded natural forest areas within PAs; (ii) current legislation is not supportive of reforestation activities within PAs; (iii) experiences and the track record on reforestation of degraded natural forests has been very poor; and (iv) the exorbitant cost of reforestation of degraded natural forest lands and limited success with past efforts. A more viable and effective way of protecting and revitalizing partly degraded natural forest areas in the PAs and their buffer zones as the desired alternative approach to promote natural regeneration through community protection, co-management, sustainable forest resource use and benefit sharing, PES benefit sharing, and provision of conservation linked livelihood programs so that communities living adjacent to these areas have adequate incentives that encourage protection and sustainable use of these resources.

successful PFES revenue delivery mechanisms, feasibility studies for implementation of SFM and REDD+ pilot linked to component 2.2, capacity building for sustainable resource use and implementation of community agreements for protection of forests.

Sub-Component 1.3: Strengthened conservation management of target species. Encompassing both PA habitats and the developing trans-provincial conservation corridor, at least three 'Species Management Action Plans' will be developed to maintain, restore and improve globally and regionally important key species populations by managing inter-connected habitat. Globally important mammal species that are being considered are the Crested gibbon (*Nomascus spp.*), namely *Nomascus siki* and *Nomascus gabriellae*, the former has a range that is limited by the Mekong River in the west and Viet Nam's coastal agricultural areas in the east and the latter has a global distribution covering eastern Cambodia, southern Viet Nam and southern Lao PDR. The second target species is the Red-shanked douc langur (*Pygathrix nemaeus*), a primate that are endemic to Annamite ranges currently found only in Centre Viet Nam and Lao PDR. The third priority species is the Giant muntiac (*Muntiacus vuquangensis*) one of the three ungulate that were described in late 90s of the 20 century. The Giant muntiac is endemic to Annamite ranges currently found only in Centre Viet Nam and Lao PDR. These three priority target species were selected through a consultative process that considered the following criteria: (i) global conservation value and listed as Endangered or Critically Endangered by IUCN or national red data book; (ii) species that occur in the project area or are endemic to it; and (iii) having a sufficiently adequate population remaining that provides a viable option for its conservation.

Other species that were considered was the Truong son muntiac (*Muntiacus trongsonensis*), Crested argus (*Rheinardia ocellata*), Annam leaf turtle (*Cyclemys annamensis*), Three-striped Box Turtle (*Cuora trifasciata*), Three-striped Box Turtle (*Cuora trifasciata*) and Ngoc linh ginseng (*Panax vietnamensis*), but these will not be considered for project support because of the limitation of resources. The species target action plans will (i) integrate PA species values and protection measures for key target species into the wider landscape; (ii) develop protection measures for their habitats (PA, buffer zones and biodiversity conservation corridor); (iii) harmonize priorities and delegate responsibilities for specific activities; (iv) establish the resources necessary to implement individual activities, (v) update baselines for the key target species and; (vi) set initial guidelines for monitoring success.

In developing the plan, wide landscape stakeholder representation participation will be solicited, to jointly align their positions on key protection issues. The project will support technical assistance, workshops and consultation leading towards the preparation of the action plans and provide support for support for limited on-the-ground implementation of the action plans within the PAs and their buffer zones and additional support expected to come from project beneficiaries to integrate key biodiversity considerations, and from recurrent GoV investment, community and inter-agency planning. The work will be underscored by regular PA biodiversity monitoring and census, community-based protection established by the baseline projects, and improved PA management (1.1, above). The three Species Management Action Plans form an important input into the anticipated Provincial Biodiversity Action Plans (which will place biodiversity considerations within sector policies and be supported by development, application and monitoring of specific legislation).

Sub-Component 1.4: Strengthened biodiversity planning and management at the Provincial level. The three Species Management Action Plans, Operational Management Planning, and community participatory actions in the buffer zones of the protected areas form important inputs into the anticipated Provincial Biodiversity Action Plans (which will place biodiversity considerations within sector policies and be supported by development, application and monitoring of specific legislation).

The project will support the preparation of Provincial Biodiversity Action Plans by facilitating the mainstreaming of learning and experiences of PA operational management planning, species management action planning, and community participatory planning (linked to outputs of sub-components 1.1, 1.2 and 1.3) into the biodiversity action planning exercises. The project would provide technical support to document learning and experiences and its integration with the provincial action planning efforts in the three project provinces. The preparation of the provincial biodiversity action plans will be funded by the respective provincial governments through non-project related funding.

Component 2: Landscapes conservation measures at the community level in PAs and their surrounding: This component provides critical technical linkage between PA management, sustainable forestry and community and smallholder



livelihood improvement measures to protect and enhance forest carbon stocks, reduce forest degradation and improve habitat connectivity.

Sub-component 2.1. Improving financial sustainability through ecosystem services and payment for environmental services (PES): A number of existing hydropower schemes are contributing PFES revenues to catchment communities in Quang Nam province for protection of critical forested watersheds and a number of new hydropower schemes are expected to also generate PFES revenues to additional communities in the near future. The Project supports the scaling up of successful PFES revenue delivery mechanisms and its effective operationization in at least 25 villages in catchments within and around PAs in the 3 Provinces contributing to conservation outcomes and livelihood improvements. This sub-component is anticipated to provide a catalytic effect for further extension of PFES revenues to other villages within the three provinces as new and additional hydropower schemes are operationalized and thereby contribute to a more wider replication of PFES benefit sharing through the entire landscape of the Trung Truong Son. The PFES work will link with Activity 2.1.2 and 2.1.3 implemented in all three provinces with baseline project funding, and be implemented through the participatory planning process defined in Activity 1.2.1.

Sub-component 2.2. Improving SFM and carbon sequestration in forest landscapes. The Project will promote community level SFM interventions, including REDD+ if/where applicable. The project will evaluate the feasibility of leveraging through REDD+ into buffer zone management to support increased afforestation, improved community forest management and protection; and will support the improvement of good practice guidelines for SFM through demonstration. This sub-component will adopt a step-wise approach, to ensure that the intervention is feasible and contextually appropriate for the proposed site, based on local context and needs. REDD+, for example, may be an appropriate tool in certain circumstances. The development of SFM/REDD+ will require scoping, feasibility assessments, detailed project design and finally implementation. Once the project has been designed, using a fully participatory approach and assuming its feasibility, ministerial and provincial approvals will be required before the pilot implementation phase begins. . This will enable the demonstration of working SFM models and gathering data on outcomes and impacts and the subsequent seeding of activities and its operationalization, which will greatly ease access to 'follow-on' and sustainable PES/carbon/investment finance. The SFM/REDD+ pilot will be closely linked to development of provincial forest impact and safeguard monitoring (related to national and provincial MRV systems) and piloting of local monitoring systems (2.3 below) that underscore recent developments toward legally binding SFM curricula within the NRP at the national level; and promote SFM knowledge and awareness raising.

Component 2.3: Build provincial monitoring capacity and develop an impact monitoring framework linked to emerging national MRV systems: The project will support monitoring of Trung Truong Son root causes and the drivers of emissions as well as the impact of these in terms of ecological dynamics, social and economic impact. The Project will also strengthen capacity (institutional, organisational, and individual skills) to account for GHG emissions and the ability to monitor their reduction, account for increased carbon stocks through establishment of protocols, training and reference carbon baseline and forest impact/safeguard monitoring systems (i.e. the constituent parts of MRV). Importantly, a distinction is made here between the development of provincial level capacity for MRV and sub-national impact/safeguard monitoring tools, as opposed to the development of multiple sub-national MRVs themselves. In this way, the technical requirements and overall design of the MRV will be national, created under UN-REDD guidance, while at the provincial level the focus will be on general capacity building for MRV, and specifically on designing impact monitoring frameworks, namely specially Safeguard Information Systems (SIS). A national level MRV framework was established under the UNREDD/FAO component (Phase I). With the Project working closely with the National REDD+ OFP, the WB FCPF (focused on the Central Highlands on SFM and REDD readiness work), a developing Phase II UNREDD project and others, the Project will provide data on land use change (forest loss) and emissions factors at Trung Truong Son Provincial levels for one - three provincial forests in order to bridge the national-regional and SFM/REDD demonstration gap through training, capacity building, and awareness raising on SFM/REDD+, and (ii) Pilots of SIS at the district and commune level will be undertaken, and linked to the proposed Project SFM/REDD+ implementation pilot (2.2, above).

GEF increment, Summary

In conjunction with ongoing projects and programs, the Project will develop tangible on the ground activities targeting spatial and thematic gaps within the Central Annamite landscape conservation framework. Project increments include:

- 8 PA Management Boards implementing OMPs for the sustainable management of over 231,000 hectares in PAs linked to an additional approximately 450,000 hectares of mosaic forest watershed (in buffer zones and biodiversity corridor) with benefits to high value biodiversity (with avoided deforestation of 23,316 ha (+/- 10) with associated GHG emissions reductions of 5.6 – 8.4 million tonnes of CO<sub>2</sub>eq)<sup>20</sup>
- Provision of community approaches in forest protection, conservation and sustainable use and alternative livelihood investment linked to forest restoration and conservation with benefits in enhanced carbon stocks, water and soil retention, biodiversity, climate resilience, and other biodiversity and livelihood contributions (10,000 ha. of degraded and medium use forest lands surrounding PAs lands protected and restored, with carbon sequestration of 1.9 – 2.4 million tonnes CO<sub>2</sub>eq).
- Good practice forest, watershed and environmental management in SFM/REDD+ demonstration covering 20,000 ha's of forest with estimated carbon sequestration of 2.9 – 3.6 million tonnes CO<sub>2</sub>eq.
- The integration of multiple stakeholder inputs and on the ground actions (e.g. SFM, sustainable forest use, OMPs, PFES, species action plans, linked to PA and provincial sectoral planning) supporting globally important species and habitats;
- PFES/ecosystem service revenue flows to local communities linked to watershed conservation in three provinces and benefiting 25 forest villages;
- Provincial and local level Monitoring systems (linked to national MRV) linked to on-the-ground work with farmers in producing emissions reductions, defining benefit distribution, bridging national-regional policy and implementation, etc.

Overall, the Project will develop and disseminate best practice learned from successful application of integrated SFM/REDD+, forest ecosystem services, and PA and multiple stakeholder participation in Trung Truong Son landscape through available channels including ADB's Knowledge Management Directions and Action Plan Program.

A.6 Risks, including climate change, potential social and environmental risks that might prevent the project objectives from being achieved, and measures that address these risks: See Table 3 on the primary risks and management strategies during project implementation.

Table 3: The primary risks and management strategies during project implementation

Risk identified	Risk level	Mitigation Measures
Conflict between conservation and local community needs and livelihoods might undermine the conservation of biodiversity within the protected areas and surrounding buffer zones and corridors	Medium	The project would institute a village participatory process to identify investments that improve incentives for local communities' support for conservation through alternative and more sustainable resource uses within and outside protected areas, so that conservation and livelihood benefits flow to the communities. These investments would be tied to reciprocal community agreements to conservation that would be monitored. The project would also explore opportunities for integrating the ongoing and proposed PFES benefit flows, the VND 40 million/year/village allocation from the Prime Ministers fund, SFM/REDD+ benefits and BCC project investments in the PA

<sup>20</sup> See Annex F for Carbon stock assessments for PA, BZ conservation and SFM/REDD+ activities  
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		and its surroundings to provide adequate incentives that encourage local participation in conservation related livelihood programs.
Over-lapping institutional mandates and responsibilities at the local/commune/district level could complicate and challenge the implementation of conservation related activities in the buffer zones around the protected areas	High	The Circular on Regulation of the criteria for bufferzone identification for special use forest and the protection belt for marine protected area. clearly clarifies the roles, responsibilities and coordination between the protected area management boards, and the District and Commune People’s Committees in the buffer zones. The circular lays out specific coordination arrangements through establishment of a multi-sectoral and interagency working group that will advise on investments in the buffer zone communes. In addition, project management and institutional arrangements will emphasize senior level commitment, clear roles and responsibilities, regular communications between agencies and allocation of budget for relevant duties.
Integration of multi focal area objectives amongst different stakeholders	Medium	Stakeholder involvement in project inception, work planning and implementation. Greater landscape stakeholder inputs to specific design (e.g. SFM/REDD+ pilots, OMPs, buffer zone development, species management action plans, afforestation and assisted natural forest regeneration, PFES payments, and other existing non-project and/or other baseline activities) and their integration through a single village participatory planning process will ensure coordination, complementarity and balancing of multi focal area objectives. The project will ensure harmony with all legislation, regulations and sectoral/province development plans as well as high level GoV support and grassroots participation.
Inadequate coordination between the proposed project activities and that of the biodiversity conservation corridors project could lead to duplication, overlap and cost ineffectiveness of investments and a lost opportunity for better integration of protected areas and biodiversity corridors within the Trung Truong Son landscape	High	MONRE considers the management of the biodiversity corridors (baseline project) and PAs as parts of a mutually integrated, inclusive and complementary program. To ensure coordination and complementarity of activities, annual planning for the corridors and protected areas would be done as a single planning exercise, and oversight and monitoring will be coordinated. This is to be further strengthened by administrative and technical support being provided through a single window.
Change in political and economic priorities and commitment to develop institutional mechanisms for landscape conservation.	Medium	Incremental changes to legislation/policy directives demonstrate that there is political commitment and these are to be further pursued via baseline project development of Regional and Provincial Biodiversity Action Plans; project develops required consultation and builds on current and extensive development planning processes at local, provincial and national levels.

PES revenues may not reach the right beneficiaries and small farmers in remote locations may not be aware and have capacity to access these revenues	Medium	Project participatory planning framework will facilitate farmers to organize into groups and develop capacity to prepare proposals and forest protection contracts as pre-requisite to access and use available and new PES revenues.
Inadequate consideration of climate change impacts on forests and local livelihoods might reduce conservation outcomes of landscape management	Medium	Addressed through project adaptive PA management, integrated landscape management planning, PES, LULUCF, etc. MRV and biodiversity monitoring within PA and species management plans will track potential impacts of climate change on key species and ecosystems. Methods used here will reference those under design elsewhere in Viet Nam, including UNREDD-program, as well as international best practice (including METT, SMART, UNFCCC/NAMA guidelines, the VCS and Plan Vivo Standard)
Raising of unrealistic/false expectations among community members (in the buffer zones) about SFM/REDD benefits and subsequent difficulties related to forest protection/enforcement and PA management	High	Needs assessment, stakeholder analysis, community led design and theory of change; opportunity costs analysis; indigenous peoples planning, full/on-going FPIC process and great care taken to explain the costs/risks and possible benefits of SFM/REDD, with an explanation that benefits are: (a) performance based; (b) not knowable or guaranteed at this early (scoping/design) stage

#### A.7. Coordination with other relevant GEF financed initiatives

The project falls within the Greater Mekong Subregion Forests and Biodiversity Program Framework that covers six countries within the Mekong basin. The program framework addresses region-wide biodiversity issues requiring larger scale approaches, cross-border landscape conservation through international cooperation, joint capacity development between the GMS countries, and the provision of platforms for exchanging experiences and generating regional knowledge on landscape conservation. The GMS-FBP represents a partnership between the GMS countries, of which Viet Nam is one, and provides an ideal platform for coordination between the GEF projects in the region, in particular with the other national multi-focal GEF (in Lao PDR, Cambodia, Thailand and Viet Nam) and related projects in the priority landscapes in the GMS countries. The Regional GEF MSP “GMS Forest and Biodiversity Program (GMS-FPB): Creating Transboundary Links Through a Regional Support Program” provides a mechanism for coordination between the national multi-focal GEF projects in the region. The regional program that covers the six GMS countries, the help create partnerships and collaboration in transboundary conservation in the six conservation landscapes; namely, 1) Mekong Headwaters (China, Lao PDR, Myanmar); 2) Sino-Vietnamese Limestone (China, Viet Nam); 3) Annamites (Lao PDR, Viet Nam); 4) Eastern Plains Dry Forests (Cambodia, Viet Nam); 5) Tenasserim Mountains (Myanmar, Thailand); and 6) Tri Border Forests (Cambodia, Lao PDR, Viet Nam).

The regional support program will aim to build regional cooperation to strengthen transboundary landscape management by:

- i. Supporting the development of conservation strategies for six transboundary landscapes in the GMS that integrate biodiversity, ecosystem services, sustainable forest management, and climate resilience considerations.
- ii. Facilitating regional cooperation and collaborative management arrangements between countries for conservation management of the transboundary conservation landscapes.
- iii. Linking policy development, baseline-supported pilot projects, and public-private sector engagement to support transboundary landscape conservation.

- iv. Undertaking regional assessments of projected climate change impacts on the transboundary conservation landscapes to identify and integrate ecosystem based adaptation approaches (EBA) to improving the resilience of regional ecosystems, local livelihoods and GMS strategies and plans.
- v. Enhancing national and subnational institutional capacities for SFM in transboundary landscapes by facilitating dialogue on forest management.
- vi. Facilitating information exchange and knowledge on good practices for ecosystem based adaptation and SFM.
- vii. Linking project outcomes and monitoring to national environmental performance assessment and to regional biodiversity conservation goals.

**B. ADDITIONAL INFORMATION NOT ADDRESSED AT PIF STAGE:**

B.1 Describe how the stakeholders will be engaged in project implementation.

Implementation Arrangements:

The Executing Agency (EA) for the proposed project will be MONRE, which will be responsible for overall project safeguards and guidance on policy as specified in the project. MONRE is also the EA for the parent ADB-funded B Conservation Corridors (BCC) project. The Provincial Project Management Units set up under the BCC project will be responsible for coordination of day to day implementation and management of activities in the provinces. The Provincial Management Boards (PAMBs) will be directly involved with the planning, implementation and monitoring of projects in the PAs and their buffer zones, including planning and implementation of community development activities (co-managed PES implementation, SFM, livelihood programs, etc. in the PA and their surroundings) as well as the piloting of the activities. The PAMBs will be responsible for establishing a multi-disciplinary and multi-agency planning team to coordinate community conservation, forest co-management and benefit sharing and development planning and implementation. Forest Protection Departments will provide technical oversight and guidance to PA management boards for implementing project activities in the PAs and their surroundings, including the design and implementation of the SFM/REDD+ components. The village communities or community groups will participate in the implementation of project activities and be direct beneficiaries of project investments and benefits. Funds for PA management and community participatory and livelihood improvement activities will be transferred from MONRE to the PA Management Boards through the PPMUs.

GoV local-national departments are expected following the life of the Project to continue to be able to maintain the part of their regular responsibilities; the value of improved SFM, PES, biodiversity, climate mitigation and landscape known (and owned) by Trung Truong Son communities, and recorded as improvements in the landscape's biodiversity and ecosystem services.

Stakeholders Engagement in project implementation.

The project will institute a planning process to facilitate the integration of all, if not most, of the sub-components of the project including community forest management and benefit sharing, SFM/REDD+ pilots, PES delivery mechanisms and a investment in forest protection and livelihood improvement, alternative income generation activities and implementation under target species action plans and some PA operational management activities. The intent of the participatory planning process is to involve all relevant stakeholders and create a sense of ownership amongst them. Achieving a high standard of project design and forest establishment with the full and informed participation of stakeholders is a necessary pre-requisite for the successful participation of local communities that live adjacent or within the forest estate and depend on these resources for their livelihoods.

The participatory village action planning process that has been developed for the project will represent an integrated area-based, and decentralized planning approach at the village level. It aims to be an inclusive process by enabling participation of all stakeholders, including community households, indigenous people and disadvantaged groups within the management board, and other relevant commune and district level entities to plan and define investments in, and activities in (including surrounding buffer zones). Around 80% of people living in the project area are indigenous. Specific project policies are aimed at ensuring that gender concerns and indigenous people's issues are identified and adequately addressed during project implementation. A gender action, resettlement framework and indigenous peoples' framework will ensure that indigenous people and other disadvantaged groups, including women and poor people adequately benefit from project activities.

In the first few months of the project, the participatory village action planning will be a comprehensive planning effort to raise awareness of the project, outlining the scope and mandate of the project and conducting a census of key environmental and economic factors that affect the conservation of biodiversity and hinder the promotion of sustainable livelihood opportunities in, and around the protected areas. It would also remind beneficiaries at the village level of potential and mutually improving biodiversity conservation and livelihood benefits. Towards the end of the village participatory action planning process, the key community asset and livelihood based issues would be prioritized, relations between community activities and biodiversity depredation are discussed and documented and project interventions to improve conservation outcomes and productivity and livelihoods (that fall within the framework and support of the project) will be confirmed. This will include the preparation of a Village Conservation Plan, reflecting the prioritized project interventions, the problems it aims to address, the expected outcomes, when and where the interventions will be implemented, by how many households or development groups (the households represented in each of these groups), where they will be carried out, what the inputs that would be required, and what the responsibilities and commitments of each of the participating communities or community development groups.

The village planning process will be facilitated by the establishment of planning teams at the PA levels that will include the recruitment of external participatory contract staff and training. The village participatory teams' primary responsibilities will include: (i) information dissemination, social mobilization and strengthening of local or village level institutions; (ii) planning and conduct of biological field surveys as well as social and resource utilization surveys; (iii) mapping of existing uses and facilitation of dialogue to resolve or manage use rights; (iv) formulation of management strategies for buffer zones in consultation with local communities; (v) implementation of habitat and forest conservation in conjunction with local community development and livelihood strategies; (vi) supporting participatory monitoring of conservation activities; and (vii) facilitate resolution of conflicts over resource use. All management arrangements and community livelihood investments at the local level will be detailed in a legally binding Memorandum of Understanding between local institutions and local community groups. In addition, the Planning Teams will coordinate with other development partners to facilitate integration of development support within the buffer zones. The Planning Teams will also ensure that environmental screening and mitigation actions are planned and implemented at the village level and ensure that the communities have access to technical support and capacity development in the implementation of livelihood or resource management strategies.

B.2 Describe the socioeconomic benefits to be delivered by the Project at the national and local levels, including consideration of gender dimensions, and how these will support the achievement of global environment benefits (GEF Trust Fund/NPIF) or adaptation benefits (LDCE/SCCF):

Most of the over 126,000 people living in the PAs and their buffer zones in the project area are subsistence farmers who practice a mix of rotational swidden agriculture and wet-rice cultivation. Nearly 80% of the inhabitants of the buffer zone belong to one of the many ethnic minorities such as: Van Kieu, Ta Oi, Gie Trieng, Ca Dong, Mnong. The indigenous people living in the area are poor and their livelihood is dependent on agriculture and forests and the sustainable flow of ecosystem services and products from the forests. Project activities such as assisted natural regeneration, alternative livelihood development, PFES revenues and sustainable forest use and benefit sharing can help ethnic minorities have improved access to sustainable forest resources, improve their production systems, receive monetary benefits from forest protection and improve the health and wealth of their forests which are intricately linked with their well being,

The participatory village planning process to be employed under the project will ensure that ethnic minorities and other disadvantaged groups are adequately consulted and project interventions designed to ensure that their distinct traditions relating to natural resource use and management and land use and forest resources use are maintained through sustainable forest use communal agreements, while ensuring biodiversity protection and local livelihoods. Capacity development interventions of the project will strengthen awareness and capacity of indigenous minorities and women in particular to participate more directly in project benefits. A Project Administrative Manual will include specific guidelines for participatory village planning that will guide the inclusion of vulnerable people, including indigenous peoples, women and poor in the decision making process and ensure equitable distribution of benefits to all community groups.

From a gender perspective, women's livelihoods will likely be improved through enhanced incomes and income opportunities from forestry based income generation activities and forest benefit sharing arrangements. They will also benefit from enhanced empowerment (through acquiring skills from capacity building programs, participating

in decision making bodies, assuming leadership in village based organizations and common interest groups), reduced economic burden by their active participation in improved economic activities. They will also benefit from opportunities for participation in village and community level PFES and SFM/REDD+ programs that bring economic and income benefits. Women will also benefit from improved forest and natural resources management by having improved access to sustainable sources of firewood and minor forest products, fodder and other edible fruits and plants from their managed forests.

Overall, the project will have positive impacts, such as (i) diversification of sources of income, (ii) enhanced agricultural and sustainable forestry production, (iii) improved diversity of agriculture and forest crops, and (iv) sustainable forest use and protection of forest, improved livelihoods, enhanced participation of women in planning and decision-making and improved confidence and leadership of women. PFES activities will further encourage people living in forest to effectively protect the forest for economic benefit.

Global environmental benefits are expected to be derived by the participatory emphasis of the project, that provides direct benefits to local people and indigenous groups that are dependent on the forests to more sustainably use existing forest resources, maintain ecosystem functions and biodiversity, improve carbon stocks and resilience to climate change. More specifically, project interventions contribute to improving the survival of a number of globally important endangered species such as saola (*Pseudoryx nghetinhensis*) and northern buffed-cheeked gibbon (*Nomascus annamensis*), the large-antlered (giant) muntjac (*Muntiacus vuquangensis*), the Annamite striped rabbit (*Nesolagus timminsi*), the endangered red-shanked douc langur (*Pygathrix nemaeus*), Edward's pheasant (*Lophura edwardsi*) and the conifer *Pinus dalatensis*. A number of wider-ranging and highly threatened species, including Asian elephant (*Elephas maximus*), gaur (*Bos gaurus*), and tiger (*Panthera tigris*) are also found within this eco-region. Notably the project has broader implications that have potential for incorporation within the larger landscape, namely:

- Scaling up Payment for Forest Environmental Services support provides promising opportunities for further testing sustainable PFES revenue delivery mechanisms to benefit local communities in PAs and their surroundings and solicit their engagement in PA conservation and sustainable forest resource use
- Development and uptake of PA Operational Management Plans provides an important means for developing a comprehensive international standard of management planning as defined by the IUCN World Commission on Protected Areas. The OMPs will be developed and implemented mobilizing multiple stakeholder inputs.
- Development of Community Conservation Approaches around Protected Areas that will further assist mainstreaming of PA objectives within provincial, district and commune development, build recognition of the importance of community participation and benefit sharing as a viable tool for PA management, develop standard operational planning procedures for community participation in PA management, and develop partnerships with PA neighbors in support of conservation

Demonstrate cost effective means to protect and regenerate heavy use and degraded forests around protected areas based on establishment of incentive mechanisms for community engagement in conservation and sustainable forest resource use.

B.3. Explain how cost-effectiveness is reflected in the project design:

The project is designed primarily to ensure that investments are the most cost-effective to ensure that project approaches and institutional mechanisms are easily replicated and scaled up under existing budgetary constraints that operate within the region. Cost-effectiveness is ensured by the following design features:

- (a) The project will use existing government, provincial and local level institutional arrangements for delivery of project investments, rather than create additional and costly alternative project-specific institutions. The project will also use existing implementation arrangements created under the ADB-funded BCC project at the national and provincial levels to help coordinate and oversee project related activities and will work through the existing PA management boards to deliver planning and implementation of on-the-ground project investments.

- (b) The project will institute a village level planning process to plan and delivery all sub-components of the project, including community forest management and sustainable use, planning, delivery and management of PFES revenues, implementation of SFM/REDD+ pilot investments, and alternative livelihood investments and help coordinate other socio-economic development investments available through the commune and district level budgetary process. This planning process will be instituted through administrative approaches that are envisaged under existing government policy and legislation rather than create new systems that are not cost effective and replicable.
- (c) The village planning process instituted through the project would facilitate the integration of non-project funded activities at the village level so as to maximize benefits to local communities. It would facilitate the channeling of PFES and other available regional and local funding into the local area without additional administrative and management costs.
- (d) Technical, administrative, compliance and safeguard oversight for the project would be provided through the existing ADB-funded BCC project.

**C. DESCRIBE THE BUDGETED M & E PLAN:**

In addition to regular monitoring, project performance will be reviewed annually and jointly by ADB, the Government of Viet Nam, Central Project Management Unit and the, Provincial Project Management Units. Reviews will assess implementation performance and achievement of project outcomes and outputs, assess financial progress, identify issues and constraints affecting implementation, and work out a time-bound action plan for their resolution. ADB, the Government, and MONRE will undertake a midterm review (MTR) to assess implementation status and take appropriate measures— including modification of scope and implementation arrangements, and reallocation of loan and grant proceeds, as appropriate—to achieve the project objectives.

Project performance monitoring: To monitor project progress in achieving the planned outcome and outputs, the BBC CPMU has an established project performance management system (PPMS), which is designed to permit adequate flexibility to include the current project and adopt remedial action regarding project design, schedules, activities, and development impacts. The PPMS will adopt agreed indicators relating to the following aspects of the project: (i) project physical and financial progress; (ii) results of capacity development of the PAMBs and community groups through a mid-term evaluation consulting services arrangement; and (iii) implementation of the OMPs, target species plans, PES and SFM/REDD and community buffer zone development, conservation and livelihood programs The PPMS procedures already developed through the BCC project will facilitate the systematic generation of data in the above areas in consultation with the implementing agency and PPMUs, and with the assistance of consultants, to the extent necessary. The BBC CPMU will refine the PPMS framework to accommodate the project, confirm achievable targets and monitoring and recording arrangements, and establish relevant systems and procedures not later than 6 months after grant effectiveness. The PAMBs, with oversight from technical consultants recruited at PPMUs and existing BBC CPMU consultant team will collect baseline and progress data at the requisite time intervals, including annual reporting. The PPMUs/CPMU will be responsible for analyzing and consolidating reported data through its MIS, and reporting outcomes to ADB through quarterly progress reports.

Compliance monitoring: During project implementation, ADB and the BBC CPMU will closely monitor the compliance of all the covenants under the project and will take necessary remedy actions for any noncompliance. The compliance status will be reported in the quarterly progress report by the BBC CPMU and will be reviewed during project review missions.

Safeguards monitoring: Safeguards monitoring will be limited to environmental and social monitoring, which will be undertaken by the PAMB planning teams. The existing safeguard consultants at BCC CPMU will train PAMB



Planning Teams to address environment and social safeguard concerns as part of the village planning exercises. The BBC CPMU safeguard consultants will monitor and assess the adequacy of safeguard compliance at the village planning level. The CPMU will report to ADB the progress project implementation, environmental performance of the contactors, and environmental compliance through quarterly reports. The BCC CPMU has already prepared guidelines and tools for environmental and social safeguard compliance under the BCC project that would be adjusted and applied at the village planning level.

A project completion evaluation will be undertaken at least one month before the end of the project to assess the achievement of project outcomes and outputs and lessons learned. In accordance with GEF procedures, project evaluations will be publicly accessible and project documentation will be made available to the GEF Evaluation Office.

Gender and social monitoring: Gender concerns will be addressed through the implementation and monitoring of a Gender Action Plan for the project that will ensure adequate female representation and engagement in planning, and implementation of project activities and in the equitable sharing of benefits derived from project activities. Social safeguard monitoring will also focus on the implementation of the resettlement plan, which includes a sustainable livelihood restoration plan, especially for vulnerable group and a gender action plan for the affected persons, if deemed relevant and necessary in the context of the project. Largely, it is not expected that the project will have any resettlement impacts as the intent is to encourage people, including indigenous groups to actively participate in sustainable forest use and benefit sharing as well as SFM benefits and PFES revenues as well as conservation related alternative livelihood activities. Internal monitoring will be undertaken by the CPMU with support from the BCC project contract social safeguard specialist.

Global environmental benefits monitoring. Results to be monitored include: changes in forest cover and reduction of threats and pressures, and socio-economic benefits. The global benefits will be achieved through sustainable use and protection of forests through community management contracts/agreements, sustainable resource use and benefit sharing, PES revenues linked to protection of forests and SFM/REDD pilot. This will lead to the improved and sustainable use and protection of 10,000 ha of forest under medium to high intensive use, protection of over 231,000 ha of forests within the eight protected, and the proposed SFM/REDD+ pilots covering around 20,000 ha that tentatively could result in an estimate of between 10.4 – 16.4 million tonnes of CO2 eq. saved due to reduced deforestation and degradation over twenty years.

An Inception Workshop will be held at project start-up. It will involve local partners with assigned roles in the project organization structure, ADB and other stakeholders. The Inception Workshop is crucial for building ownership for the project results and to plan the first year's AWP. The Inception Workshop report will be a key reference document and will be prepared and shared with participants to formalize various agreements and plans decided during the meeting.

As the project progresses, the BBC CMPU (in consultation with the PPMUs and PAMBs) confirm achievable targets, and firm up monitoring and recording arrangements. Baseline and progress data will be reported at the requisite time intervals by the PAMBs to the PPMUs and CPMU. The BCC CPMU consultants will be responsible for analyzing and consolidating reported data through its management information system, and for reporting outcomes to ADB through quarterly progress reports.

Table 4: Monitoring and Evaluation Plan.

Type of M&E activity	Responsible Parties	Project Budget US\$ (Excluding project team staff time)	Time frame
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Launch workshop and report	BBC CPMU	10,000	Within three months of project approval
Measurement of project results	The BCC CPMU in consultation with the PPMUs and PAMBs will oversee the identification and measurement of key results indicators related to socio-economic benefits and global environment benefits. Results to be monitored include reduction of threats to PAs and forests, management effectiveness of PAs, SFM/REDD benefits and socio-economic benefits	40,000	Continuously and annual reporting prior to approval of subsequent annual work plans.
Measurement of project progress on outputs and implementation	The PPMUs will adopt the agreed indicators: (i) physical progress of OMP and target species, and village level plans and implementation; (ii) reduction in number of traps, violations and timber poaching; (iii) improvement in socio-economic benefits and income opportunities; (iv) amount of PES revenues channeled to project villages; (v) extent under SFM interventions; and (vi) METT. The monitoring of the GEF project will be integrated into the BCC monitoring system	40,000	Continuously and annual reporting prior to approval of subsequent annual work plans
GEF Project Implementation Review	PPMUs and CPMU ADB	None	Annually
Periodic status and progress reports	PPMUs and CPMU	None	Quarterly
Mid-term project review	ADB	Paid from GEF agency fee	At the mid-point of the project
Final evaluation	ADB External Consultants	20,000	
Project Terminal Report	CPMU ADB	None	At least three months before the end of the project
Audit	ADB PPMU/CPMU	None	Yearly
Visits to field sites	ADB	Paid from GEF agency fee and	Yearly

	Representative of CPMU and PPMUs	operational budget as well as counterpart funding	
Total Indicative GEF Costs (Excludes ADB staff and travel expenses and GoV staff)		US\$ 110,000	

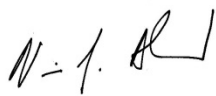
**PART III: APPROVAL/ENDORSEMENT BY GEF OPERATIONAL FOCAL POINT(S) AND GEF AGENCY(IES)**

- A. RECORD OF ENDORSEMENT OF GEF OPERATIONAL FOCAL POINT(S) ON BEHALF OF THE GOVERNMENT(S):**  
 (Please attach the [Operational Focal Point endorsement letter\(s\)](#) with this form. For SGP, use this [OFP endorsement letter](#)).

NAME	POSITION	MINISTRY	DATE (MM/dd/yyyy)

**B. GEF AGENCY(IES) CERTIFICATION**

This request has been prepared in accordance with GEF/LDCF/SCCF/NPIF policies and procedures and meets the GEF/LDCF/SCCF/NPIF criteria for CEO endorsement/approval of project.

Agency Coordinator, Agency Name	Signature	Date (Month, day, year)	Project Contact Person	Telephone	Email Address
Nessim Ahmad Director, Environment and Safeguards concurrently Practice Leader (Environment) Asian Development Bank		12/09/2014	Dang Thuy Trang Environment Specialist	(632) 632- 5827	tdang@adb.org

**ANNEX A: PROJECT RESULTS FRAMEWORK** (either copy and paste here the framework from the Agency document, or provide reference to the page in the project document where the framework could be found).

Design Summary	Performance Targets/Indicators	Baseline	Data Sources/Reporting Mechanisms	Assumptions and Risks
<p><b>Impact</b> Climate resilient sustainable forest ecosystems in the Trung Truong Son landscape ensuring connectivity of biodiversity rich landscapes, benefiting local livelihoods and enhancing carbon stocks.</p>	<ul style="list-style-type: none"> <li>By 2022, approx. 10,000 ha of forests under sustainable community regimes and additional 20,000 ha leveraged under SFM/REDD+ for climate change mitigation compared to baseline of 2011</li> <li>By 2018, approx. 1,500 HHs with diversified livelihood assets and/or income generating opportunities from forest management activities and payment for forest environmental services</li> <li>By 2022, the management of over 680,000 ha of communal forest and non-forest lands and protected area lands fully integrated and functional as a large and viable ecological landscape with restored and improved biodiversity, watershed processes, forest carbon stocks, livelihoods and climate resilience</li> <li>By 2034, approximately 10.4 – 16.4 million tonnes of CO<sub>2</sub>eq. reduced GHG emissions over a 20 year period<sup>21</sup>.</li> </ul>	<p>0</p> <p>0</p> <p>0</p>	<ul style="list-style-type: none"> <li>MONRE/MARD updates on forest cover, carbon emissions and biodiversity trends</li> <li>Provincial cadastral surveys/reports</li> <li>Household and commune socio-economic data</li> <li>National Statistical Office Reports</li> <li>PA and corridor Impact Assessment Reports on natural, social, and economic assets compared with baseline at beginning of project</li> </ul>	<ul style="list-style-type: none"> <li>The government remains committed to sustainable forest management and maintenance of the Trung Truong Son biological corridor and landscape.</li> <li>The government maintains suitable policies to restrict land use changes that undermine forest conservation</li> </ul>
<p><b>Outcome</b> Protected areas and their buffer zones effectively managed and integrated with biodiversity conservation corridors in Quang Tri, Quang Nam and Thua Thien Hue Provinces with enabling regulatory frameworks and</p>	<ul style="list-style-type: none"> <li>By 2018, eight protected areas covering around 231,000 ha and their buffer zones covering around 390,000 ha of land defined and managed as integrated units and effectively linked to non-buffer zone conservation corridors (50,000 ha) with total coverage of 680,000 ha</li> <li>By 2018, participatory conservation</li> </ul>	<ul style="list-style-type: none"> <li>No integration between PAs, buffer zones and biological corridors</li> <li>Buffer zone management legislation not tested</li> </ul>	<ul style="list-style-type: none"> <li>National databases of MONRE/MARD</li> <li>Protected Areas Management Effectiveness tracking tools</li> <li>MARD databases and reports</li> <li>Reports of forest protection</li> </ul>	<ul style="list-style-type: none"> <li>National and provincial governments effectively implement PA OMPs and biodiversity corridor investments in conservation</li> </ul>

<sup>21</sup> All C stock assessments derived from Annex F

management regimes	institution arrangements effectively piloted and providing lessons and experiences and supporting guidelines and models for replication		<ul style="list-style-type: none"> <li>• Updates on forest cover</li> </ul>	
<p>1. Strengthened planning and management of the biodiversity and forests in the PA network in the Trung Truong Son landscapes</p> <p>1.1. Improved PA operational planning and management</p>	<ul style="list-style-type: none"> <li>• By 2018, one new protected area covering around 17,000 ha of land legally established to create a comprehensive PA network of 231,000 ha</li> <li>• By 2018, management effectiveness of eight existing and proposed protected areas covering 231,000 ha of land and effectively linked to recognized biodiversity corridors outside of the protected areas increased by 25% over 2010-13 baseline</li> <li>• By 2034, reduced GHG emissions from avoided deforestation and degradation (est. 5.6 – 8.4 million tonnes CO<sub>2</sub> eq. over twenty years) from improved PA management</li> <li>• By 2016, Investment plan developed for one new and additional protected area</li> <li>• By 2016, master plans for two new or recently created protected areas prepared and supporting operational management</li> <li>• By 2016, creation of PA</li> </ul>	<ul style="list-style-type: none"> <li>• 7 existing PAs covering around 214,000 ha</li> <li>• Management effectiveness baseline scores for individual PAs are: Dak Rong -54 Sao La (Hue)-47 Ho Chi Minh-36 N.Huong Hoe-48 Phong Dien -61 Sao La(QN) -48 Song Thanh-48 Ngoc Linh - NA</li> <li>• Investment plans for 7 PAs exists</li> <li>• Master plans for 6 PAs exists</li> <li>• Management</li> </ul>	<ul style="list-style-type: none"> <li>• National databases of MONRE/MARD</li> <li>• Protected Areas Management Effectiveness tracking tools</li> <li>• MONRE updates on carbon emissions</li> <li>• MARD databases and reports</li> <li>• Reports of forest protection</li> <li>• Updates on forest cover</li> <li>• LUPs with maps of buffer zone communes/villages</li> <li>• Community Forest Management certificates</li> <li>• Provincial cadastral surveys</li> <li>• Household and commune socio-economic surveys and reports</li> <li>• Performance monitoring surveys/reports</li> <li>• Project MIS</li> <li>• MARD reports</li> <li>• Reports of forest poaching and trapping incidents</li> </ul>	<ul style="list-style-type: none"> <li>• Provincial governments remain committed to PA conservation</li> <li>• Executing and implanting agencies have adequate staffing, capacity and counterpart funding for PAs</li> <li>• Stakeholders are willing to participate in conservation and protection</li> <li>• Incentives are adequate and targeted to correct recipients, and benefits are equitable and fair</li> <li>• Implementing entities have established monitoring system and capacity to monitor threats and impacts of conservation actions</li> </ul>

<p>1.2: Enhanced community involvement in conservation and sustainable use of biodiversity, in and around the protected areas</p> <p>1.3: Conservation management of target species</p>	<p>management boards for two PAs</p> <ul style="list-style-type: none"> <li>• By 2018, new and revised Operational Management plans in place for five protected areas covering around 159,000 ha integrating conservation and sustainable use approaches in the buffer zones</li> <li>• By 2018, at least 10,000 ha of forest land in PA buffer zones under co-management regimes and providing NTFP and other PES ecosystem services and livelihood benefits to local communities</li> <li>• By 2018, increase in income and/or household assets for target households in buffer zone by 20% compared to 2013 through alternative livelihood programs and/or sustainable forest management</li> <li>• By 2018, institutional arrangements for participatory conservation tested and validated and maintaining ecosystem services</li> <li>• By 2018, institutional capacity improved and staff capacities enhanced for monitoring of key target species</li> <li>• By 2016, biodiversity baselines</li> </ul>	<p>boards functional in 6 PAs</p> <ul style="list-style-type: none"> <li>• 3 PA OMPs currently valid or awaiting approval</li> </ul> <p>0</p> <p>0</p> <p>No institutional structures in place for participatory conservation</p> <p>0</p>		
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<p>1.4 Strengthened biodiversity planning and management at the</p>	<p>updated for at least 3 key PA (one in each province)</p> <ul style="list-style-type: none"> <li>• By 2018, at least three globally important species management plans developed and under effective implementation in the corridors and key protected areas in the Trung Truong Son landscape.</li> <li>• By 2018, the average annual incidents of timber poaching and trapping of species in the project PAs and buffer zones reduced by at least 20%</li> <li>• Three Provincial Biodiversity Actions Plans mainstreaming landscape level biodiversity and</li> </ul>	<p>0</p> <p>0</p> <p>Current baseline incidents average/year are:</p> <ul style="list-style-type: none"> <li>➤ -Sao La NR (Quang Nam) 4000 traps, 140 violations; 57m<sup>3</sup> timber poaching</li> <li>➤ -Sao La NR (Hue) 100 traps</li> <li>➤ -Phong Dien NR 2700 traps, 38 violations, 29m<sup>3</sup> timber</li> <li>➤ - Dak Rong NR 40 violations, 600 traps, 60m<sup>3</sup> timber</li> <li>➤ Song Thanh NR: 500 traps; 58m<sup>3</sup> timber</li> <li>➤ Ngoc Linh NR: 450 traps, 22m<sup>3</sup> timber</li> <li>➤ North Huong Ha NR: 750 traps, 3m<sup>3</sup> timber</li> <li>➤ Ho Chi Minh LT: NA (not declared)</li> </ul> <p>No provincial BAPs in place</p>		
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Provincial level	ecosystem services values derived from project (PA OMPs, species management actions plans, buffer zone participatory and PES mechanisms, etc			
<p><b>Outcome</b> 2: Strengthened landscapes conservation measures at the community level in PAs and their surroundings providing financial sustainability and reduced GHG emissions</p> <p>2.1: Improved financial sustainability through ecosystems service assessment and payment of environmental services (PES).</p>	<ul style="list-style-type: none"> <li>• Increased forest area under approximately 20,000 ha SFM (with an additional 2.9 – 3.6 million tonnes CO2 sequestered by 2034)</li> <li>• Capacity strengthened and institutionalized for carbon stock and forest monitoring</li> <li>• Scaling up of models of PES revenue delivery mechanisms in buffer zones around PAs in 3 Provinces contributing to conservation and livelihood outcomes (by 2018, at least 25</li> </ul>	<p>0</p> <p>No capacity exists</p> <p>Limited number of villages covered under existing PES revenue delivery</p>	<ul style="list-style-type: none"> <li>• Land use surveys and Forest cover assessments / Remote sensing (RapidEye, Landsat 7/8 and/or SPOT 5)</li> <li>• Forest (biomass) carbon inventory/baseline (emission data) and deforestation rate (activity data)</li> <li>• Number of trainings;</li> <li>• Before and after capacity assessments/questionnaires of key stakeholders</li> <li>• Social/livelihood assessments of target communities, before and after project interventions</li> <li>• M&amp;E of financial, social and biodiversity indicators, set up and monitored throughout the project (and evaluated at the end)</li> </ul>	<ul style="list-style-type: none"> <li>• One SFM pilots operational with significant/additional CO2 emission avoided</li> <li>• Some or all SFM pilots not operational and/or no, low or unreliable data on emission reductions</li> <li>• Capacity of key stakeholders in place to undertake carbon stock assessments</li> <li>• Uneven or insufficient capacity in place by 2018</li> <li>• PES and associated BDS can be developed for PA buffer zones in all three target provinces, and that</li> </ul>

<p>2.2: Improved SFM and carbon sequestration in forest landscapes</p>	<p>community groups assessing PES revenues for conservation of forests)</p> <ul style="list-style-type: none"> <li>• By 2018, at least 20% of buffer zone communities in the buffer zones of PAs in the three central Trung Truong Son provinces applying PES revenues for livelihood improvement activities linked to conservation outcomes.</li> <li>• By 2015, the feasibility of applying SFM/REDD+ options to selected buffer zone programs evaluated within two communes of the Saola Nature Reserve, and, if feasible and approved by government, by 2018 a REDD+ project design document prepared for the market.</li> <li>• By 2018, forest impact monitoring /</li> </ul>	<p>systems in PA buffer zones</p> <p>0</p> <p>SFM/REDD+ Pilots in target Trung Truong Son PA buffer zones aimed at improving PA conservation and simultaneous reduction in CO2 emissions</p> <p>No current sub-national (site of province)</p>	<ul style="list-style-type: none"> <li>• Options paper, feasibility study and roadmaps completed (Project Idea Notes or PINs); followed by viability assessments and detailed project design documents (PDDs) produced, and ready for review/validation</li> <li>• Before and after estimates of social, biodiversity and carbon values, related to baselines surveys and on-going monitoring protocols, to ensure and measure net positive impact, while avoiding negative impacts and upholding safeguards</li> <li>• Forest/impact</li> </ul>	<p>benefits can be effectively and equitably shared, resulting in improved forest protection</p> <ul style="list-style-type: none"> <li>• Lack of GoV support at provincial level for equitable/transparent fund disbursement; or disbursement takes places but does not lead to improved forest protection</li> <li>• That PINs and PDDs will be completed for SFM, with REDD in some/all of the pilots</li> <li>• That there is insufficient time, political will or staff/stakeholder capacity to fully develop three SFM pilots, in three provinces, with full community and GoV participation and buy-in, in 2 years.</li> </ul>
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<p>2.3: Provincial forest impact/safeguard monitoring systems established (linked to MRV capacity building and emerging national MRV)</p>	<p>Safeguard Information Systems (SIS), 1-3 Trung Truong Provinces (linked to 2.2 above) , with provincial capacity built for future engaging with and nesting of monitoing within national MRV</p> <ul style="list-style-type: none"> <li>By 2016, capacity in place to develop forest monitoring systems in 1-3 provinces linked to national MRV development.</li> </ul>	<p>impact/safeguard monitoring or MRV capacity in place</p> <p>No SIS or MRV systems in place so no linkages to national MRVs or other provincial level MRVs</p>	<p>monitoring in place: to track impacts and changes over time (project and baseline scenario), with regard to impacts and safeguards; reporting systems in place: to gather field data and share that at provincial and national levels; Verification protocols in place: indicators, method and frequency, and linking this to emerging national SIS and MRV.</p> <ul style="list-style-type: none"> <li>Monitoring/SIS design will need to include details on links to emerging MRV and SIS at the national level with information on capacity; annual satellite-based monitoring; soil monitoring; and detailed/targeted inventory/permanent sample plots</li> <li>Monitoring systems are designed, and harmonized with existing provincial systems and national designs/targets (MRV, SES and SIS)– and that these designs (and</li> </ul>	<ul style="list-style-type: none"> <li>That it will be possible to design and operationalize 1-3 SIS systems (and not full blown MRVs as there is insufficient resources or rationale for 3 provincial MRVs based on the SFM/REDD development)</li> <li>Some SFM models may not requires MRVs; and/or there may be technical, political or capacity challenges that preclude the development, and moreover the implementation, of these complex systems</li> <li>As above; and that there can/will be sufficient time and technical capacity to develop these synergistic SIS/MRVs</li> <li>This output is somewhat dependent on the work of VNForest/UN-REDD to provide SIS/MRVs with which to harmonize</li> </ul>
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**ANNEX B: RESPONSES TO PROJECT REVIEWS** (from GEF Secretariat and GEF Agencies, and Responses to Comments from Council at work program inclusion and the Convention Secretariat and STAP at PIF).

Comments	Response
<b>GEF Review</b>	
<p>1. Provide more detailed information on how a participatory agenda will be pursued in the implementation of project's subcomponents, in particular those with indigenous peoples and community participation.</p>	<p>The project will institute a participatory process at the village level to facilitate the integration of the project's subcomponents, including community forest management and benefit sharing, SFM/REDD+ pilots, PFES delivery mechanisms and associated investment in forest protection and livelihood improvement, alternative income generation activities and implementation of actions under target species action plans and some PA operational management activities. The village planning process will be facilitated by the establishment of planning teams at the PA levels that will be supported by recruitment of external participatory contract staff and training. The village planning system will be complemented by village level resource mapping and threat analysis and the design of investments that promote improved livelihoods tied to conservation. (See Section B.1 for additional details of participatory process)</p>
<p>2. More detail will be required concerning the models to be applied in the subcomponent "forest restoration and enrichment planting". Please also address cost-efficiency in the design of these models. Currently, 2000 ha are planned with high unit costs of \$800 -\$1,300 per ha.</p>	<p>The project design team re-evaluated the validity and relevance of this subcomponent of the project and concluded that forest restoration, reforestation and enrichment planting was not the most cost-effective and viable way of restoring degraded natural forest lands within the PAs for the following reasons: (i) there are no standard protocols, cost norms and guidelines in Vietnam for the replanting of degraded natural forest areas within PAs; (ii) current legislation in Vietnam is not supportive of reforestation activities in degraded natural forest areas within PAs; (iii) experiences and the track record on reforestation of degraded natural forests in Vietnam has been very poor; and (iv) the exorbitant cost of reforestation of degraded natural forest lands and limited success with past efforts. A more viable and effective way of protecting and revitalizing partly degraded natural forest areas in the PAs and their buffer zones, would be through the promotion of natural regeneration through community protection, co-management, sustainable forest resource use and benefit sharing, PFES benefit sharing, and provision of conservation linked livelihood programs so that communities living adjacent to these areas have adequate incentives that encourage protection and sustainable use of these resources. The original PIF subcomponent on forest restoration and enrichment planting is now replaced with Component 1.2 titled "Enhanced community participation in benefit sharing from conservation and sustainable use of biodiversity in Protected Areas and their surroundings". The new subcomponent will support benefit sharing from assisted natural forest regeneration, forest co-management and sustainable alternative livelihood mechanisms. The expected outcome from this revised subcomponent is that at least 10,000 ha of partly degraded and heavily used forest lands within and outside PAs would be revitalized under co-management regimes and be providing NTFP and other PFES ecosystem services and livelihood benefits to local communities as an incentive for their active participation in its protection and conservation. Carbon sequestration through forest protection, restoration and sustainable use would be increased over the previous PIF subcomponent (est. 1.9 – 2.4 million tonnes CO2 eq. as against a</p>

	<p>PIF target of 0.34 – 0.46 million tonnes CO2 eq. through reforestation of 2,000 ha sequestered over twenty years):</p>
<p>3. More details and precision will be needed for the estimation of the CO2 impact of the project.</p>	<p>The project will need to develop methodologies for the estimation of carbon emission reductions from project activity and land management unit, where baselines (drivers) and/or actions are different. Accordingly, at a minimum, the project will need methodologies for PA core zones and for SFM in the buffer zone where REDD+ or AR is being implemented, but potentially more. For all areas where a reduction in emissions is a planned output, there needs to be a calculation of forest loss (activity data) in (M) ha/year, and calculation of carbon stock (emission factors) in tC/ha. Where drivers and context are the same for two or more different sites (e.g. PAs), the same methods can be used. However, if the baseline is different, then a separate model is required. It is likely that buffer zone FSM pilots and PA will need their own methodologies, but both will require the procurement of remote sensing images (usually at least 3 time series) to develop the business as usual baselines for deforestation/forest degradation. Reference areas, for each SFM/REDD+ site, with similar context and characteristics will also need to be chosen to assist in the design of the activity date and REL. The project will need to study both the UN-REDD methodologies being piloting elsewhere (6 provinces) as well as review all current, approved methodologies under the VCS, in order to find approaches that are appropriate, accurate and replicable at the regional and national scale.</p>
<p>4. At CEO endorsement stage a concise description of the socio-economic benefits, in particular those for Indigenous Peoples, through which measures they will be achieved and how these will support the achievement of global environmental benefits will be required.</p>	<p>Most of the over 126,000 people living in the the project area are subsistence farmers who practice a mix of rotational swidden agriculture and wet-rice cultivation. Nearly 80% of the inhabitants of the buffer zone belong to one of many ethnic minorities such as: Van Kieu, Ta Oi, Gie Trieng, Ca Dong, Mnong. The indigenous people living in the area are poor and their livelihood is dependent on agriculture and forests and the sustainable flow of ecosystem services and products from the forests. Project activities such as assisted natural regeneration, alternative livelihood development, PFES revenues and sustainable forest use and benefit sharing can help ethnic minorities have improved access to sustainable forest resources, improve their production systems, receive monetary benefits from forest protection and improve the health and wealth of their forests which are intricately linked with their well being,</p> <p>The participatory village planning process to be employed under the project will ensure that ethnic minorities and other disadvantaged groups are adequately consulted and project interventions designed to ensure that their distinct traditions relating to natural resource use and management and land use and forest resources use are maintained through sustainable forest use communal agreements, while ensuring biodiversity protection and local livelihoods. Capacity development interventions of the project will strengthen awareness and capacity of indigenous minorities and women in particular to participate more directly in project benefits.</p> <p>Global environmental benefits are expected to be derived by the participatory emphasis of the project, that provides direct benefits to local people and indigenous groups that are</p>

	<p>dependent of the forests to more sustainably use existing forest resources, maintain ecosystem functions and biodiversity, improve carbon stocks and resilience to climate change.</p> <p>(see Section B.2 for further details)</p>
<p>5. At CEO endorsement stage, a more comprehensive risk assessment table will be required.</p>	<p>A comprehensive risk assessment is provided in Table 3 of the document</p>
<p>6. At CEO endorsement stage, details are expected on the concrete status of application of the existing Vietnamese legislation relevant to the project, the difficulties and opportunities it offers and how the project will deal with the cases where it is insufficient or insufficiently applied.</p>	<p>Major new policies and legislative changes have been made in the past two years on the organization and management of Special Use Forests (SUFs) in Vietnam that is likely to have significant impact on the management of protected areas and their buffer zones in the country. Decree 117 of December 2010 on Special Use Forest Organization and Management and its related Circular 78 of November 2011, stipulates the organization and management of such SUFs, the functions and responsibilities of the forest owner, the classification of such forests, procedures for establishment of such forests, management responsibilities, and planning procedures and investments within the SUFs. The management of SUFs such as national parks, nature reserves, nature reserves, landscape protected areas and scientific research and experimental forest areas will be overseen by a Special use forest management board that will have permanent staff for forest protection, conservation and development and planning. The Decree also makes provision for the delineation of buffer zones around SUFs to prevent the negative impact from human populations on the SUFs through cooperation in the management and development of natural ecosystems between the SUFs management board, local government, and local habitants living in the buffer zone. It recognizes the need to enhance conservation values in the buffer zone as well as improve the livelihoods of people under co-management to attract them to participate in the conservation of the SUFs. The Decree supports investments in the buffer zones to improve forest protection, support local community activities in agriculture, forestry and fishery activities to bring about economic, social and environmental benefits, improve sustainable use and benefit sharing of SUF resources, and promotion of education and awareness on forest protection laws, support investments in infrastructure for social and economic development that would decrease pressure on conservation.</p> <p>This legislation was followed by the drafting of another more significant policy on the regulation of the criteria for bufferzone identification for special use forest and the protection belt for marine protected area for identification and management of buffer zones around SUFs. This new piece of legislation defines the establishment of district level buffer zone management boards and its membership, coordination arrangements between the SUF management and buffer zone management boards, and the responsibilities of the People’s committees at the commune, district and provincial levels in promoting and encouraging role people living in the buffer zones to improve the management of these forests and prevent encroachment and supporting investments in the buffer zones.</p> <p>The enactment of these new pieces of policy and legislation, provides a significant opportunity for the project to pilot it’s application within the project area, including in particular,</p>

participatory local level planning and management of investments in buffer zones, forest co-management and benefit sharing, linking livelihood and resource sharing to community conservation agreements, participatory monitoring and integration of programs for forest payment of ecosystem services (PES) investments and benefits within buffer zone communities. Such an integrated approach to protected area and buffer zone development defines a more holistic approach to conservation that takes cognizance of people's livelihood and income needs and helps test and refine these new policies for future application elsewhere in the country.

In terms of Payment for Forest Environment Services, Decree 99 of April 2010, MARD collected 1.172 billion VND (equivalent to \$60 million USD) in 2012 from more than 80 hydropower, water supply and ecotourism operators. Forest Protection and Development Funds (FPDFs) are established in 22 provinces and province level PFES steering committees are established in 35 provinces to manage these funds. The Central Forest Protection and Development Fund transferred 99.5 percent of the PFES budget collected in 2012 to Provinces but of that amount, only 50 percent was distributed to households managing forest resources. Distributing payments in cases where individual households are forest owners proves difficult because the Government uses on-the-ground forest inventories to determine household payment levels, and enters into individual contracts with household forest managers. To improve PFES contract management, ADB is piloting a new approach to PFES distribution and monitoring in Quang Nam Province under RETA 6422: Support for the National Roll Out of Payment for Forest Environmental Services (PFES) and Benefit Sharing Mechanisms in Viet Nam. Two innovations are applied in five villages in Ma Cooil Commune: (i) a group approach to forest patrolling and fund management, and (ii) the use of satellite data to determine forest ownership, payment levels and monitor forest management efforts. In the pilot villages, each PFES group carries out regular forest monitoring and manages its own PFES payments, setting aside 30% of the group's funds to support livelihood activities. PFES groups track expenditures in logbooks and manage micro-livelihood activity loans. PFES groups also keep logs of their forest monitoring efforts and are periodically checked by the forest management units managed by the District Agriculture and Rural Development Agency. In the same pilot villages, GIS maps are used to establish forest boundaries and forest quality, as well as track forest management. The village level pilots are viewed as successful by provincial and national authorities who have requested ADB support efforts to scale up by: (i) streamlining the regulatory framework for PFES implementation, including the group approach to forest patrolling and PFES management, (ii) improving transparency in payment systems, and (iii) establishing a robust monitoring and evaluation framework for PFES implementation using satellite data. If fully operationalized, the low-cost of this new approach will allow provincial authorities to map PFES levels, monitor environmental service provision and administer payments with the resources provided for management under Decree 99. The project provides an opportunity to scale up and further expand the new approach piloted by ADB to the buffer zones of the



	<p>protected areas under the project.</p> <p>Refer Annex G for summary discussion of existing and proposed legislation, the status of its application in the country, existing constraints and difficulties in their successful implementation, and opportunities that the project presents in further strengthening the application of these legislations.</p>
<p>7. Further details are expected at CEO endorsement stage as to how the project will ensure its added value and in particular how it will enable to go beyond pilot sites and piloting methods.</p>	<p>The GEF project design is based on the premise that activities to be financed through the project provide unique opportunities for testing and validating a number of new approaches. In particular, the project would facilitate the following: (i) testing, validating and revising the application of new legislation and guidelines on protected areas operational planning and management and buffer zone management and conservation; (ii) scaling up and further testing mechanism for transfer of revenues generated from PFES programs of hydro-power and other services to local communities; (iii) testing and applying forest co-management approaches to provide conservation and livelihood benefits to communities living in the buffer zone of the protected areas; (iv) testing and validating the implementation of approaches to assisted natural regeneration of forests as a cost effective tool to regenerate natural forests in degraded areas through benefit sharing of non-timber forest resources and reciprocal community commitments to protection of forests and natural habitats; (v) testing approaches for PA operational management planning that are based on consultative process with local communities and other stakeholders and linking community benefits to reciprocal community commitments to patrolling of forests; and (vi) testing and piloting of SFM/REDD+ approaches at the local level and development of tools and methods for local measurement of carbon benefits, which could provide added revenue flows on the longer term.</p> <p>The project therefore presents an unique attempt at the community level to integrate a multitude of activities and objectives (conservation, forest resource benefit sharing, forest management and regeneration, PFES benefit sharing, and species conservation with economic development and livelihood improvement) within and outside the protected areas. Learning and experience from such an approach can provide the basis for revision and consolidation of guidelines and methods for buffer zone management, cost-effective assisted natural forest regeneration, PFES revenue transfer, village economic development and others.</p> <p>The success or otherwise of the pilots under the proposed are critical for extending benefits beyond the pilot areas and pilot methods for a number of reasons. Firstly, legislation on buffer zone management around PA provides basic instructions on identification and management of buffer zones of special use forests (protected areas), institutional and coordination arrangements for buffer zones, composition of management boards of buffer zones, potential investments in the buffer zones, etc. However, the effective and wider implementation of this new legislation will require specific and detailed guidelines on planning processes, role and responsibilities of local communities and other entities, the modalities for coordination</p>

of activities across many commune, village and provisional development sectors that operate within these zones, the modalities for collaboration between the PA management board and the buffer zone management councils, fund flow arrangements for buffer zone investments, etc. The piloting of the buffer zone community process through the project would test and provide the learning and experience for defining specific guidelines and modalities for expansion of these approaches more widely in the country.

Similarly, there are a number of new government programs that need to be tested and refined in the field to provide the guidance and experience for their wider application in the country. In terms of PFES, the Government of Viet Nam had collected over USD 50 million in 2012 from PFES revenues from hydropower (including in the project provinces), but the transfer of these revenues to individual households has been cumbersome on account of the paperwork and time needed to make these transfers. The project will expand and further validate existing, but limitedly tested approaches of transfer of such revenues to the community or group level (rather than the household level) as part of the integrated village level planning process and facilitate community planning and management of these funds. The project will scale up these program approaches in the buffer zone villages and help them develop capacity, tools and systems to enable them to avail themselves of such resources. These tested learning, tools and methods provide an opportunity for replication and wider application in the country.

Similarly, the project will pilot approaches at cost effective methods to promote assisted natural forest regeneration that are tied with co-management and benefit sharing to provide incentives for local community participation in conservation, protection and sustainable forest resource use as a means to regenerate degraded areas in PAs and outside without costly expenditures. This would enable easy replication with local benefits that would encourage rapid uptake and replication. Also proper community forest group formation and forest management to be piloted under the project would generate value of itself (timber, NTFP, social cohesion, etc.), deliver environmental services and global C/REDD+ would be an additional income stream when the C market improves in the future. All of these have tremendous value for replication and up-scaling beyond the pilots.

From an institutional sustainability and replication perspective, the testing of specific institutional arrangements for buffer zone management (as envisaged under the new legislation on buffer zone management) would provide learning and experience and adjustments, if necessary for its replication and extension throughout the country. This new legislation and its application is expected to be the cornerstone of any protected area management activities in Viet Nam in the future, where conservation and protection will be intricately linked with the economic well-being of its surrounding communities.

<p>8. It is expected that the CEO endorsement request will detail how the project design will ensure that the support incentives, local legislation, monitoring, enforcement, punitive and safeguard measures put in place will be sustained beyond the completion of the project.</p>	<p>The project design is built on the premise that local support for conservation will occur if there are proper and adequate economic benefits to local people that are derived through conservation. To achieve this intent, the project’s participatory framework provides the basis for ensuring free, prior and informed consultation and consent, broad community support and culturally appropriate and equitable benefits as incentives for local communities to participate in project activities. To facilitate the achievement of these broad objectives, the project’s participatory framework provides guidelines for mobilization and engagement of local communities living in the PA buffer zones, the participation of indigenous peoples and other vulnerable groups in the project activities, the equitable sharing of benefits, the village level planning process to define appropriate biological and livelihood options to reduce and manage conservation conflict, the implementation of these options, participatory monitoring and management of safeguards, and conflict resolution.</p> <p>Annex G of this document provides an analysis of the local legislations that are of relevance to the implementation of the project. In particular, the following key local legislation provides the basis for community participation, forest resources benefit sharing, PES revenue sharing and livelihood investments for community living in and around the protected areas, namely (i) CIRCULAR no. 78/2011/TT-BNNPTNT Guiding the implementation of Decree No. 117/2010/ND-CP dated 24/12/2010 of the Government on organization and management of special use forest system; (ii) DECISION No. 24/2012/QĐ-TTg On investment policy for development of special – use forests in 2011 – 2020; (iii) DECREE No. 99/2010/ND-CP On the Policy for Payment for Forest Environmental Services; (iv) Decision No. 07/2012/QĐ-TTg on issuing some policy for strengthening forest protection; (v) Circular no. 10/2014/TT- BNNPTNT of 2014 on Regulate the criteria for bufferzone identification for special use forest and the protection belt for marine protected area. The project will facilitate the implementation of the key legislation in the buffer zones of the PAs as a means to provide benefits to local people and their engagement in protection and conservation of PA and buffer zone resources, as against the traditional approach of engaging government and contract for enforcement of protection laws, which is often not a viable and sustainable approach to protection. The project envisages a participatory monitoring approach that captures the success of conservation and livelihood investments and community reciprocal commitments to protection.</p>
<p>9. Further details are expected at CEO endorsement stage on the method to be used by the project for carbon monitoring.</p>	<p>There is no legislation relevant to carbon monitoring other than Decree No. 99/2010/ND-CP on the Policy for Payment for Forest Environmental Services contains specific reference to “carbon” as a potential commodity/metric within PFES schemes and the national ‘REDD+ strategy’; Decision 799/QĐ-TTg, 27 June, 2012 “On Approval of the National Action Program on Reduction of Green-house Gas Emissions through Efforts to Reduce Deforestation and Forest Degradation, Sustainable Management of Forest Resources, and Conservation and Enhancement of Forest Carbon Stocks 2011-2020”. The development of provincial, regional and national</p>

	<p>MRVs is a work in progress, under the guidance of the UN-REDD Program, Phase I and II, meaning that the GEF project must closely communicate and align with these activities, but also provide critical feedback if required. In this way, the 3 provinces under the GEF will add scope and pilot-generated feedback to both the UN-REDD process and national REL/MRV designs, moving forward – provided that communication, coordination and sharing of lessons are all effective. Moreover, as discussed throughout this GEF CEO endorsement document and Feasibility Report for sub-components 2.2 and 2.3, there is little value in trying to develop here, under the GEF, three additional or stand-alone provincial MRVs. Instead, the Project is recommending that focus be directed towards provincial and local level capacity building for MRV integration (nesting of sub-national and national MRV) and local MRV implementation (in the coming years), alongside efforts to design, build and pilot provincial forest / impact monitoring (i.e. for safeguards) at the project/provincial level</p>
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<b>STAP Review</b>	
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<p>1. STAP notes the expected output 1.2.3 on the establishment of a "trans-boundary conservation mechanism for selected species". However, trans-boundary issues do not appear to feature significantly in project design and proposed activities, even though the Annamite Range is shared significantly with adjacent Laos and to a certain extent with Cambodia. Biodiversity corridors will need trans-national liaison. Possibly of even greater significance will be cross-border contacts between local communities, especially in the viability of the proposed East-West corridor (Output 1.1.2), in the land use plans (1.1.1) and the PA operational management plans (1.1.4). Aspects of Component 2 would seem also to be conditional on trans-boundary influences. All these issues are more complex than the consideration of "selected species". STAP would like to see evidence of cross-border liaison and possible harmonization of strategic approaches to conservation and community involvement.</p>	<p>While cross-border liaison and harmonization of strategic approaches are important for conservation and achievement of project objectives, Output 1.2.3 in the PIF on the establishment of a "trans-boundary conservation mechanism for selected species" is a baseline activity that is being financed by the World Bank and not by the GEF project. Through, the existing regional coordination arrangements and the regional GEF project that is currently in place, the Project will ensure that it capitalizes and ensure that its approaches to conservation and community benefit sharing and engagement are harmonized across borders.</p>
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<p>2. Outputs 2.3.1 and 2.3.3 (2.3.2 is missing in the PIF submitted for screening) refer to carbon stock baseline assessments and local MRV systems. Changes from primary to secondary forest involve not just a shift in total woody biomass but also major changes to soil quality and productivity. The PIF makes only passing mention of methodologies for these carbon assessments; yet, it is clear that techniques of measurement are critical and should include soil carbon changes. The proponents are urged to use IPCC guidance on forest land carbon stock assessments and internationally-accredited methods such as those developed in the GEF Carbon Benefits Project (CBP). STAP is happy to advise further on this, as it has just completed a review of the CBP tools. The current project in Vietnam would seem to be a good candidate for use of the tools.</p>	<p>The project will need to develop methodologies for the estimation of carbon emission reductions from project activity and land management unit, where baselines (drivers) and/or actions are different. Accordingly, at a minimum, the project will need methodologies for PA core zones and for SFM in the buffer zone where AR is being implemented, but potentially more. For all areas where a reduction in emissions is a planned output, there needs to be a calculation of forest loss (activity data) in (M)ha/year, and calculation of carbon stock (emission factors) in tC/ha. Where drivers and context are the same for two or more different sites (e.g. PAs), the same methods can be used. However, if the baseline is different, then a separate model is required. It is likely that buffer zone FSM pilots and PA will need their own methodologies, but both will require the procurement of remote sensing images (usually at least 3 time series) to develop the business as usual baselines for deforestation/forest degradation. Reference areas, for each SFM/REDD+ site, with similar context and characteristics will also need to be chosen to assist in the design of the activity date and REL. The project will need to study both the UN-REDD methodologies being piloting elsewhere (6 provinces) as well as</p>
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	review all current, approved methodologies under the VCS, in order to find approaches that are appropriate, accurate and replicable at the regional and national scale.
<p>3. Ecosystem valuation and PES schemes are to be assessed and piloted. STAP supports the intention but notes that the potential complexities could be daunting. While village development revolving funds could be one way to ensure buy-in to forest protection, experience elsewhere does need to be included in appropriate design of such schemes involving monetary flows and community commitment. STAP's 2010 advisory document on the Evidence Base for Community Forest Managements as a Mechanism for Supplying Global Environmental Benefits and Improving Local Welfare (<a href="http://www.stagef.org/biodiveristy-and-biosafety">http://www.stagef.org/biodiveristy-and-biosafety</a>) should be consulted as a starting point. On the economics of ecosystems services, a recent paper - by J. Farley, 2012. Ecosystem services: the economics debate. Ecosystem Services 1: 40-49 would be instructive in gaining a closer understanding of the issues in valuation and how far this can be taken.</p>	<p>Since the approval of the PIF in 2012, there has been significant progress in ecosystem valuation and PES implementation in the 3 Project Provinces. As a consequence of the advancement of the PFES program in the Quang Nam Province, this subcomponent of the project will now focus on the application of PFES delivery mechanisms and its operationalization in all 3 Project Provinces rather than on just assessing ecosystem service and PFES potential. A program of PFES from hydropower revenues is already operational in Quang Tri Province and other two provinces and significant revenues have been collected. However, mechanisms for channeling of such funds to forest management household groups have been limitedly tested. In this subcomponent, the project will attempt to apply existing successful models of PFES revenue transfer to groups to the Quang Tri, Quang Nam and Thua Thien Hue Provinces within the Trung Truong Son.</p>
<p>4. STAP has some concerns about the residual effects of dioxins sprayed as defoliants in the Vietnam War between 1962 and 1971. While the chemicals do readily break down under sunlight, the large amounts sprayed mean that some associate with organic compounds and persist in sediments, fields and forest soils. The defoliants also turned primary and secondary forests into candidates for invasion by aggressive pioneer species such as bamboo. One study has also found existing substantial differences in faunal biodiversity between sprayed and unsprayed areas. These are very real issues amongst local communities. Residues of toxic chemicals are still said to be affecting the new-born population. A more prominent inclusion of dioxin-related issues might ensure closer community engagement with the project, and may also be ecologically relevant.</p>	<p>While the issue of addressing the effects of dioxins might be beyond the scope of the project, the ADB recognizes the relevance and importance of the issue in ensuring a closer engagement of the community in the project. The ADB is aware of the work done by the Center of Natural Resources and Environment Studies (CNRES) in the Thua Thien Hue and Quang Tri Provinces within Trong Truong Son landscape through its recently concluded "Habitat Restoration and Reutilization of Forest Areas and other Lands damaged by Herbicides during the War" Project. The CNRES Project supported training and capacity development for communities in the herbicide affected areas to better understand the long-term impacts of these herbicides on their health and livelihoods and develop adaptive production and forest management approaches. Since the proposed GEF project will work with communities in the buffer zones to improve their livelihood and social safeguards through forest management, and agricultural productivity and livelihood improvements, it would ensure that these activities will take recognition, and build on the lessons and experiences from the CNRES Project.</p>

**ANNEX C: STATUS OF IMPLEMENTATION OF PROJECT PREPARATION ACTIVITIES AND THE USE OF FUNDS<sup>22</sup>**

A. PROVIDE DETAILED FUNDING AMOUNT OF THE PPG ACTIVITIES FINANCING STATUS IN THE TABLE BELOW:

PPG Grant Approved at PIF:			
<i>Project Preparation Activities Implemented</i>	<i>GEF/LDCF/SCCF/NPIF Amount (\$)</i>		
	<i>Budgeted Amount</i>	<i>Amount Spent To date</i>	<i>Amount Committed</i>
1. Identify and design PA Operational management planning	21,950	11,495	20,089
2. Identify and design biodiversity management planning	23,700	12,411	21,690
3. Identify and design reforestation, assisted natural regeneration and enrichment planting	16,200	8,483	14,826
4. Establish forest ecosystem criterion for PES/PES development	21,750	11,390	19,906
5. Identify and design SFM pilots	31,000	16,234	28,372
6. Identify and design MRV system	24,400	12778.28	22,331
7. define institutional arrangements, coordination mechanisms and M7E frameworks	11,000	5,760	10,067
<b>Total</b>	150,000	78,551	137,281

<sup>22</sup> If at CEO Endorsement, the PPG activities have not been completed and there is a balance of unspent fund, Agencies can continue undertake the activities up to one year of project start. No later than one year from start of project implementation, Agencies should report this table to the GEF Secretariat on the completion of PPG activities and the amount spent for the activities.

**ANNEX D: CALENDAR OF EXPECTED REFLOWS (if non-grant instrument is used)**

Provide a calendar of expected reflows to the GEF/LDCF/SCCF/NPIF Trust Fund or to your Agency (and/or revolving fund that will be set up)

Not Applicable

## Annex E: Technical Consultants to be Hired using GEF Resources

Position Titles	USD\$/Person Week	Estimated Person Weeks	Tasks to be Performed
<b>A. International Consultants</b>			
SFM/REDD+ Contract Design Specialist (Component 2)	4250	2	Review and revise TORs of individual consultants under SFM/REDD+ and MVR components defining scope of works, timing, consultant qualifications and implementation plan. Based on this and in agreement with MONRE prepare detailed scope of work for the entirety of this component, contract package and bid documents.
Remote sensing and Inventory Specialist (Component 2)	4250	12	Lead the development of Forestry Inventory and Carbon Stock Assessments, ensures activities and methodologies are compliant with international guidelines, train local communities in participatory forest carbon inventory and monitoring, provide overall technical guidance, advice and support to the national consultant and team, data analysis and documentation associated with field inventory sampling, processing field biomass samples, and data analysis procedures for carbon stock survey.
REDD+ / carbon specialist (Component 2)	4250	90	Assist the Remote sensing expert in SFM pilot design in relation to carbon inventory and accounting procedures, design and lead inventory surveys, coordinate and lead on the procurement and analysis of remote sensing images / carbon accounting and provide coordination support and guidance on developing sub-national MRV and/or basic forest monitoring systems that are compatible / 'nestible' with that being developing under UN-REDD Phase II at the national level. . Training will need to be provide in Y1 to the National REDD+ Specialist to ensure continuity and maintain quality.
<b>National Consultants</b>			
Biodiversity and Protected area specialists (4) (Component 1)	500	672	Provide technical support to provinces and PAs for preparation of OMPs, establishment of management boards, guidance for selection of PA management investments and advise on PA management interventions as well as coordinate the inputs into preparation of provincial biodiversity action plans, Develop PA capacity development plan and oversee its implementation, support development of biodiversity survey protocols and data management, monitoring of project outcomes, facilitate coordination between PA management boards and district and provincial entities and oversee planning



			of community programs in buffer zones
Community Participation and Development Specialists (3) (Component 1)	500	288	Provide technical guidance and training to Provinces for planning and implementation of buffer zone participatory programs and oversee planning at least in a few villages in each project PA. Prepare guidelines for participatory planning and implementation, including delivery of PES revenues, SFM/REDD+ programs and other income generation activities. Oversee and guide the implementation of the gender action plan. Advise and train field staff on tools and techniques for participatory planning and ensuring community monitoring.
Target Species Conservation Specialists (Component 1)	500	72	Provide technical support for preparation of provincial species action plans (one specialist/target species). The specialists will collate background information of target species, including population and distribution data, prepare position papers, facilitate consultation and dialogue with experts, staff and local people on current status and pressures on target species, help coordinate the preparation of action plans etc.
PA Institutional Specialists (Component 1)	500	24	Institutional and Technical support to facilitate the process for establishment of Protected Area Management Boards in Ngoc Linh and Ho Chi Minh Trail including defining management and organizational structure, staffing and training requirements, financing systems, monitoring and reporting arrangements, and key institutional responsibilities for management of the key activities of the protected areas.
PA Management Specialists (Component 1)	500	32	Facilitate preparation of master plans for the Ngoc Linh and Ho Chi Minh Trail protected areas that would entail definition for management and regulation of activities within the PAs and their buffer zones, defining policies, intentions and management decision making processes, arrangements for attracting local and national funding for management, measures for integration with other sectors and programs that operate in the region, organization of management board, and arrangements for collaboration and benefit sharing with local communities, particularly within the buffer zones.
Protected Area Management Planning Specialists (Component 1)	500	64	Technical support for preparation/update of PA operational management plans, including defining potential land use and zoning options, improving patrolling and law enforcement, control of wildlife trade, sustainable ecotourism, participatory forest and benefit sharing and co-management, staff capacity building, recreation and research, etc. On this basis facilitate the identification of key

			operational management activities that can be implemented with project support.
Protected Area Investment Planning (Component 1)	1,200	52	Develop investment plan for proposed Ngoc Linh Nature Reserve as part of process for legally establishing the NR. Define management objectives and regulations of the NR and its buffer zones, organizational arrangements, coordination arrangements for integration with local entities and organizations to support management, key management objectives and strategies, roles and responsibilities, etc.
REDD+/SFM Specialist (Component 2)	500	92	Assist the national SFM expert in SFM pilot design in relation to carbon inventory and accounting procedures, design and lead inventory surveys, coordinate and lead on the procurement and analysis of remote sensing images / carbon accounting and provide coordination support and guidance on developing sub-national MRV and/or basic forest monitoring systems that are compatible / 'nestible' with that being developing under UN-REDD Phase II at the national level. The Specialist will liaise with local government agencies and community groups in implementation and monitoring and ensure continuity and maintain quality
Biodiversity Survey Specialist (Component 2)	500	36	Design and lead biodiversity baseline surveys, and work closely with experts under Component 1 (note there is scope to combine these positions)
Socio-economic / livelihood specialist (Component 2)	500	44	Design and lead on all socio-economic baseline surveys and the FPIC process, together with facilitation (including training/skill transfer) of social impact assessment and participatory project design (theory of change). This specialist would work closely with national specialists outlined below
Carbon Inventory Specialist (Component 2)	500	36	Support the national and international REDD+ Carbon Specialists in carbon inventory and accounting procedures, design and lead inventory surveys, coordinate and lead on the procurement and analysis of remote sensing images.
Free Prior and Informed Consent (FPIC) Participation Specialist (Component 2)	500	80	Designs and leads the participatory aspects of the REDD+ pilot activities, including mobilization of community participation, accessing community needs and perceptions and ensuring these are incorporated into the pilot activity,
Remote Sensing and Ground Truthing Specialist	500	56	Leading the forest inventory and data collection, developing methodology for deciding the number, extent and location of plots, methodology to use and

(Component 2)			assures the accuracy of the information implementing forest carbon inventory, provisional analysis of data to facilitate REDD+/carbon pilot. Provides capacity building support for provincial MRV
Forest Carbon/REDD Specialist	500	84	Support the development of cost effective monitoring and evaluation systems for carbon measurements and verification of forest mapping as well as systems of accounting accuracy and reliability related to emissions reductions

## **Annex F: Current carbon stock (under ‘business as usual’ scenario) and projected carbon stocks (via project interventions).**

### ***I. Introduction: Deforestation and restoration in Viet Nam and the Project area.***

Viet Nam is one of the few countries in the region to have had a significant net increase in ‘forest cover’ and, due in part to Government of Viet Nam (GoV) restoration efforts and large timber imports, average deforestation rates have fallen by 18% since the late 1990’s. Nevertheless, and as detailed within the PIF, regions such as the Trung Truong Son landscape (Central Annamites) still have high rates of deforestation<sup>23</sup> in areas crucial to watershed protection and biodiversity conservation.<sup>24</sup>

At present, the majority of Viet Nam forests are made up of 74% naturally regenerating forest and 25% of plantation forest. The remaining forests consist largely of degraded natural forests or plantations. Notably, Viet Nam’s intact *primary natural forest* is located in its protected areas, and was estimated to encompass only 80,000 ha. in 2010, or between 1%<sup>25</sup> and 2%<sup>26</sup> of the country’s total forested area. The annual loss of *primary forest* cover has been calculated to be approximately 1.18%/year.<sup>27</sup>

Per IPCC guidance on data requirements (2003b), as Viet Nam is a “Tier 1” country, it is able to use area (i.e. hectares) as a proxy of the emissions to be sequestered for the purposes of national reporting. Nevertheless, the project has sought to develop more detailed to estimate CO2 sequestration via the project, through the below methodology.

### ***II. Project PIF Carbon Stock Methodology.***

In order to develop ‘replicable, rapid and cost effective methods for providing evidence to support the negotiation for enhancing natural resource management,’ a four-year SE Asian regional World Agroforestry Centre/GIZ grant entitled ‘Trees in Multiple Use Landscapes (TULSEA)’ undertook a rapid and participatory carbon stock appraisal (RaCSA) of the forests of Bach Ma National Park, Thua Thien Hue Province (2009).<sup>28</sup>

As based on project forest sampling, the Bach Ma National Park RaCSA estimated carbon-stock average (tonnes/ha) as follows (see *table 1*, below):

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<sup>23</sup> Bleaney, A., Vickers, B. and Peskett, L. 2009 What could REDD look like in Vietnam? Available at: [http://redd-net.org/files/ What couldREDDlooklikeinvietnam.pdf](http://redd-net.org/files/What%20couldREDDlooklikeinvietnam.pdf) [7 August 2011].

<sup>24</sup> <http://www.theredddsk.org/countries/vietnam/statistics>

<sup>25</sup> Or ca. 80,000 ha. in 2010. FAO 2010 Global Forest Resources Assessment 2010 – Viet Nam Country Report. Available at: [www.fao.org/docrep/013/al664E/al664e.pdf](http://www.fao.org/docrep/013/al664E/al664e.pdf) [10 February 2012]

<sup>26</sup> RECOFTC 2011 Viet Nam’s forestry reforms. [http://www.recoftc.org/site/Viet Nam-s- Forestry-Reforms](http://www.recoftc.org/site/Viet%20Nam-s-Forestry-Reforms) [8 July 2011].

<sup>27</sup> Primary forest cover in 2005 was 85,000 ha; and in 2010, 80,000 ha.

<sup>28</sup> Bach Ma National Park, ‘Rapid Assessment of Carbon Stock in Bach Ma National Park, Thua Thien Hue Province’. The activity was sub-contracted by the World Agroforestry Centre (ICRAF), Southeast Asia regional office, under the GTZ-719 grant in support of ‘Trees in Multi-use Landscapes in Southeast Asia (TULSEA)’. 2009

***Table 1. Bach Ma National Park Carbon-stock estimation***

Type of land cover	Total Carbon-stock average (tonnes/ha)
Bare land	33
Restoration forest	37
Poor forest	65
Medium forest	163
Rich and very rich forest	<i>The carbon content in a rich forest may be 2 times higher than in a medium forest, and may be up to 5 times higher than in a poor forest.<sup>29</sup></i>

The figures outlined above are in relative accord with other global systems estimating forest carbon stocks and/or utilizing biome-average datasets (tC/ha), including those of the IPCC (2006) which place tropical seasonal forest at 105-169 t C/ha; Houghton and DeFries (2002) et al at 150 t C/ha; and Gibbs and Brown (2007) at 142 t C/ha.<sup>30</sup>

As the Bach Ma National Park RaCSA was undertaken within the east-west Trung Truong Son biodiversity corridor, and within a similar range of forest and soil types and class, it has been utilized to develop initial carbon value estimates for this Project in the PIF stage. The Bach Ma National Park RsCSA serves a field level proxy, and its estimated carbon stock values (combining above and below ground values) have been extrapolated upon to inform potential carbon stock benefits of the Project from a) avoided deforestation in PAs and b) for estimating CO<sub>2</sub> sequestration values from the restoration and enhancement of carbon stocks in /PA buffer zones (BZ), from Community Forest Management (CFM) areas and Project SFM/REDD+ areas

Additional calculations utilized within the tables below are based upon the following guidance and assumptions:<sup>31</sup>

- Above and below ground forest biomass combined are equivalent to forest carbon stock.
- Forest carbon stocks averages (tonnes/ha) can be converted to carbon content (C) by taking half of sampled biomass weight (i.e. carbon content =50% of biomass).
- Carbon dioxide (CO<sub>2</sub>) sequestration is derived by multiplying carbon content by 3.67.

Further, the Project assumes it will be able to achieve ‘medium forest’ cover (i.e. 163 t C/ha) in PA core zones, and Project SFM/BZ areas within a 20-year period. Forest type, tree and land cover carbon rates, as well as rates of deforestation and other assumptions regarding the Project’s ability to influence forest landscape changes, will be further assessed and clarified during the project preparation phase.

### ***III. Carbon Stock restoration and enhancement***

***Baseline project:*** The ADB Biodiversity Corridors Conservation Investment Program (BCC) is targeting reforestation and enrichment planting on 10,000 ha of communal land (not covered by the GEF project or its PA focus). Utilizing

<sup>29</sup> World Agroforestry Center. “Final Report of the TULSEA Project in Viet Nam.” July 2011. P. 7.

<sup>30</sup> Gibbs, Holly K et al. ‘Monitoring and estimating tropical forest carbon stocks: making REDD a reality’. Environment Research Letters. IOP Publishing. 2007

<sup>31</sup> These calculations derived from the above article, i.e. Gibbs, Holly K. et al.

the carbon stock methodology described above and assuming communal forestlands achieve a minimum of “restoration forest” (of ca. 37Ct/ha), the BCC project will sequester ca. 678,950 tCO<sub>2</sub>eq.

In addition, in the East-West corridor areas (not covered by the GEF project), the WWF/CarBI project aims to restore 4,800 ha of fragmented protection and production forest. Assuming these fragmented areas achieve a minimum of “poor forest” (65Ct/ha), the CarBI project will sequester approximately 572,520 tCO<sub>2</sub>eq. This represented in the table 1 below. Combined, over a twenty year period the baseline projects potentially represent an approximate total of 1,251,470 tCO<sub>2</sub>eq.

**Table: 1 Carbon Stock restoration and enhancement from baseline projects**

Baseline projects	Area (ha)	Forest type	Total Carbon-stock average tonnes/ha*	Carbon-stock tonnes.	Carbon**	Total CO <sub>2</sub> tonnes sequestered***
ADB Biodiversity Corridors Conservation Investment Program (BCC)	10,000	Restoration Forest	37	370,000	185,000	678,950
WWF/CarBI project	4,800	Poor Forest	65	312,000	156,000	572,520
<b>Total</b>	<b>14,800</b>			<b>382,000</b>	<b>341,000</b>	<b>1,251,470</b>

**GEF increment:** The original PIF activity of afforestation/restoration on 2,000ha has been replaced by general community forest support in the PA BZs over at least 10,000ha, which is (will be) in addition to the actual SFM pilots. Project efforts to improve forest conservation in most PA BZs, supporting community forest areas, will be made through better forest protection and associated natural regeneration, in the form of CFM - for which the following carbon estimations have been made. For areas going from an average of ‘bare land’ to ‘restoration forest land’ the estimated benefit is ca. 37 C t/ha. As a very provisional estimate and rule of thumb, the Project supposes that half the area (so 5,000ha) will be poor forest (so going from poor to medium forest under project interventions), and half (the other 5,000ha) will be medium/degraded forest (so going from medium to rich forest as a result of activities). As such, within a 20 year period, the Project will be able to achieve CO<sub>2</sub> sequestration of around 2.4 MtCO<sub>2</sub>e (see table 3). Note here that sequestered tCO<sub>2</sub>e estimates provided here are provisional and rough, based on default values and two assumptions:

- That the division of ‘poor forest’ and ‘medium forest’, in the CFM areas, is currently 50/50; and
- That 10,000 ha of land will be developed as community forest areas in the PA BZ, in addition to the PES/PFES and SFM interventions

Accordingly, these (above/below) estimate are useful as very provisional targets, but they need to be reviewed in Phase II; Project Design. Final estimates will need to take into account carbon content at the locality, baselines (rates of deforestation) and estimates of possible carbon sequestration in the community forest (CFM) areas/natural regeneration as a product of tree species type/composition, density, growing rates, number of trees planted and buffers/losses (i.e. an estimation of what number trees/their carbon will be lost due to natural events and human actions, i.e. logging, both legal and/or illegal)

Note here that the original PIF (see GEF CEO Endorsement Document) suggested this would be at a rate 341,310-462,420 tonnes of CO<sub>2</sub>e, based on 2,000ha reforested. This figure, however has been revised, based the larger area of the community forest areas and the assumptions outline above.

A sensitivity analysis was also undertaken, factoring an assumption that within a 20 year period the community forestry actions (10,000ha) of the Project may achieve carbon stock average of 20% less than the targeted ‘medium forest’ (i.e. the would achieve a carbon stock average of 130 t/ha instead of 163 t/ha). Under this scenario, the estimated carbon stock sequestered would reduce to a conservative (low) estimate of 1,908,400 to a high estimate of 2,394,675 million tonnes (or 1.9 to 2.4 MtCO<sub>2</sub>e). Please refer to *table 3*, below:

**Table 3. Carbon Stock Enhanced within 10,000 ha of PA BZ hectares (supported with GEF funding)**

Type of land cover	Total Carbon-stock average tonnes/ha*	10,000ha BZ carbon-stock tonnes.	BZ (CFM) Carbon**	ERZ C02 tonnes sequestered***
Poor – medium forest (5,000ha)	98	490,000	245,000	899,150
Medium – rich forest (5,000ha)	163	815,000	407,500	1,495,525
<b>Difference/Total</b>				2,394,675
<i>Sensitivity analysis (based on 20% reduction in targeted carbon stock levels in 20 years)</i>	104	1,040,000	520,000	1,908,400
<b>Difference</b>				486,275
<b>Total estimate</b>				1,908,400 - 2,394,675

\* See key in footnote.

PA BZ restoration will also benefit biodiversity knowledge of government and staff, and enhance natural forest landscape connectivity supporting species management and action plans (component 1.2).

Buffer zone community forest combined with improved management effectiveness will also benefit the biodiversity and connectivity of the PA within the biodiversity conservation corridor, and will help to contribute to avoided deforestation of the 8 PA zones.

#### **IV. Avoided deforestation in Eight Protected Areas.**

Within the Project’s 8 focal PAs comprise a combined total of 231,000 hectares. We assume:

- The PA are comprised of an average of poor-rich forest (i.e. ‘medium’ forest), and;
- Apply the currently known primary forest deforestation rate of 1.18%/year to the total core zone area.

\* Carbon tonnes/ha averages applied using field level proxy developed within the Bach Ma National Park RaCSA. \*\* Carbon = .5 x carbon stock/tonnes

\*\*\* CO<sub>2</sub> sequestered= carbon X 3.67

**Table 4. 8 Protected Areas; in hectares, projected degradation 2012-2031  
@ deforestation rate of 1.18%/year.**

<b>A. Core zone forest loss, 10 years (ha)</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>Est. loss over 10 years, core zone:  23,405 ha.</b>
Area deforested	Baseline	2726	2694	2662	2630	2599	2569	2538	2508	2479	
Remaining forest area in PA (SPZ)	231,000	228,274	225,580	222,918	220,288	217,689	215,120	212,582	210,074	207,595	

<b>B. Core zone forest loss, 20 years (ha)</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>	<b>2031</b>	<b>Est. loss over 20 years, core zone:  46,639 ha.</b>
Area deforested	2449	2421	2392	2364	2336	2308	2281	2254	2228	2201	
Remaining forest area in PA (SPZ)	205,146	202,725	200,333	97,969	95,633	93,325	91,044	88,790	86,562	84,361	

Per table 4 above, approximately 46,639 core zone hectares would be lost assuming a ‘business as usual’ scenario, and equating to over 13,949,958 lost tonnes of CO<sub>2</sub> over a 20 year period (see table 5, below).

A sensitivity analysis was also undertaken, factoring an assumption that within a 20 year period the project would achieve a plus or minus 10% reduction in the deforestation rates. Under this scenario, an estimated plus or minus 1,180,867 tCO<sub>2</sub>eq would be sequestered instead. Taking this into consideration, the estimated range for avoided GHG emissions is (5.6 – 8.4 mtCO<sub>2</sub> e). over twenty years within the PA C intervention areas.

**Table 5. Avoided deforestation, 8 PA Core Zone Forests Loss of Carbon Stock, 2012-2031**

<b>With and without project situation</b>	<b>Area (ha)</b>	<b>Total Carbon-stock average tonnes/ha*</b>	<b>Total biomass carbon stock (t C)</b>	<b>Total Carbon**</b>	<b>CO<sub>2</sub> emissions (t CO<sub>2</sub> eq)***</b>
GHG emissions from deforestation in PAs (Business as Usual situation)	46,639	163	7,602,157	3,801,978	13,949,958
With project impact (assuming					



50% reduction in deforestation rate/20 years) – (GEF funded only)	23,316	163	3,801,079	1,900,539	6,974,979
<i>Sensitivity analysis (+/- 10%)</i>	4,663	163	760,069	380,045	1,394,727
<b><i>Total range estimate</i></b>					5,580,252 - 8,369,706

Assuming the Project might be able to reduce the current deforestation rate by 50%, the project would avoid emissions of ca. 6.9 million CO<sub>2</sub> tonnes. In addition, the retained forests of ca. 185,462 ha. would continue to sequester carbon, however, these rates for forest type have not yet been assessed and will be estimated during project preparation.

#### ***V. Carbon Stock restored and enhanced via Project SFM pilots, 19,977 hectares.***

Important restoration of and enhancement of carbon stocks is also estimated in the PIF stage and within the Project SFM component. Given the GEF Project proposes to work with:

- Existing forests on 19,977 ha. land (a combination of household, communal and former state forest enterprise land);
- And currently assuming that these forests may be ranked as ‘poor’ and will be restored and enhanced to at least ‘medium’ forest under the project.

Estimated CO<sub>2</sub> tonnes sequestered would therefore be enhanced an additional 3.6 million tonnes (to 4,038,515 tonnes CO<sub>2</sub>eq). (See Table 6, below).

A sensitivity analysis was also undertaken, factoring an assumption that within a 20 year period the ecological restoration actions of Project may achieve carbon stock average of 20% less than the targeted ‘medium forest’ (i.e. the would achieve a carbon stock average of 130 t/ha instead of 163 t/ha). Under this scenario, an estimated 2.9 MtCO<sub>2e</sub> would be sequestered instead of 3.6 MtCO<sub>2e</sub>. Under this scenario a longer time period would thus be needed to accrue the full project benefits.

As such increased forest area (of approximately 20,000 ha) under SFM would give rise to a tentative and approximate, additional 2.9 - 3.6 MtCO<sub>2e</sub> sequestered. Note here that the target of 20,000 ha, and thus the emission reduction estimates are tentative, and will need to be revised (during Phase II – Project design) based on the:

- 1) Final number of SFM pilots;
- 2) Eventual size (area / ha) of the SFM pilots
- 3) Type of SFM (REDD+, PES/PFES, sustainable use, etc.)
- 4) The carbon content of the forests chosen, the baseline (rate of forest loss/emissions) and predicted avoided emissions

**Table 6. Carbon Stock Estimation of  
Project Sustainable Forest Management (SFM) Pilot Areas**

Type of and cover	Carbon- stock average tonnes/ ha*	SFM Carbon stock tonnes			Estimate of SFM ha Carbon**			Estimate of SFM ha CO2 tonnes sequestered***		
		House- hold	Commu- nal Forest	SFE	House-hold	Comm- unal Forest	SFE	House- hold	Comm- unal Forest	SFE
		3,425 ha.	3,050 ha	13,502 ha	3,425 ha	3,050 ha	13,502 ha	3,425 ha	3,050 ha	13,502 ha
Poor forest	65	222,625	198,250	877,630	111,312	99,125	438,815	408,516	363,788	1,610,451
Medium forest	163	558,275	497,150	220,0826	279,137	248,575	1,100,413	1,024,434	912,270	4,038,515
<b>Difference in tonnes CO2 sequestered (all sites)</b>										3,592,464
<i>Sensitivity analysis (based on 20% reduction in targeted carbon stock levels in 20 years)</i>	130	445,250	376,500	1,755,260	222,624	188,250	877,630	817,032	727,576	3,220,902
<b>Difference in tonnes CO2 sequestered (all sites)</b>										2,873,971
<b>Total range estimate</b>										2,873,971 -3,592,464

## V. Conclusion

It must be noted that all the figures presented in Annex B are provisional and will need to be revised, going forward. It is impossible to come up with precise estimates at this time, meaning that these original estimates should be considered useful benchmarks / baselines, as ‘targets’, while acknowledging that they will likely need to be revised when the SFM pilots are being designed. For example, the eventual number of pilots (i.e. maybe only one based on the small budget), their size (area) and approach (REDD+, PES/PFES or sustainable logging etc.) will have dramatic impact on avoided emission totals. Moreover, there is no way of knowing, at this stage, what the carbon content is, and/or what will be the emissions or removals (avoided emissions) because no carbon inventories have been carried out in the (as yet to be define) project areas, nor is there any idea yet of the baseline emissions which are to be avoided, or by how much (what %) the emissions can be avoided. Then there is also the issue of confidence and risk buffers which are required to ensure that avoided emissions (reductions) estimate are realistic and conservative, meaning that the final figure is likely to be slightly lower.

To reiterate, forest type and land cover carbon rates detailed above are simplified estimates, and will need to be further grounded and assessed during the project preparation phase. The stipulation applies to estimates of both Project PA and SFM forest areas, current and projected carbon stock assumptions, rates of deforestation and other hypotheses made regarding the Project's ability to influence deforestation, avoid deforestation and restore and enhance carbon stocks.

Based on current projections at this stage, the project will:

- Avoid the loss of approximately 231,000 ha of forest within protected areas, assuming that deforestation rates can be reduced over a 20 year period by 40-60%, with associated GHG emissions reductions of 5,580,252 - 8,369,706 tCO<sub>2</sub>eq. This assumes a plus or minus 10% achievement rate.
- Restoration and enhancement of carbon stocks 4.8 tCO<sub>2</sub>eq to 6 tCO<sub>2</sub>eq, based on the following:
- 10,000 ha of community forestry/natural regeneration in PA buffer zones with estimated carbon sequestration over 20 years of approximately 1,908,400 - 2,394,675 tCO<sub>2</sub>eq. The upper range estimate is based on an assumption that target carbon stock levels of at least 163 t/ha, while the lower range, is based on an assumption of a 130 t/ha (i.e. a 20% sensitivity).
- Application of SFM good practices over 19,997 (approximately 20,000) ha of current "poor quality" forest lands with estimated carbon sequestration over 20 years of between 2,873,971 tCO<sub>2</sub>eq to 3,592,464 tCO<sub>2</sub>eq. The upper range estimate is based on an assumption that target carbon stock levels of at least 163 t/ha, while the lower range is based on an assumption of a 130 t/ha (i.e. a 20% sensitivity).
- In summary, the improved and sustainable use and protection of approximately 10,000 ha of forest (as a provisional target) under medium to high intensive use, protection of over 231,000 ha of forests within the eight protected areas and around 20,000 ha of newly established SFM, resulting in a total of approximately: 10.9 to 14.4 MtCO<sub>2</sub>e (cumulatively) saved due to reduced deforestation and degradation over twenty years.

These estimates will be confirmed through more detailed analysis during the project preparation phase, which plans to establish baseline estimates of carbon stocks at representative sites within the project area.

**Status of Legislation relating to Protected Areas and Buffer Zones Management**

Name of Legislation	Key content	Status of application	Current constraints and opportunities to be applied for GEF and BCC
Law on Forest Protection and Development (2004)	The law regulates forest management, protection, development and use as well as the rights and duties of forest owners towards three forest types: production forest, protection forest and Special Use forest, on the basis of the supplement and revision of the Law on Forest Protection and Development 1991.	Applied in all forest areas and existing PAs	Most important framework for forest management in the Corridor, as well as framework for terrestrial protected area management (Special Use Forest) that is fully applicable to the project.
Decree No. 117/2010/NĐ-CP, dated December 24, 2010 of the Government on the organization and management of special-used forest system.	This Decree regulates the organization and management of special-used forest system. The decree promulgates the PAs term under the Special Use forest designation and the procedure for establishment of PA, its Management Board, buffer zone, and financing for the PA system.	Applied in all terrestrial PAs (Special Use Forests)	<p>Provides the legal base for the establishment of Ngoc Linh Nature Reserve in Quang Nam Province and The Ho Chi Minh Legendary Trail Management Board in Quang Tri Province under the Project.</p> <p>Based on the Decree, investment projects for new PAs in Quang Nam will be prepared under the Project by the Forest Protection Department (FPD), then review by District Agriculture and Rural Development Department (DARD), and approved by Provincial People Committee (PPC).</p> <p>Under this Decree, the Quang Nam Province will be able to establish the new Ngoc Linh Nature Reserve PA and with support from the GEF project able to undertake Operations Management Planning, consultation and community participatory programs linked to conservation outcomes</p>
CIRCULAR no. 78/2011/TT-BNNPTNT Guiding the implementation of Decree No. 117/2010/ND-CP dated 24/12/2010 of the Government on organization and management of special use forest system	<p>Decree 117 provides detailed instructions for PA planning and reviewing, organization and function of PA Management Board, PA zoning, tourism and sustainable use in PA</p> <p>Section 4, Article 34 of Decree 117 details responsibility for responsibility of local authorities for mobilization of communities in buffer zone to implement measures to prevent negative impact on the PA, to manage and use sustainability forest resources, and</p>	Currently being applied in the PAs	<p>This provides the legal basis for consolidation and expanding current PA management beyond the traditional mandate of protection and law enforcement to cover zoning, tourism, , sustainable use and community engagement in PA.</p> <p>The Project could help consolidate and provide technical support to the PA Management Boards and their relevant entities to expand into the functions designated in the Decree and train and provide knowledge and skills to the Management Board for enhancing their</p>

	cooperation with PA management board to implement buffer zone development management and responsibility of PA management board to mobilize people's support for PA management and buffer zone development, cooperation with Commune Peoples' Committee; and rights of households or groups living in the buffer to participate in development activities in the buffer zone.		role in PA management and buffer zone development and biodiversity conservation as a whole.
DECISION No. 24/2012/QĐ-TTg On investment policy for development of special – use forests in 2011 – 2020	The Decision regulates investment policy for special use forest, and promotes investment from different sources, such as private sector, PES, ecotourism, forest environment rents, etc.	As it is a new policy, it is yet to be applied in PAs.	The Project provides an opportunity to pilot this new policy on investment in the PAs.  Under this mechanism, the Project would assist PA Management Boards and proposed Buffer Zone Development Councils to work with villages in buffer zone to access VND 40 million per year available through existing government programs for community-based forest protection or small scale infrastructure activities tied to forest protection. This is further strengthened by regulations under the new Buffer Zone circular to be issued soon.
DECREE No. 99/2010/ND-CP  On the Policy for Payment for Forest Environmental Services	Currently applies for fresh water and electricity users, in particular for upstream forest protection and management	Already operational in Quang Nam Province, but not yet in Hue and Quang Tri Provinces	PAs in Quang Nam Province will start receiving the payment to undertake forest protection contracts with the local community.  This mechanism would be a strong framework under the Project for enhancing the participation of local people, especially in the buffer zone. PES revenue payment could also be linked to the co-management to make a strong community –based PA management mechanism
Decision No. 07/2012/QĐ-TTg on issuing some policy for strengthening forest protection	- Regulates that the state will pay VND100,000/ha/year for forest areas that will be managed by the Commune.  - Promotes the piloting co-management on special use forests in which local people will receive adequate payment for their involvement and role.	Not yet apply in any Province	This Decision provides legal basis for piloting co-management in existing and newly established PAs in the project.  Community-based forest protection units in core zone and co-management in the buffer zone would be piloted under this mechanism through the Project building on lessons learned from experiences from PAs in the northern provinces
<i>Decision 126/QĐ-TTg on piloting benefit sharing within management,</i>	Regulates the piloting of benefit sharing mechanism in some protected area, namely Xuan Thuy	Not yet applied in any of the existing 7 PAs of the	This Decision is only currently applicable to two PAs in the country, and will not be applicable in 3 project provinces unless there is an

protection and sustainable development of Special Use forest	NP and Bach Ma	project	amendment to the existing Decision to extend the pilot to other sites in the country, and particularly those in the 3 project provinces.
Biodiversity Law (2008)	The law provides a general framework on biodiversity management and biodiversity planning	Applied	Created a lot of confusion and overlap with other existing laws such as the land law, forest protection and development law, fishery law, etc.
Decree No. 65/2010/NĐ-CP, dated June 11, 2010 of the Government providing detailed regulations and guidelines for implementation of a number of articles of the Biodiversity Law.	The decree gives detailed instruction on national and provincial biodiversity planning, reviewing existing PA and converted to biodiversity PA and issue a list of prioritized conservation species	Not yet applied	Created confusion with other legislation such as the Decree 32/2006/ND-CP on management of rare and precious forest wildlife, Decree 117/2010/ND-CP on Special Use Forest Management.  Does not seem to be applicable in the 7 project PAs as these PAs were established under the special use forest category and following the Decree 117/2010/ND-CP and the forest protection and development law.
Circular no. 10/2014/TT-BNNPTNT of 2014 on Regulate the criteria for bufferzone identification for special use forest and the protection belt for marine protected area.	Defining policy for buffer zone for PA, BZ management and development	Drafted	Perhaps the most relevant legislation for implementation of the project as well as the ADB funded Biodiversity Conservation Corridors baseline project as many of its provisions could be piloted and validated for further replication within the country. In particular, the proposed institutional and coordination arrangements for the management and investment in the buffer zone is a critical feature that facilitates coordination and harmonization across the different sectors and institutions that operate in the communes within the buffer zone.



