

Appendix

Appendix-1

Overview of Actions against Climate Change and for REDD+ in Vietnam

This appendix summarises the context and current status of Vietnam's efforts to mitigate climate change and in particular to reduce emissions from deforestation and forest degradation.

1. Climate Change Trends and Impacts in Vietnam

Vietnam's long coastline, geographic location, and diverse topography and climates contribute to its being one of the most hazard-prone countries of the Asia-Pacific region, with storms and flooding, in particular, responsible for economic and human losses (GFDRR, 2011). Climate change is in general expected to increase the frequency and intensity of hazard events. Given that a high proportion of the country's population and economic assets (including irrigated agriculture and especially wet rice) are located in coastal lowlands and deltas, numerous studies on climate change modelling for Vietnam and anticipated impacts have concluded that Vietnam is likely to be one of the countries most severely affected by climate change in Asia (IPCC, 2014, 2010; ADB, 2013; MoNRE, 2012; GFDRR, 2011; IsPONRE, 2009; Dasgupta, 2007).

Overall climate change trends for Vietnam indicate increased average temperatures over large parts of the country, a notable increase in the number of days with temperatures over 35°C, changes in precipitation are likely to increase the occurrence of drought conditions in Northern and Central Coast regions, and a combination of increased precipitation and sea level rise for the Mekong Delta region (ADB, 2013; MoNRE, 2012).

Vietnam's unique geography however means that climate change trends and their intensity vary across the seven different climatic zones of the country. For the North-west mountainous region of specific concern for this project, the area is expected to be affected by a general increase in average temperatures and the increased occurrence of exceptionally hot days. However, there may also be an increase in anomalous cold surges. Rainfall patterns are expected to be disrupted with increasing unpredictability but a general trend of longer and hotter dry seasons and more intense rainfall events (MoNRE, 2012, 2009).

The North-west mountainous region is recognised as one of the most climate vulnerable regions of Vietnam along with the delta areas. One of the main reasons for this is that local populations are highly dependent on agriculture and in already marginal upland environments, the changes in climate are likely to have serious consequences for agriculture-based livelihoods, including impacts on water demand and scarcity, crop growth rates, growing seasons and yields, types of crops grown, increased likelihood of spread of diseases and detrimental pests with warmer temperatures affecting both arable production and animal husbandry, meanwhile increases in anomalous cold surges can also increase risks of cattle dying (FAO, 2011). It is also one of the poorest parts of the country and the poor are considered to be the group most vulnerable to climatic changes.

2. National Efforts to Reduce GHG Emissions

The climatic trends and anticipated impacts across large parts of the country mean that the Government of Vietnam (GOV) is taking climate change seriously. Vietnam ratified the United Nations Framework Convention on Climate Change (UNFCCC) in 1994, and the Kyoto Protocol in 2002 and continues to be a highly active participant in the international negotiations. Whilst adaptation to the likely impacts of global climate change in Vietnam is perhaps unsurprisingly prioritised, the GoV also notes the need to take advantage of opportunities to develop a low carbon economy and to join international efforts to mitigate climate change.

Ahead of the most recent UNFCCC Conference of Parties (CoP) in Paris, Vietnam submitted its Intended Nationally Determined Contribution (INDC) which includes both a mitigation and

an adaptation component. The INDC pledges to reduce Vietnam's Greenhouse Gas (GHG) emissions by 8% by 2030 compared to a Business as Usual scenario (BAU). The above-mentioned contribution could be increased up to 25% with international support. The mitigation component indicates that GHG emission intensity would be reduced over time through policy initiatives to improve energy efficiency, reduce energy consumption, shifts to renewable energies, promote sustainable agriculture and enhancement of forest carbon sequestration (including through the development of REDD+).

At the national level, the primary policy documents laying out the GoV response to climate change are the National Target Programme Responding to Climate Change (NTP-RCC) (2008) and the National Climate Change Strategy (2011).

The stated strategic objectives of the NTP - RCC are to assess climate change's impacts and develop feasible action plans to effectively respond in both the short and long - term to ensure sustainable development. The plan includes near term (to 2010) and longer term (to 2020) priority activities to address 8 sub-objectives or programme areas:

- 1) Assessing the impacts of climate change
- 2) Identifying appropriate responses
- 3) Developing a scientific-technical program
- 4) Strengthening capacity and the policy framework in the relevant organizations and institutions
- 5) Raising awareness across the country
- 6) Enhancing international cooperation
- 7) Mainstreaming the NTP across all sectors
- 8) Developing specific action plans to respond to climate change

In addition, climate change has been mainstreamed into the National Socio-Economic Development Strategy (2011-2020) and Socio-Economic Development Plan (2011-2015), as well as various strategies on green growth, disaster risk reduction, coastal zone management, and energy supply and use. Economic sectors and provinces have also developed Action Plans to respond to climate change.

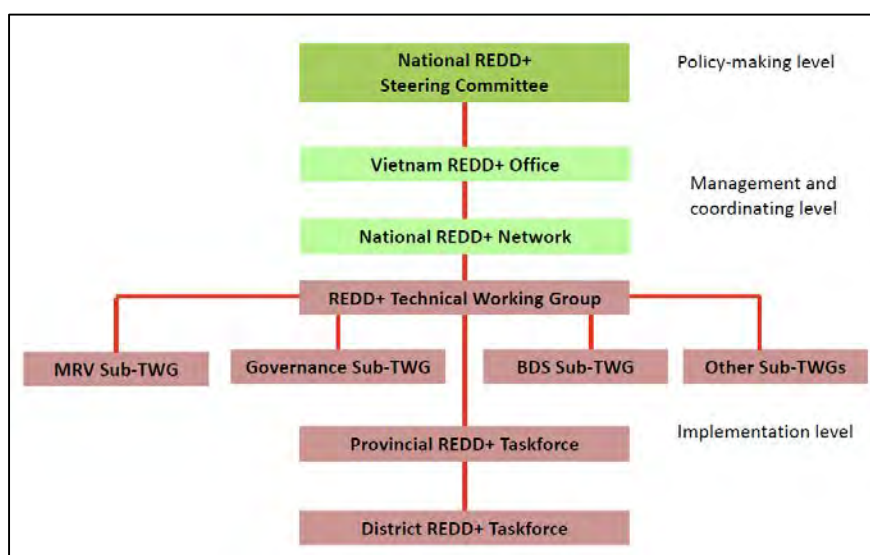
3. Status of REDD+ Development in Vietnam

The GoV, through their INDC have indicated that the forestry sector is expected to play a considerable role in climate change mitigation, in particular with reference to the National Forest Sector policy goal of restoring forest cover to 45%. The INDC as well as GoV forest sector policy emphasize the role of Payments for Forest Ecosystem Services (PFES), including the development of REDD+ as a means towards achieving this ambitious target.

In the international climate negotiations the GoV has clearly indicated its interest in REDD+ to the UNFCCC secretariat in February 2008. As such, the country has received considerable international financial and technical support for the development of REDD+. Vietnam became one of the original UN-REDD pilot countries in 2010, with support subsequently extended into a second phase (2014-2018). At the same time, Vietnam was also one of the first countries to be supported by the World Bank's Forest Carbon Partnership Facility (FCPF). Both programmes provide technical and financial support for REDD+ 'Readiness' i.e. determining and filling the gaps between Vietnam's existing social, technical and institutional capacities and those that may be required for participation in an eventual international mechanism providing results-based payments for REDD+. Additionally, several bilateral development agencies have also provided significant investment support for the development of REDD+ at national level as well as in piloting REDD+ 'on the ground' at sub-national levels, notably GIZ, JICA and the United States Agency for International Development (USAID).

In Vietnam, Ministry of Natural Resources and Environment (MoNRE) takes the lead in overall management of climate change programs. It is also the focal agency of the UNFCCC and CBD. The NTP-RCC is the main overall programme for responding to climate change and MoNRE is the lead agency responsible. The NTP-RCC is approved by the Prime Minister in December 2008, in which REDD+ is an important component. Under the NTP-RCC structure, VNFOREST/ MARD is responsible for all climate change activities in forestry sector, including REDD+.

The institutional arrangements for REDD+ in Vietnam In January 2011, the Vietnam REDD+ Steering Committee is established under authorization of the Prime Minister chaired by Minister of MARD to coordinate all efforts and activities among government agencies at central and local levels, private organizations, NGOs, CSOs and international development partners in the REDD+ implementation. The REDD+ Steering Committee includes representatives from MoNRE, Ministry of Planning and Investment (MPI), Ministry of Finance (MoF), Ministry of Foreign Affairs (MOFA), Ministry of Science and Technology (MoST) and the National Committee for Ethnic Minority Affairs (CEMA). In addition to the steering committee, the National Network and Working Group for REDD was established in 2009 by GoV decision¹. The diagram below outlines the institutional arrangements for REDD+ in Vietnam.



Source: Vietnam REDD+ Website/ www.vietnam-redd.org

Fig. 1: Institutional Arrangements for REDD+ in Vietnam

In terms of progress to date, a key milestone in REDD+ development in Vietnam was the elaboration of a National REDD+ Action Plan (NRAP) in 2012. The NRAP confirmed that it is designed in compliance with policies and laws of Vietnam, and consistent to the provisions of the UNFCCC and relevant treaties and international conventions Vietnam has joined. The NRAP identified a various REDD+ readiness objectives and associated key tasks for the periods 2011-2015 and 2016-2020, including;

- a) Capacity building and institutional development for REDD+ management
- b) Conducting surveys to compile necessary data and define the baseline emission level and future trends as a basis for monitoring and evaluating the outcomes of REDD+ implementation, and for negotiation with international donors

¹ Decision 2614/QĐ-BNN- LN

² Prime Ministerial Decision 799/QĐ-TTg on "Approval of the National Action Program on Reduction of Greenhouse 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.

- c) Establishment and operation of the system of measurement, reporting and verification (MRV)
- d) Formulation of a financial management mechanism applicable for National REDD+ Action Program
- e) Implementation of REDD+ pilot projects
- f) Promotion of cooperation and sharing experience with the countries in the region on the implementation of REDD+, strengthening forest law enforcement, governance and trading (FLEGT)
- g) Review and drawing of the experience from REDD+ implementation in the pilot provinces and newly introduced international practices for revising and improving the Program that will be expanded at the nation-wide scale in the next phase

Since 2014, there has been a considerable increase in the level of REDD+ planning and implementation at sub-national levels, including the JICA-funded SUSFORM-NOW project in Dien Bien which is of particular relevance to the proposed loan project. With support from JICA, Dien Bien became the first province in Vietnam to develop a Provincial REDD+ Action Plan (PRAP) in 2014. Lam Dong followed shortly after with support from the USAID Lowering Emissions in Asia's Forests (LEAF) project. UN-REDD is currently supporting PRAP development at a further five provinces (at the time of writing Ca Mau's PRAP has just been approved). Meanwhile another five provinces in Vietnam's North-Central Agro-ecological zone are also in the process of finalising their PRAPs as part of efforts to prepare a proposal for the World Bank's Carbon Fund with support from various donors and implementing agencies. Actual on the ground implementation of pilot initiatives has also finally begun in earnest in the six UN-REDD pilot provinces.

A recent review of NRAP implementation (McNally & Nguyen, 2015) concluded that there has been important progress in the development of the four design elements of REDD+: the National REDD+ Action Plan, the Forest Reference Emission Level (FREL/FRL), the Measuring, Reporting and Verification (MRV) system and the Safeguard Information System (SIS). The review however also made reference to certain shortcomings in NRAP implementation to date and in particular called for the better integration of REDD+ in the broader context of green growth and sustainable development as well as highlighting the need define appropriate and more targeted REDD+ policies and measures (PaMs) based on more thorough analysis of the drivers of deforestation and forest degradation. Such analyses would also help Vietnam to be more focused in determining the scale and scope of REDD+, rather than covering all five REDD+ activities (avoided deforestation, avoided degradation, forest conservation, sustainable forest management, and forest stock enhancement). To this end, a 'drivers' assessment covering each of Vietnam's eight agro-ecological zones has just started as part of a process to revise the NRAP accordingly.

4. REDD+ Safeguards

REDD+ as a concept has evolved over time and it is now widely acknowledged that in addition to climate change mitigation or the 'carbon benefits' it could present various environmental and social risks, as well as a range of 'non-carbon co-benefits'. Box 1 below summarises some of the main environmental and social risks in REDD+.

Box 1: Key environmental and social risks in REDD+

Environmental Risks	Social Risks
<ul style="list-style-type: none"> • Biodiversity loss resulting from the introduction/promotion of inappropriate forest management methods (e.g. conversion of natural forests to mono-crop plantations and use of non-native species) • Loss of ecological linkages and creation of ecosystem disturbances and imbalances due to land/resource use changes motivated by carbon stock values of forests • Encouraged or spontaneous intensification of agricultural use with methods that are harmful to biodiversity • Disturbance or loss of natural ecological functions and services due to afforestation of non-forest ecosystems of high biodiversity value or importance for landscape connectivity • Loss of traditional ecological knowledge 	<ul style="list-style-type: none"> • Misappropriation and inequitable distribution of REDD+ funds (particularly in weak governance systems) • Displacement/relocation of indigenous peoples and forest-dependent communities from their customary or traditional territories • Loss of access, use, tenure and ownership rights over land and resources • Loss of livelihoods and reduced livelihood security (increased vulnerability) • Social exclusion and elite capture (increased inequity) • Loss of traditional cultures and knowledge • Exclusion of women in forest management and planning (with raised profile and income-earning potential from REDD+)

At the same time, environmental and social non-carbon co-benefits could include:

Box 2: Environmental and social co-benefits in REDD+

Environmental Co-benefits	Social Co-benefits
<ul style="list-style-type: none"> • Biodiversity conservation • Enhanced ecosystem services (such as coastal or watershed protection, increased soil fertility) 	<ul style="list-style-type: none"> • Pro-poor rural development • Improved forest and natural resource governance • Improved human rights for forest-dependent communities • Climate change adaptation

In recognition that social and environmental risks associated with REDD+ must be addressed (REDD+ does no harm), and that multiple benefits are important (REDD+ does good), parties to the UNFCCC agreed to a set of seven safeguards for REDD+ at COP 16 in Cancun, referred to as the ‘Cancun safeguards’.

Box 3: The UNFCCC REDD+ (Cancun) Safeguards

<p>When undertaking REDD+ actions... the following safeguards should be promoted and supported:</p> <ol style="list-style-type: none"> a) Actions complement or are consistent with the objectives of national forest programmes and relevant international conventions and agreements; b) Transparent and effective national forest governance structures, taking into account national legislation and sovereignty; c) Respect for the knowledge and rights of indigenous peoples and members of local communities, by taking into account relevant international obligations, national circumstances and laws, and noting that the United Nations General Assembly has adopted the United Nations Declaration on the Rights of Indigenous Peoples; d) The full and effective participation of relevant stakeholders, in particular, indigenous peoples and local communities e) Actions are consistent with the conservation of natural forests and biological diversity, ensuring that actions are not used for the conversion of natural forests, but are instead used to incentivize the protection and conservation of natural forests and their ecosystem services, and to enhance other social and environmental benefits; f) Actions to address the risks of reversals; g) Actions to reduce displacement of emissions

The Cancun Agreement states that “when undertaking [REDD+] activities, the...safeguards should be promoted and supported”. However, the UNFCCC has provided limited guidance on how countries will report on the application of this set of safeguards. “A system for providing

information on how the safeguards...are being addressed and respected throughout the implementation of [REDD+] activities” is required, and that this system should: be country driven; implemented at the national level; be built on existing systems; recognise international conventions and agreements; and respect gender considerations.

Importantly, the Durban Decision also links the disbursement of REDD+ finance with the effective implementation of the Cancun safeguards. Thus, to receive results-based financing from REDD+, countries will need to demonstrate that they have addressed and respected the Cancun safeguards.

NRAP (2012) states that it is ‘designed in compliance with policies and laws of Vietnam, as well as being consistent to the provisions of the UNFCCC and relevant treaties and international conventions Vietnam has joined’. This includes environmental and social safeguards provisions under the UNFCCC text on REDD+ as well as other relevant international conventions and treaties such as CBD, CITES, UNDRIP among others

In 2012, the GoV also approved the establishment of the STWG on REDD+ Safeguards. This group has been relatively active (co-chaired by the VRO & SNV) and has met to discuss various relevant issues and to develop a country-led approach to REDD+ safeguards. Central to this idea is that rather than adopting or appropriating external safeguards policies and standards (such as those of the World Bank or other donors), Vietnam can respond to the international requirements through it’s own existing policy and legal framework. Such a country-led approach has numerous advantages, including; control over the safeguards that are implemented, retention of national sovereignty, greater country ownership, cost-effectiveness and flexibility to integrate the requirements (Rey et al, 2013). The main elements of a country-led safeguards approach are depicted below in Fig. 1.



Source: Rey & Swan (2014)

Fig 1: Main elements of a country safeguards approach

An important output developed through SG-STWG consultation was the elaboration of a ‘Safeguards Roadmap’ in 2014 which provides an initial analysis of options, priorities, milestones and recommendations on all aspects related to REDD+ safeguards in Vietnam, consistent with national regulations, capacities and circumstances.

A preliminary analysis of Vietnam’s policy, laws and regulations in comparison with the UNFCCC safeguard requirements

was also carried out to inform the roadmap. This analysis produced a range of gap-filling recommendations as part of developing a country-led approach to REDD+ safeguards. In addition to recommending further development national legislation, the roadmap outlined the further steps towards development of the safeguards framework for REDD+ and SIS i.e. the assessment of institutional and compliance frameworks for implementing the existing policies, laws and regulations. The UN-REDD Programme Phase II now supports these next steps as key readiness activities.