



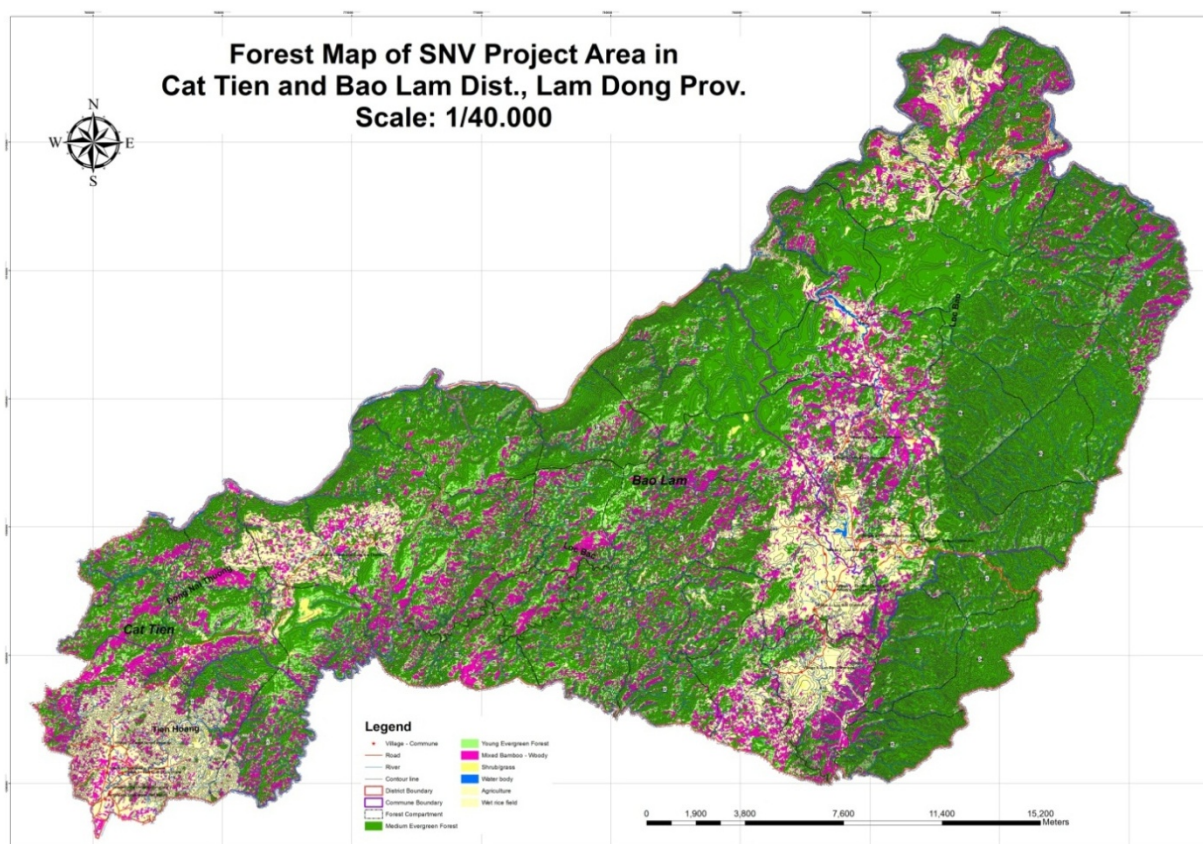
Darwin Project Information

Project Ref Number	17-015
Project Title	Harnessing Carbon Finance to arrest deforestation: Saving the Javan rhinoceroses
Country(ies)	Vietnam
UK Contract Holder Institution	IIED
Host country Partner Institution(s)	SNV-Vietnam
Other Partner Institution(s)	NA
Darwin Grant Value	£188,624
Start/End dates of Project	1 April 2009 to 31 March 2012
Reporting period (1 Apr 200x to 31 Mar 200y) and annual report number (1,2,3..)	1 April 2010 to 31 March 2011
Project Leader Name	Maryanne Grieg-Gran
Project website	http://www.iied.org/sustainable-markets/key-issues/environmental-economics/harnessing-carbon-finance-arrest-deforestation
Author(s) and main contributors, date	Maryanne Grieg-Gran Essam Yassin Mohammed Steven Swan

1. Project Background

Cat Tien National Park is a critically important biodiversity hotspot in mainland Southeast Asia and is home to at least 82 species listed as threatened in the Vietnam Red Book. However, this habitat is threatened by forest encroachment. As can be seen from the below map created from SPOT satellite imagery under the project; between 1995 and 2009, large areas around the northern section (Cat Loc) of Cat Tien National Park were deforested. Shades of green in each time period present various forest types, while the expanding yellow shows the expansion of agricultural land.

Authorities and NGOs agree that an effective way to reverse this situation is by providing a stronger economic incentive for protection over conversion of forests. At present, encroachment is being driven by market forces, particularly the rapid growth in the region's cashew production. This economic growth and the associated forest conversion have shown little sign of abating in recent years. Although conservation work has been done in the area, farmers have been reluctant to change their behaviour given the relatively large amounts of money they would forgo by stopping cashew cultivation.



2. Project Partnerships

A strong partnership between the UK lead institution, IIED, and host country organization SNV-Vietnam has been developed and maintained over Year II of the project period. Building on the successful partnership and implementation of this Darwin project, the two organizations have commenced work on the project - '*Poverty and Sustainable Development Impacts of International and National REDD Architecture*' - funded by the Norwegian Agency for Development Cooperation (NORAD) and coordinated by IIED. In the context of biodiversity conservation in Vietnam, the partnership has grown further with the approval of a third collaborative project - Exploring Mechanisms to Promote Biodiversity Conservation through REDD+: Piloting in Vietnam', funded by German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety's (BMU) International Climate Initiative (ICI), led and coordinated by SNV-Vietnam. All three interventions have field activities in the Cat Tien

landscape. Both IIED and SNV-Vietnam have been working throughout Year II on the best way in which these interventions can complement each other and strengthen the outputs from each project.

In addition to a regular exchange of contact between IIED and SNV-Vietnam through e-mail and telephone, a researcher from IIED, Essam Yassin Mohammed, met with SNV-Vietnam in the UNFCCC conference of the parties at Cancun in December 2010.

Essam also visited Vietnam and held meetings with SNV-Vietnam at the end of March and early April 2011. The meeting held in Hanoi provided a great opportunity to review outputs for Year II and revise plans for Year III of the project. A visit to the project area in Cat Tien was also made during this trip, and discussions were held with the project manager, Nguyen Trung Thong who was hired by SNV-Vietnam in April 2010. This visit helped identify the challenges and lessons learned from the project.

3. Project progress

3.1 Progress in carrying out project activities

Output 1: Cat Tien National Park identified as a REDD pilot project area

1.1 Project initiation - Extension of the project area

One of the important recommendations from the launching workshop in January 2010 (Year I) was to extend the project area to include Bao Lam district as well as Cat Tien district, both in the buffer zone of Cat Tien National Park. In addition, the results of a remote sensing research show that there was a considerable deforestation rate in Loc Bac and Loc Bao commune, Bao Lam district, suggesting significant potential for a pilot REDD project in this district.

In order to determine the project area extension, a field visit was carried out in April 2010 in order to obtain more detailed information about the proposed extended project area as well as introduce the project in districts and communes. There has been one meeting with the Department of Agriculture & Rural Development (DARD) at provincial level, two district meetings, four communes meetings (two new communes in Bao Lam district) and talks with community members conducted by SNV advisors (see 1.2. below).

After revising the project boundary, in cooperation with the DARD of Lam Dong province, SNV had to wait until it received formal approval to implement from Lam Dong People's Committee before conducting field operations. It received this approval in August 2010, i.e. Year II has effectively been less than eight months in operational duration. Research activities, such as remote sensing-based deforestation assessments and studies on drivers of deforestation were conducted during the hiatus in field operations (January – August 2010); but formal government approval being secured mid-way through Year II has significantly delayed on-the-ground processes with local stakeholders.

The project office was initially established in Bao Loc City, Lam Dong province, convenient for travelling between two project districts. In 2011, given the greater load of activities programmed at the commune and village level, in Cat Tien district, the project office was moved to Cat Tien towards the end of Year II.

1.2 Establish working groups on technical aspects of REDD and benefit distribution

A provincial technical REDD+ working group was formally established in Year II, pursuant to a decision by Lam Dong provincial DARD; the working group is chaired by Vice Director of DARD and has members from its sub-departments such as Forest Protection Department (FPD), Department of Forestry (DoF), in addition to, Cat Tien National Park management board and the state-owned Loc Bac forestry company. The main role of the technical working group is to participate and facilitate project activities and serve as a core body of technical competency for developing REDD structures and processes in this pioneering province in Vietnam. The primary advantage for the project of this partnership with local institutions is the opportunity to develop institutional forest governance capacity, whilst allowing the project to benefit from government expertise in the forestry sector, and ensuring the sustainability of the intervention after the project period.

Output 2: Internationally recognized system in place to value, monitor and estimate reduced carbon emissions in the landscape

2.1 Sourcing of most recent available satellite images of the project area

Conducted in Year I; no further activity in Year II.

2.2 Generation of maps of forest cover and biomass in the project area

In order to design a sampling strategy for permanent plots for carbon measurement and monitoring, the project had obtained existing (2009) forest classification maps of the project intervention area from Forest Inventory and Planning Institute (FIPI), in addition to ASTER imagery acquired in January 2010. Based on these maps, sub-classifications were improved in accordance with different forest status for carbon measurement and monitoring. Field verification of the new sub-classifications was conducted in April 2010, based on which numbers of sample permanent plots needed each forest sub-classification were determined. A full technical report is available on request.

2.3 Development of baseline rate for deforestation and degradation

The carbon baseline assessment included: i) forest classification following biomass and carbon classes using remote sensing; and ii) application of methods of biomass and carbon inventory based on sample plots and prediction for individual status (homogeneity in biomass/carbon). By the close of Year II, 40 of the 113 plots identified throughout the project area, had been sampled. Six forest carbon pools - i) above ground tree biomass, ii) shrubs, herbs, grasses, NTFP biomass; iii) litter; iv) dead wood; v) roots and iv) soil - were measured in sample plots to estimate stored carbon and absorbed CO₂. User-friendly technical guidelines, produced by the project for government forest rangers, provide step-by-step instructions showing how to calculate carbon stocks in the sample plots within forest each stratum and monitor changes of carbon pools in the REDD project area. The project also produced a companion manual of participatory forest carbon measurement for local people and field staff.

Training was also provided by the project for government rangers and local villagers in methods for the inventory and monitoring of biomass carbon stocks. Three training courses were conducted in the four communes of the project area (Loc Bac, Loc Bao, Dong Nai Thuong and Tien Hoang), with a total of 73 trainees who are technical staff of FPD, Loc Bac State Forest Company, Cat Tien National Park, villagers, and village heads. The course comprised five days of which the first and last days were in-door sessions and the remaining three days reserved for field activities. The training was divided into three main parts: introduction and theory presented in the class; field carbon measurement; and stored carbon calculation for technical government staff.

Classroom and field training was also reinforced with two two-day study tours to Dak Nong – a neighboring province where there is a good model on community forest management (CFM) and participatory carbon monitoring. In total, 30 participants from the Cat Tien REDD project site (community members and government project partners) participated. The objective of these study tours was to show an example of CFM as well as participatory carbon monitoring including procedure, practical measurements, and a benefit sharing mechanism to local communities from the project sites in Lam Dong. Training and study tour reports are available on request.

Output 3: Finance is supplied through international carbon markets for REDD

3.1 Study estimating income generating potential of REDD in the project area

Completed in Year I of the project.

3.2 Socio-economic survey of buffer zone communities

Surveys of socio-economic status of buffer zone communities and business interests in the area around Cat Tien were incorporated into a more holistic assessment of drivers of deforestation and forest degradation. Two consultant teams were hired to conduct studies on drivers of deforestation in Cat Tien and Bao Lam districts, and completed these in May 2010 and November 2010 respectively. Draft reports can be made available on request.

The findings of this research show that the most significant driver of deforestation and forest degradation in the project site is forest conversion for agricultural purposes, primarily through government planned relocation and agricultural expansion, over the past few decades. In addition, consistently weak forest law enforcement and governance over this period allowed agricultural expansion to increase further through unplanned conversion of forests for illegal swidden practices. In addition, other drivers such as illegal/legal logging, illegal encroachment, road construction, insecurity of forest tenure have also been important causes of deforestation and forest degradation in the project site in the past.

3.3 Survey of business interests in the area around Cat Tien

See 3.2 above.

3.4 Adapt internationally accepted carbon monitoring methodologies to project area

Initial fieldwork, forming the basis of spatial modeling of unplanned deforestation and forest degradation, was conducted towards the end of Year II. The preliminary results of this fieldwork are critical for this project:

a) the extent of current unplanned deforestation and forest degradation, through local villagers expanding agricultural production was identified as being significantly less than envisaged during project identification and design; and

b) planned deforestation (such as government plans to convert forestland to rubber plantation) is greater than unplanned deforestation, but the opportunity cost of reducing such deforestation is very high, and the chances of overturning government plans estimated as very low. It is therefore deemed economically and politically unfeasible to reverse.

Consequently, at the close of Year II, project partners discussed the implications of this for the project. It was acknowledged that the costs involved of verification to internationally recognized CCBS (Climate, Community & Biodiversity Standards) and VCS (Voluntary Carbon Standard) standards would be high relative to the potential emission reductions and revenue achievable.

It would therefore be advisable to consider other options besides the voluntary carbon market and other sources of finance in particular, the national REDD interim fund being set up with support from the UN REDD programme.

3.5 Baseline and monitoring methodologies for project certified under VCS

For reasons indicated in section 3.4, specific activities required to meet the requirements of the Voluntary Carbon Standard and Climate, Community & Biodiversity Standards (CCBA) have been put on hold. For this reason there was no elaboration of a Project Design Document (PDD) in Year II and this activity is not contemplated for the Year III work plan. Efforts will be focused instead on meeting the baseline and monitoring requirements of the emerging national REDD programme.

Output 4: REDD policies and measures agreed

Activities 4.1 to 4.7 which concern the design of a benefit distribution system in consultation with local communities have seen progress on review of international and national level experience of benefit distribution and on consultation at provincial and district level. However, the project team has held back on community level engagement due to concerns about raising expectations.

A study on international experience of benefit distribution systems for REDD and payment for ecosystem services (PES) was conducted by IIED. A draft paper has been prepared and is currently being reviewed. The revised and final version of the paper will be ready by the end of quarter one of Year III of the project period.

Numerous meetings have been conducted at different levels, with DARD at provincial level, at district level with district divisions of agriculture, environment and natural resources, district forest and forest protection departments, as well as with commune authorities, a state forestry company in the project area and interviews with community members. The participants of district meetings were district chairmen of District People's Committees (DPC) and representatives of relevant government departments; commune meetings involved Commune People's Committee (CPC) chairmen, representatives of mass organizations, and relevant technical government officials. These meetings introduced the project and basic REDD issues, followed by discussion and feedback through which local stakeholders were informed about the project.

However, there has been little community engagement apropos REDD benefit distribution system (BDS) in Year II. This was specifically to avoid raising expectations among local communities given the uncertainties about the extent of forest carbon revenues in a voluntary carbon project.

The design of the pilot REDD BDS has been postponed until the start of Year III. SNV will draw on previous experiences in developing BDS in local PES schemes in Vietnam linked to existing government funding structures, namely the provincial Forest Protection & Development Fund, as well as international experience highlighted in the paper being prepared by IIED. The pilot BDS process will also co-operate closely with the UN-REDD Vietnam programme which is supporting the Government of Vietnam in instigating a process of national consultation on a national REDD BDS (May to September 2011). Consequently, pilot experiences of consultation on BDS design under this Darwin Initiative project will inform national BDS development for REDD.

Output 5: Project successes communicated nationally and internationally

Essam Yassin Mohammed, a researcher at IIED made a presentation at a side event organized by Nagoya University in the CBD COP10 in Nagoya, Japan, which is available on request. Major communication activities are scheduled for Year III of the project period.

At the national level, SNV's co-chairing of the national working group on local REDD+ implementation has facilitated on-going communication of project lessons to government agencies and NGOs working on REDD+ in Vietnam; this will continue and strengthen during Year III as field experiences are consolidated and key lessons identified.

3.2 Progress towards Project Outputs

Cat Tien National Park (and the greater landscape of Lam Dong) identified as a REDD pilot project area

A total forest area of about 58,000 hectare in the Cat Loc area of Cat Tien National Park has been identified and agreed as project intervention area by local government; out of which hot spots – areas under threat from severe deforestation and degradation - have been identified and considered to be a potential REDD pilot project site. A provincial-level technical REDD working group has been established under the project.

Lam Dong province is the pilot site for field interventions under the UN-REDD Vietnam Programme Phase I (2009-2011). The province will continue to be a priority for the proposed UN-REDD Phase II (2011-2014) , which aims to operationalize REDD in Vietnam, in advance of any international agreement, by assisting the Government of Vietnam to develop a national interim fund, allowing compensation to be made to participating local communities contributing to emissions reductions performance through REDD+. UN-REDD Phase II is still in development; the Norwegian Government has pledged c. USD 70 million to the national interim REDD+ fund for performance/participations payments, for which Lam Dong communities will be eligible.

Internationally recognized system in place to value, monitor and estimate reduced carbon emissions in the landscape

Preliminary research work has been conducted on drivers of deforestation and forest degradation and scoping for spatial modeling. Results of these studies indicate that the rate and extent of unplanned deforestation and forest degradation in the project area are significantly smaller than envisaged during project identification and design. The costs of developing a project REDD for the voluntary carbon market with verification of emission reductions according to internationally recognized standards have also been re-evaluated in Year II and are now considered to be significantly greater than potential forest carbon revenues from reducing unplanned deforestation and forest degradation by local communities, and significantly greater than the resources secured under this Darwin Initiative grant. Consequently, project proponents have taken the strategic decision to put on hold the specific activities required for VCS and CCBS verification and validation. Instead the project will work to meet the requirements of the national interim REDD+ fund and the UN REDD programme.

This means that the indicators of achievement need to change to emphasise registration under UN REDD rather than a project development document. The assumptions still hold true but the carbon buyer and the donor required to prime the conservation activities necessary for carbon credit generation are now likely to be the UN REDD multi-donor trust fund.

Finance is supplied through international carbon markets.

Progress was made in Year II in developing methodologies to engage local community beneficiaries participating in REDD monitoring activities; intensive training efforts (as detailed in section 2.3) in Participatory Carbon Monitoring are evidenced through production of training manuals, training and study tour reports, trained government rangers and local villagers.

As indicated above, the project has modified its approach to securing carbon financing: moving away from looking for buyers in the voluntary carbon market, to aligning with (Norwegian) public sector financing through the Government of Vietnam's interim national REDD+ fund, supported by UN-REDD Phase II. By the close of Year II, SNV-Vietnam had commenced a dialogue with UN-REDD on this issue.

The indicators remain valid as do the assumptions but it is necessary to add another assumption that the UN-REDD multi-donor trust fund becomes operational within the project lifetime.

REDD policies and measures agreed to enable communities to receive support from carbon markets

Progress on development of a local BDS has been slower than envisaged and most of the activities planned for Year II have been postponed to early Year III. The delays incurred are a result of local government approval for the project secured mid-way through Year II, together with delays in programming baseline modeling work. Identification of policies and measures (PAMs), to deliver REDD+ on-the-ground, identified through an innovative approach of participatory land use and emissions reductions plans (PLUERP), will be a focus of activity for Year III. The assumptions hold true.

Project success communicates nationally and internationally for wider replication (e.g. international climate negotiations on REDD)

In Year II there has been emphasis on national level dissemination, drawing from the project's experiences gained in modeling deforestation and in participatory carbon monitoring. On-going informal communications with the national government, and other key stakeholders developing REDD architecture in Vietnam, have been achieved through SNV's co-chairing of the National REDD Working Group's Technical Sub-Working Group on Local Implementation. Dialogue has also been maintained, with exchange of ideas, approaches and lessons learnt, between SNV implementation team and UN-REDD in the specific area of Participatory Carbon Monitoring. By the end of Year III lessons from the project will have been taken into the international arena, in particular, the UNFCCC COP in Durban.

The assumption that the project proceeds successfully and enables learning that is worth sharing still holds true although success may be judged on the process of design. This is because it may be too soon by end of Year III to point to project successes in operation. There will be valuable lessons though about dealing with the challenges of designing and developing community-based REDD projects.

3.3 Standard Measures

Table 1 Project Standard Output Measures

Code No.	Description	Year 1 Total	Year 2 Total	Year 3 Total	Year 4 Total	Total to date	No planned for this reporting period	Total planned from application
Established codes								
6A	Number of people to receive other forms of education/training		75 (25 x 3 trainings)					
6B	Participatory Carbon Monitoring to local government and villagers		3 weeks training in total					
7	Participatory Carbon Monitoring manuals (technical and local implementation)		2					2
14A	meetings/workshop: main contents of presentation of the project, awareness		56: provincial level (4), district level (5),					

Code No.	Description	Year 1 Total	Year 2 Total	Year 3 Total	Year 4 Total	Total to date	No planned for this reporting period	Total planned from application
	raising on REDD and implementation of project activities		commune level (16) and village level (31);					
22	Permanent sample plots for forest carbon pools		40/ 113					
23	Co-financing from SNV core funds		USD 30,000 (staff time) USD 70,000 (Winrock subcontract)					
New - Project specific measures								

Publications

Type (eg journals, manual, CDs)	Detail (title, author, year)	Publishers (name, city)	Available from (eg contact address, website)	Cost £
Manual	Participatory forest carbon measurement – Manual for technical staff	SNV, Hanoi, Vietnam	PO Box 189 Hanoi Vietnam	
Manual	Participatory forest carbon measurement – Manual for local people and field staff	SNV, Hanoi, Vietnam	PO Box 189 Hanoi Vietnam	

3.4 Progress towards the project purpose and outcomes

As indicated in the half year report for last year it seems the assumption that ‘the Javan rhinoceros remains a viable population in Cat Tien National Park’ no longer holds. The proposal already indicated concern about the state of this population, stating that there were less than ten individuals remaining. But since the project started it appears that there has been an increase in poaching and it is highly unlikely that a viable population remains. A WWF report last year on a rhinoceros found dead in Cat Tien speculated that this could have been the last remaining individual in Vietnam. DNA analysis of rhinoceros faecal and tissue samples collected between October 2009 and April 2010, with results scheduled for release in May 2011, will provide confirmation on the population status.

This means that the defined purpose of the project most probably cannot be delivered in full. However, much of the purpose still remains valid. The project is still engaged in supporting local institutions to develop a forest carbon programme which will compensate local villagers for reducing deforestation and degradation and help to conserve biodiversity including the other threatened species highlighted in the proposal. The other assumptions still hold.

As indicated in the various sections above, scoping for baseline emissions monitoring has indicated that forest carbon revenues from the project area are likely to be small in comparison to the costs of bringing credits to the voluntary market, with certification to internationally recognized standards. The costs indicated are certainly far in excess of this project's current budget (the value of the spatial modeling sub-contract to Winrock, covered by SNV core funds, was USD 70,000 alone). For these reasons, a certified voluntary carbon model no longer seems viable. In response, the project partners propose to align the Cat Tien site with the national interim REDD+ fund, to be developed by the Government of Vietnam with the support of the UN-REDD programme. Development of this fund will take time and it is unlikely to be operational before the close of Year III. The project will put in place much of the elements needed for local institutions to establish a forest carbon facility but the facility cannot start to function until the national REDD fund is fully operational. The project purpose may not be fully delivered by the end of Year 3 therefore, although capacity of national and provincial authorities will be raised, and useful lessons are already being generated from the project.

4. Monitoring, evaluation and lessons

The main method for monitoring progress was the project team meeting held in the end of Year II of the project. At this meeting the changes to activities and to the indicators and assumptions in the logframe set out in the previous section were agreed. These changes are highlighted in yellow in Annex 2 of this annual report.

The main lessons from this year's work are that capacity building of the national and sub-national authorities and communities is crucial to ensure that a properly functioning REDD scheme is implemented. To this end, trainings to national and sub-national authorities and communities has been provided. The other main lesson is that the REDD policy environment is shifting rapidly but is still highly uncertain. Flexibility is therefore needed to steer the project in the direction that seems most favourable given the REDD policy context in Vietnam. At present, the interim REDD+ fund appears to be the most promising route for carbon finance.

5. Actions taken in response to previous reviews (if applicable)

We have included in this annual report information which addresses some gaps identified by the review of last year's report. We have highlighted an important recommendation from the planning workshop to extend the project area. We have also discussed the status of the Javan Rhinoceros and the possibility that it may already be extinct in Vietnam.

6. Sustainability

Sustainability of a certified voluntary carbon pilot REDD project has been brought in to question by research conducted by the project in Year II. At the same time, the national interim REDD fund, which was only a faint possibility when this project was first proposed, has started to look like a viable option, although there are many details still to be worked out. As a consequence, at the close of this reporting period the project proponents proposed to align the Darwin intervention with the national interim REDD fund development, supported by UN-REDD. This seems most likely to promote the financial and institutional sustainability of the project. In Year III the emphasis will be on dialogue between the project partners and the Government of Vietnam and UN-REDD to promote the inclusion of the Cat Tien landscape communities in the pilot phase of the interim REDD fund as it is developed. But it is likely that further time will be required before payments to compensate local villagers for participation and performance are fully operational under the emerging national REDD programme. The Darwin project will play a valuable role in setting out the design elements needed for the national REDD programme to benefit local communities, based on the Cat Tien example.

7. Dissemination

Dissemination of project lessons learnt, as they emerge, has largely been through the national technical sub-working group on local REDD+ implementation, which SNV co-chairs with the national government. Within Vietnam, the Cat Tien project, as the first REDD field intervention in Vietnam has a high profile. At the international level the visibility of the project will be greatly enhanced during project Year III, as the links with UN REDD and the national REDD fund are developed and as lessons are shared in national and international fora (e.g. UNFCCC/CBD CoPs) for REDD+ , livelihood and biodiversity conservation issues. The links to the other REDD projects of the IIED and SNV partnership, mentioned in Section 2 will be important for this wide dissemination.

8. Project Expenditure

Table 3 Project expenditure during the reporting period (Defra Financial Year 1 April 2010 to 31 March 2011)

Item	Budget (please indicate which document you refer to if other than your project application or annual grant offer letter)	Expenditure	Variance
Rent, rates, heating, overheads etc			
Office costs (eg postage, telephone, stationery)			
Travel and subsistence			
Printing			
Conferences, seminars, etc			
Capital items/equipment (specify)			
Others (specify)			
Salaries (specify by individual)			
TOTAL			

9. OPTIONAL: Outstanding achievements of your project during the reporting period (300-400 words maximum). This section may be used for publicity purposes

I agree for LTS and the Darwin Secretariat to publish the content of this section (please leave this line in to indicate your agreement to use any material you provide here)

Building on IIED's experiences in promoting best practices in engaging local forest-dependent communities in field conservation work, this project – the first on-the-ground REDD+ intervention in Vietnam – developed an extensive Participatory Forest Monitoring PFM system for the Cat Tien Landscape. The initial purpose of this system is to involve local communities, working together with local government forest owners and rangers, to monitor changes in forest carbon stocks, both above (stems and leaves) and below (roots) ground.

The intensive training programme mobilized ethnic minority farmers from 18 villages within the forested landscape in and around the Cat Tien National Park – home to all six native Vietnamese primate species, and some of the last populations in Vietnam of large game such as wild boar and sambar deer. Involving people in forest monitoring has generated data that can be submitted to future forest carbon 'monitoring, reporting and verification' systems that will inform calculations of CO₂ emission reductions from the forestry sector – the basis of REDD+ revenues from any future international compliance market or fund.

The participatory forest monitoring model established in year two of the project focuses on forest carbon, but paves the way for more comprehensive ground-based surveillance of changes in forest composition, most notably indicators of biological diversity. The profile raised by this pioneering project in Vietnam has allowed in-country partners, SNV-Vietnam to leverage a further EUR 1 million from the German government to develop biodiversity safeguards for Vietnam's emerging national REDD+ programme. Crucial to demonstrating REDD+ environmental performance beyond climate change mitigation, will be on-the-ground monitoring systems, such as that developed under this pilot Darwin Initiative project.

Participatory Forest Monitoring will continue to be tested in Cat Tien over 2011 and into 2012, when biodiversity parameters will be integrated with forest carbon monitoring. Working closely with the UN-REDD programme, the project will continue to capture, document and disseminate emerging lessons learnt from these pilot experiences and communicate them to national governments, Vietnam and abroad, during UNFCCC and CBD Conferences of Parties.

Annex 1 Report of progress and achievements against Logical Framework for Financial Year: 2010/11

Project summary	Measurable Indicators	Progress and Achievements April 2010 - March 2011	Actions required/planned for next period
<p>Goal:</p> <p>Effective contribution in support of the implementation of the objectives of the Convention on Biological Diversity (CBD), the Convention on Trade in Endangered Species (CITES), and the Convention on the Conservation of Migratory Species (CMS), as well as related targets set by countries rich in biodiversity but constrained in resources.</p>			
<p>Purpose:</p> <p>Support local institutions to establish a properly functioning and equitable forest carbon facility to compensate local villagers for arresting degradation and deforestation in and around Cat Tien National Park, in order to conserve large mammals particularly the critically endangered Javan Rhinoceros.</p>	<p>Capacity of national and provincial authorities to receive, manage and disseminate REDD forest carbon funds for forest development and projection raised.</p> <p>Scaling up of project lessons to other REDD governmental programs in Vietnam</p>	<p>Training to build the capacity of national and provincial authorities, and local communities on carbon inventory and monitoring.</p> <p>A guideline on carbon fund management and benefit distribution is underway.</p> <p>Project lessons communicated to government agencies and NGOs working on REDD+ in Vietnam through the national working group on local REDD+ implementation.</p> <p>The assumption that 'the Javan rhinoceros remains a viable population in Cat Tien National Park' no longer holds. However, the project will continue to strive to ensure other threatened species mentioned in the proposal are conserved.</p>	<p>Align the project with the National UN-REDD programme to generate funding to compensate local villagers for reducing deforestation and forest degradation.</p> <p>Finalize lessons from international experience on benefit distribution.</p> <p>Finalize fund management and benefit distribution system through community consultation.</p>

Project summary	Measurable Indicators	Progress and Achievements April 2010 - March 2011	Actions required/planned for next period
Output 1. Cat Tien National Park (and the greater landscape of Lam Dong) identified as an REDD pilot project area	Government agrees to establish REDD initiative in the greater landscape of Cat Tien National Park	The government has agreed to establish REDD initiative in Cat Tien. In cooperation with the DARD of Lam Dong province, SNV advisors revised the project document, and received formal approval to implement from Lam Dong People's Committee in August 2010.	
Activity 1.1 Project initiation - Extension of the project area		Project area extended to include Bao Lam district following a recommendation from the launching workshop.	
Activity 1.2 Establish working groups on technical aspects of REDD and benefit distribution		A provincial technical REDD+ working group which is chaired by DARD and involves members from DARD's sub departments, FPD, DoF, CTNP management board, and Loc Bac forestry company established in Year II	
Activity 1.3 Planning meetings for REDD and benefit distribution		Numerous meetings were held with DARD at provincial level, district divisions of agriculture, environment and natural resources, district forest and forest protection departments, commune authorities, state forestry company in the project area and community members.	
Output 2. Internationally recognized system in place to value, monitor and estimate reduced carbon emissions in the landscape	Project Identification Note Project Development Document	For reasons highlighted in the report there was no elaboration of a Project Design Document (PDD) in Year II for voluntary carbon markets standards and this activity is not contemplated for the Year III work plan. In Year III, efforts will be focused instead on meeting the baseline and monitoring requirements of the emerging national REDD programme.	
Activity 2.1 Sourcing of most recent available satellite images of the project area		Completed in Year I of the project period.	

Project summary	Measurable Indicators	Progress and Achievements April 2010 - March 2011	Actions required/planned for next period
Activity 2.2 Generation of maps of forest cover and biomass in the project area		Sub-classification of maps obtained from FIPI and ASTER Ground-truthing of the maps done Technical report prepared which is available on request from SNV-Vietnam	
Activity 2.3 Development of baseline rate for deforestation and degradation		Forest classification following biomass and carbon classes using remote sensing; and application of methods of biomass and carbon inventory based on sample plots conducted. User friendly technical guidelines produced and provided to government forest rangers (available on request) Manual for participatory forest carbon measurement prepared and made available for local communities and field staff.	
Output 3. Finance is supplied through international carbon markets for REDD in the landscape	Carbon financing leveraged by the project mechanism developed for Cat Tien to reward conservation	At the end of Year II, project partners, after reviewing costs and viability, decided to hold back on pursuit of a project REDD intervention bringing verified forest carbon credits to the voluntary market. In Year III SNV-Vietnam will mainly work closely with the national REDD board to align the project area with the national UN-REDD programme.	

Project summary	Measurable Indicators	Progress and Achievements April 2010 - March 2011	Actions required/planned for next period
Activity 3.1 Study estimating income generating potential of REDD in the project area		Completed in year I of the project period.	
Activity 3.2 Socio-economic survey of buffer zone communities		Surveys of socio-economic status of buffer zone communities and business interests in the area around Cat Tien incorporated into a more holistic assessment of drivers of deforestation and forest degradation.	
Activity 3.3 Survey of business interests in the area around Cat Tien		Same as Activity 3.2	
Activity 3.4 Adapt internationally accepted carbon monitoring methodologies to project area		This has been delayed due to late start of the work by Winrock international. The main reason for delay has been Winrock's limited availability. Work in progress and due to be completed in the end of second quarter of year II of the project period.	
Activity 3.5 Baseline and monitoring methodologies for project certified under VCS		This activity will now be oriented to meeting the requirements of the UN-REDD Vietnam programme.	
Output 4. REDD policies and measures agreed to enable communities to receive support from carbon markets	Funds from carbon financing flow to community for conservation Community agrees to adopt pro-poor REDD policies and measures as recommended by the project.	Main activity for Year III. In Year III of the project period, consultations with local communities on benefit distribution will be held. Fund management and benefit distribution systems are due to be finalized in Year III.	
Activity 4.1 Meetings with community members to design of benefit distribution system		Activity postponed to Year III due to delays in operationalizing the project on the ground, and to avoid raising expectations among local communities	
Activity 4.2 Study assessing legal framework relevant to REDD benefit		SNV commissioned a local consultant to do the work. Report expected to be ready	

Project summary	Measurable Indicators	Progress and Achievements April 2010 - March 2011	Actions required/planned for next period
distribution		in Q1 of Year III. An IIED paper on benefit distribution systems for REDD and PES is drafted is currently being revised. A final version will be available by the end of quarter one of Year III.	
Activity 4.3 Development of plan for distribution of funds generated by REDD		Local REDD fund management and distribution study is being conducted. Under the Darwin initiative project will inform national fund management and benefit distribution development for REDD	
Activity 4.4 Meetings with communities to consult on benefit distribution system		Scheduled for Year III	
Activity 4.5 Produce final version of plan for benefit distribution		Same as 4.2 and 4.3	
4.6 Workshops in target communities on how REDD benefits will be distributed		Scheduled for Year III See section 4.1.	
4.7 Facilitate establishment of community management board REDD funds		Scheduled for Year III See section 4.1.	
Output 5. Project successes communicated nationally and internationally for wider replication (e.g. international climate negotiations on REDD)	National and international presentations Media communications	Presentation by IIED researcher in a side-event organized by Nagoya University during COP10 in Nagoya, Japan. Mainly scheduled for Year III	

Annex 2 Project's full current logframe (changes indicated in bold)

Project summary	Measurable Indicators	Means of verification	Important Assumptions
<p>Goal: Effective contribution in support of the implementation of the objectives of the Convention on Biological Diversity (CBD), the Convention on Trade in Endangered Species (CITES), and the Convention on the Conservation of Migratory Species (CMS), as well as related targets set by countries rich in biodiversity but constrained in resources.</p>			
<p>Sub-Goal: Conservation of the large mammals of Cat Tien National Park through the introduction of appropriate financing and management mechanisms</p>	<p>Numbers of large mammals in the park Financial budgets and reports on mechanism development and implementation Financing mechanism exists</p>	<p>Regular project reports monitoring select indicator species as well as forest coverage, quality and type Official budgets and reports REDD mechanism reports</p>	
<p>Purpose: To support local institutions to establish a properly functioning and equitable forest carbon facility to compensate local villagers for arresting degradation and deforestation in and around Cat Tien National Park, in order to conserve large mammals particularly the critically endangered Javan rhinoceros.</p>	<p>Capacity of national and provincial authorities to receive, manage and disseminate REDD forest carbon funds for forest development and projection raised Scaling up of project lessons to other REDD governmental programs in Vietnam</p>	<p>REDD mechanism reports Trainings conducted Communities conversant with process (using M&E) Lessons documented are cited by MARD/DoF in their work with WB FCPF, UN-REDD, USAID/Winrock, German/GTZ and other initiatives Press outreach (no. Media "hits")</p>	<p>The Government of Vietnam (GoV) continues to support PES mechanisms; including REDD The Forest Development and Forest Protection fund can receive financing from international carbon financing sources Forest carbon buyers continue to view carbon as viable investment Rates of deforestation/degradation are indeed decreased by project efforts, leading to the generation and receipt of forest carbon credits and long-term</p>

Project summary	Measurable Indicators	Means of verification	Important Assumptions
			financing for the fund The Javan rhinoceros remains a viable population in Cat Tien NP
Outputs: 1. Cat Tien National Park (and the greater landscape of Lam Dong) identified as an REDD pilot project area	GoV agrees to establish REDD initiative in the greater landscape of Cat Tien NP	Reports on the pilot development and implementation Media reports highlighting REDD actions and benefits shared	The GoV seeks to develop the enabling legal framework both project-based REDD as well as a national REDD framework, which is being supported by the World Bank and UN
2. Internationally recognized system in place to value, monitor and estimate reduced carbon emissions in the landscape	Forest owners in the Cat Tien landscape registered on UN-REDD multi-donor trust fund (MDTF) database of eligible recipients	Project documentation for UN REDD multi-donor trust fund REDD mechanism reports	Information is readily available and authorities are willing to share information A forest carbon buyer is established and another donor is brought in to prime the conservation activities necessary to produce the necessary “decrease” in deforestation/ degradation rates to produce such credits
3. Finance is supplied through international carbon markets for REDD in the landscape	Carbon financing leveraged by the project Mechanism developed for Cat Tien to reward conservation	REDD mechanism reports Press releases on website Financial transfer statements	The community fund can receive financing from international sources There is local interest in capacity building in “climate justice” UN-REDD MDTF becomes operational within project lifetime

Project summary	Measurable Indicators	Means of verification	Important Assumptions
<p>4. REDD polices and measures agreed to enable communities to receive support from carbon markets</p>	<p>Funds from carbon financing flow to community for conservation</p> <p>Community agrees to adopt pro-poor REDD policies and measures as identified through participatory village-level emissions reduction planning</p>	<p>Official decrees, circulars and management decisions</p> <p>Financial transfer statements to communities</p> <p>Report on Community-REDD process in public domain</p> <p>Press releases, media hits</p>	<p>The Government is willing and capable of establishing district and commune level fund mechanism and funds transferred in are indeed transferred out</p> <p>Communities are able to receive funds through financial systems</p> <p>The local community changes its behaviour and deforestation/degradation rates decrease over time</p>
<p>5. Project successes communicated nationally and internationally for wider replication (e.g. international climate negotiations on REDD)</p>	<p>National and international presentations</p> <p>Media communications</p>	<p>Powerpoint presentations on website</p> <p>Press releases on website.</p> <p>Report in public domain, written up for academic journals</p>	<p>Project proceeds successfully and enables learning that are worth sharing</p>

Project summary	Measurable Indicators	Means of verification	Important Assumptions
Activities (details in workplan)			
Planning			
1.1 Project initiation and planning workshop.			
1.2 Establish working groups on technical aspects of REDD and on benefit distribution.			
1.3 Planning meetings for REDD and benefit distribution.			
Socio-economic assessment			
2.1 Study estimating income-generating potential of REDD in project area.			
2.2 Socio-economic survey of buffer area communities with particular focus on financial value of expansion into forest areas.			
2.3 Survey of business interests, particularly cashew plantations, in the area around Cat Tien.			
Carbon baselines and monitoring			
3.1 Sourcing of most recent available satellite images (Landsat) of project area, as well as images from 2002/03 and 1997/98.			
3.2 Generation of maps of forest cover and biomass in project area.			
3.3 Development of baseline rate for deforestation and forest degradation.			
3.4 Adapt internationally accepted (Voluntary Carbon Standard) carbon monitoring methodologies to project area.			
3.5 Baseline and monitoring methodologies for project certified under Voluntary Carbon Standard's REDD guidelines.			
REDD benefit distribution			
4.1 Meetings with community members to identify priorities for the design of benefit distribution.			
4.2 Study assessing legal framework relevant to REDD benefit distribution.			
4.3 Development of plan for distribution of funds generated by REDD.			
4.4 Meetings with communities to present and gather feedback on benefit distribution plan.			

Project summary		Measurable Indicators	Means of verification	Important Assumptions
Monitoring activities:				
Standard Measure No	Indicator			
6A	Number of government staff trained in REDD-ready remote sensing techniques.			
6B	Number of training weeks provided on remote sensing.			
8	Number of weeks to be spent by UK project staff on project work in the host country			
11A	Experiences from participatory process to establish benefit-sharing mechanism published in peer-reviewed journal.			
11B	Experiences from participatory process to establish benefit-sharing mechanism submitted to peer-reviewed journal.			
14A	Workshops held in Lam Dong province to share experiences with regional partners and other organizations.			
14A	National workshop organized in Hanoi.			
15A	Number of national press releases.			
15B	Number of local press release.			
18A	Number of national TV programmes/features.			
23	Value of resources raised from IIED, Indochina Carbon and Institute of Tropical Biology			

Annex 3 Onwards – supplementary material (optional but encouraged as evidence of project achievement)

This may include outputs of the project, but need not necessarily include all project documentation. For example, the abstract of a conference would be adequate, as would be a summary of a thesis rather than the full document. If we feel that reviewing the full document would be useful, we will contact you again to ask for it to be submitted.

In addition to the training manuals cited under Publications, the following outputs are available on request:

- 1- Report: SNV-REDD missions in SNV project area of Bao Lam and Cat Tien.
- 2- Deforestation Drivers and Community Assessment: Tuen Hoang and Dong Nai Thuong communes. 2010. *Available online: http://www.snvworld.org/en/Documents/SNV_2010-Deforestation_drivers_socio_econ_assessment-CatTien_district.pdf*
- 3- Report on study tours to PCM (participatory carbon monitoring) model in Dak Nong Province.
- 4- REDD: a cure for biodiversity loss and poverty? (Power point presentation at a COP 10 - side event organized by Nagoya University)

Checklist for submission

	Check
Is the report less than 5MB? If so, please email to Darwin-Projects@ltsi.co.uk putting the project number in the Subject line.	x
Is your report more than 5MB? If so, please advise Darwin-Projects@ltsi.co.uk that the report will be send by post on CD, putting the project number in the Subject line.	
Have you included means of verification? You need not submit every project document, but the main outputs and a selection of the others would strengthen the report.	x*
Do you have hard copies of material you want to submit with the report? If so, please make this clear in the covering email and ensure all material is marked with the project number.	
Have you involved your partners in preparation of the report and named the main contributors	x
Have you completed the Project Expenditure table fully?	x
Do not include claim forms or other communications with this report.	

*reports available on request