



DARWIN200

17-015

Submit by Monday 1 December 2008

DARWIN INITIATIVE APPLICATION FOR GRANT FOR ROUND 16: STAGE 2

Please read the Guidance Notes before completing this form. Where no word limits are given, the size of the box is a guide to the amount of information required. Information to be extracted to the database is highlighted blue.

1. Name and address of organisation (NB: Notification of results will be by post)

Name: International Institute for Environment and Development (IIED)	Address: 3 Endsleigh Street, London WC1H 0DD, UK
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2. Project title (not exceeding 10 words)

Harnessing carbon finance to arrest deforestation: Saving the Javan rhinoceroses
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3. Project dates, duration and total Darwin Initiative Grant requested

Proposed start date: 1 April 2009 Duration of project: 3 years End date: 31 March 2012					
Darwin funding requested	2009/10 £63,000	2010/11 £64,710	2011/2012 £60,914	2012/13 £	Total £188,624

4. Define the purpose of the project (extracted from logframe)

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.

5. Principals in project. Please provide a one page CV for each of these named individuals. You may copy and paste this table if you need to provide details of more than one overseas project partner.

Details	Project Leader	Other UK personnel (working more than 50% of their time on project)	Main project partner and co-ordinator in host country/ies
Surname	MacGregor		McNally
Forename (s)	James		Richard
Post held	Senior Researcher		Director
Institution (if different to above)	IIED		Indochina Carbon
Department	Environmental Economics Programme		
Telephone			
Email			

6. Has your organisation received funding under the Darwin Initiative before? If so, give details.

Reference No	Project Leader	Title
14-046	Maryanne Grieg-Gran	Sustainable tourism supporting species conservation in the Srepok Wilderness, Cambodia
16-014	Ivan Bond	Co-management of Forests and Wildlife, Bi Doup-Nui Ba National Park

7. IF YOU ANSWERED 'NO' TO QUESTION 6 describe briefly the aims, activities and achievements of your organisation. (Large institutions please note that this should describe your unit or department)

Aims (50 words)
Activities (50 words)
Achievements (50 words)

8. Please list the UK/collaborative (where there are partners in addition to the applicant organisation) and host country partners that will be involved, and explain their roles and responsibilities in the project. Describe the extent of their involvement at all stages, including project development. This section should illustrate the capacity of host country partners to be involved in the project. Please provide written evidence of partnerships. Please copy/delete boxes for more or fewer partnerships.

Partner Name: Indochina Carbon (ICC)	Details (including roles and responsibilities and capacity to engage with the project): <p>ICC provides climate change advisory services with particular focus on forest carbon and Reducing Emissions from Deforestation and Degradation (REDD). ICC staff helped to develop Vietnam's successful proposal (R-PIN) to the World Bank Forest Carbon Partnership Facility (FCPF), which helped ensure that Vietnam was chosen as a pilot country. ICC remains at the forefront of REDD development in Vietnam through continued research and advising for SNV and other clients. ICC is providing support to the UN REDD country assessment in Vietnam, which directly supports the MARD/Department of Forestry. ICC has also written several technical reports on REDD including a regional sector review for Laos, Nepal and Vietnam. ICC's staff have over 25 years experience of environmental conservation in Vietnam and maintain critical relations with governmental authorities and research institutes. This experience includes project management and co-ordination of development assistance and research activities in Cat Tien National Park and buffer zone communities of surrounding Dong Nai and Lam Dong provinces. As a result of this experience, ICC has established sound relations with key implementing governmental and non-governmental partners in the emerging forest carbon sector.</p> <p>ICC, with staff based in Hanoi, will be the lead in-country technical partner. ICC will ensure all key governmental ministries are consulted and will work with technical service providers to develop forest carbon models, forest carbon project design documents, etc. ICC is well positioned to ensure that lessons from development of the National REDD Program will be fed into the proposed project, and vice versa. ICC will work directly with other existing and future project partners, including the Institute of Tropical Biology (in HCMC), the Research Centre for Forest Ecology and Ecology (in Hanoi), and the Lam Dong Department of Agriculture and Rural Development (in Dalat). ICC will also work with experienced forest carbon experts to develop forest sequestration models, seek a potential forest carbon buyer, and develop the necessary paperwork to effectively document, apply and receive third party registration from the Voluntary Carbon Standard (VCS).</p>
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<p>Partner Name:</p> <p>Institute of Tropical Biology (ITB)</p>	<p>Details (including roles and responsibilities and capacity to engage with the project):</p> <p>Institute for Tropical Biology (ITB) was established in 1993 under the Vietnam Academy of Science and Technology. From its base in Ho Chi Minh City, ITB is a leading research, training and development institution in the field of biodiversity conservation, community development and planning in southern Vietnam. ITB endeavours to provide innovative solutions, recommendations and demonstration projects that push standards in research and development practice in Vietnam. At its philosophical heart is a commitment to use good science to address social justice issues and to empower communities to achieve their aspirations. ITB promotes the participation of all stakeholders to ensure its activities are effective. Participation at the grassroots level is seen by ITB as central to successful conservation and development projects.</p> <p>ITB will be the lead implementing partner in Cat Tien NP and the surrounding districts of Lam Dong province. As such, ITB will take a lead technical role in conducting baseline assessments in selected villages, advising local organizations in training-of-trainers and community awareness activities, liaising with key local implementing partners and authorities, and supporting the establishment of community-based monitoring.</p>
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<p>Partner Name:</p> <p>Cat Tien National Park Management Board (CTNPMB)</p>	<p>Details (including roles and responsibilities and capacity to engage with the project):</p> <p>The GoV first established Cat Tien National Park in 1978. Following the rediscovery of Lesser One-horned Rhinoceros (<i>Rhinoceros sondaicus</i>) in the area in 1989, an investment plan for a 30,635 ha rhinoceros sanctuary comprising two defunct state forest enterprises was proposed but never enacted. Unfortunately, other attempts in the 1990s to protect the rhino habit by expanding the park boundaries failed. In 1998, Cat Tien NP was created with a size of 73,000 ha, but included about 10,000 ethnic minorities living “illegally” within the park boundaries.</p> <p>In March 2003, the MARD approved a more detailed boundary re-demarcation and resettlement plan. Following this plan, Cat Tien NP will be reduced in size by about 10%, thus avoiding the resettlement of about 9,000 of the 10,000 people living within its boundaries. The revised total area of the national park will be 70,550 ha, comprising the Nam Cat Tien sector (39,109 ha), the Tay Cat Tien sector (4,470 ha) and the Cat Loc sector (26,970 ha), of which the latter two sectors are critical habitat for the Javan Rhino. The CTNPMB comprises 170 staff members, including 120 forest guards based at the headquarters and 19 guard stations.</p> <p>Through its own research, the management board has identified the need for financial incentives to induce behaviour change in those people living near the park. The management board is thus both motivated and well placed to assist the project in developing relationships with communities and communicating project priorities.</p> <p>CTNPMB will provide limited support will field assessments, community awareness raising activities and monitoring of results. Their support is necessary to ensure project activities can be undertaken in the ethnic minority villages surrounding the park.</p>
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9a. Have you consulted stakeholders not already mentioned above?

Yes No

If yes, please give details:

The Department of Forestry (DoF) of the Ministry of Agriculture and Rural Development (MARD) are working with the World Bank Forest Carbon Partnership Facility (FCPF) and UN-REDD to develop a national legal framework for REDD in Vietnam. These initiatives, which are set to begin in early 2009, will provide approximately US\$2.25 million (FCPF) and US\$2.5 million (UN-REDD) to assess national forest stocks, support the legal framework for creation of national fund for forest development and protection, and enabling environment with other key ministries (e.g., Ministry of Planning and Investment, Ministry of Natural Resources and Environment, Ministry of Finance) to develop project-based REDD as well as national-level REDD. To this end, MARD/DoF is currently seeking donors to "demonstrate field-based REDD lessons" and to share these documented lessons for Vietnam at the COP-15 in Copenhagen in December 2009. The project proponent, Indochina Carbon, is currently supporting MARD/DoF to receive these funds. Lam Dong province and the areas surrounding Cat Tien NP have been cited as good sites to develop REDD given that many other areas of Vietnam have already been deforested and believed to have negative deforestation rates.

The Research Centre for Forest Ecology and the Environment (RCFEE) is Vietnam's leading national research institute on forest carbon issues. RCFEE have successfully developed Vietnam's first afforestation/ reforestation (A/R) CDM project and are currently conducting pioneering work on valuing carbon stocks in Vietnam. RCFEE operate under the Forest Science Institute of Vietnam within MARD and have extensive networks of experts working across the country. RCFEE also have access to important information databases in Vietnam. RCFEE is well positioned to access forest inventory data from the MARD Forest Inventory and Planning Institute, which is vital to the successful achievement of project outcomes.

9b. Do you intend to consult other stakeholders?

Yes No

If yes, please give details:

The project will focus on the buffer zone communities that encroach on Cat Tien National Park and degrade local forest resources. It is necessary to provide them with different livelihood options and to halt households from encroaching into the National Park and converting forestland into cash crops.

The Worldwide Fund for Nature (WWF) began in late 2008 a small project to develop livelihood support for communities in the buffer zone of Cat Tien NP. The conceptualization for this project involved extensive consultations with local stakeholders and, as a result, such livelihood support interventions were found to be of very high interest to local authorities. ICC staff were part of this project development process.

The International Union for the Conservation of Nature (IUCN) have been working in 2008 with the Forest Protection Departments of Lam Dong and Dong Nai provinces to develop the capacity for forest protection and forest environmental services mechanisms. Included in this activity two 2-day trainings for CTNPMB staff and other key governmental agencies. ICC staff supported the implementation of these training activities and can work with IUCN staff if and when necessary to support proposed field-level trainings.

DARD is responsible for rural development in these areas; as well as forest protection, through its provincial-level Forest Protection Department (FPD). They will have a pivotal role in designing benefit transfer mechanisms to ensure that finance from carbon credits flows to local communities so long as the forest is protected. As the REDD project design and implementing framework begins to take shape, outreach and partnership with DARD will become more important. DARD will be charged with the eventual mapping of landowners, collection of forest carbon payments (at both national and provincial levels) and the likely dissemination of these funds with support from provincial-level Department of Finance. An important element of this project will be to ensure that some, but not all, of the forest carbon financing will be properly collected and disseminated to local forest landowners. Other elements of the funds collected may be channelled to local village communities or groups, such as community conservation units. This project, as proposed, will seek to ensure that such financial transfers are not only made feasible but actually are designed to benefit the poor.

9c. Have you had any (other) contact with the government not already stated?

Yes No

If yes, please give details:

As a forest carbon project, it may be necessary to liaise with the Designated National Authority for the Clean Development Mechanism within MONRE. However, this is only if REDD is accepted by the COP-15 in Copenhagen in December 2009 and, even so, it will likely take more than one year for such agreed measures to establish the future, post-Kyoto international forest carbon regime to come into force. If the project moves toward developing "voluntary" forest carbon credits, these effort will be unnecessary.

9d. Is any liaison proposed with the CBD/CMS/CITES focal point in the host country? Yes No
If yes, please give details:

The Ministry of Natural Resources and the Environment (MONRE) is Vietnam's national focal point for the CBD. Although this project will not directly involve MONRE, they will be kept informed as it develops. The decision to not involve MONRE directly was taken because of their limited capacity outside the central government. At provincial and district levels, it is necessary for the project to partner with the Ministry of Agriculture and Rural Development (MARD) and its provincial Department of Agriculture and Rural Development (DARD). In Vietnam, MARD (not MONRE) is responsible for protected areas management, forest protection and forest development. Despite the lack of MONRE's official involvement, every effort will be made to keep MONRE up-to-date on the activities of the project.

PROJECT DETAILS

10. Please provide a Concept note (Max 1,000 words) (repeat from Stage 1, with changes highlighted)

Problem: Even before the recent global food price rises, the options for conserving the last population of Javan rhinoceros were looking dim. Land speculations by the richest and agricultural expansion by the poorest in Lam Dong province were resulting in encroachment onto Cat Tien National Park (CTNP). Coupled with this are plans to upgrade a track to a road within CTNP -- right through the Javan rhinoceros' range -- which is expected to increase encroachment, the wildlife trade and anxiety of extinction.

Priority: This project is a priority for the Vietnamese government, who are keen to both avoid all talk of extinction and conserve the 82 critically endangered species resident in CTNP. Yet there are competing priorities facing the government. The poor in Lam Dong province are being lifted out of poverty by growing cash crops near and inside CTNP, while the Park is not delivering promised flows of economic benefits to the country, province or the local communities. This project seeks to reconfigure this by working with all parties to achieve 'win-wins' that result in conservation within the Park, economic flows to Vietnam and poverty alleviation for poor neighbouring communities.

At the vanguard of conservation in Vietnam is the Javan rhinoceros. CTNP hosts the last population of the sub-species *Rhinoceros sondaicus annamiticus* in the world. Yet, there are fewer than ten individuals remaining, using a range of 6,500 ha. CTNP is also renowned as one of Southeast Asia's havens for the conservation of large mammals, including Asian Elephant, Wild Boar, Sambar Deer and Gaur as well as hosting all six native Vietnamese primate species.

CTNP is one of the few lowland forest ecosystems in Southeast Asia remaining relatively intact and conservable. It supports several habitats, including lowland evergreen forest, lowland semi-deciduous forest, freshwater wetlands and seasonally inundated grasslands. The diverse species include 1,300 species of plants, 76 mammals, 322 birds, 73 reptiles, 35 amphibian and 99 fish. These include 40 globally threatened species and 82 species included in the Vietnam Red Data Book.

Conservation through community-based natural resource management is a stated goal, and countering the wildlife trade are key priorities for Vietnam driven by international agreements. This project complements Vietnam's responsibilities under the CBD which it ratified in 1994. Under CITES, Vietnam receives criticism for its role as a regional hub for the wildlife trade but is praised for its efforts at implementing legislation.

Threats: Gradual encroachment is having a devastating impact on the minimum viable range of many mammal populations in the park, in particular the Javan Rhinoceros. The main cause of forest conversion is to plant 'cash crops' -- particularly cashew nuts. Vietnam is the largest cashew exporter in the world, with exports totalling US\$505 million in 2006, increasing annually by 10% and showing no sign of abating. The area around CTNP is a major cashew growing area, chiefly for the poorest in society since this hardy crop can grow on marginal sloping land with minimal water requirements. In addition, the wildlife trade in this area is rampant and is of concern, particularly for the boar, gaur and deer populations. Furthermore,

deforestation and degradation associated with agricultural expansion contributes to the emissions of greenhouse gases associated with climate change. The current rate of land cover change from forest to agriculture represents a significant release of carbon stored in the forest.

Developing innovative economic incentives to combat encroachment: Authorities and NGOs agree that the only way this situation can be reversed is by providing a stronger economic incentive for protection over conversion. To aid this reversal, this project will package two key elements of economic incentive – REDD and co-management. Structures for both will be developed in a participatory manner to ensure maximum community acceptance and participation. This participation will take place in an iterative manner, with interviews and group meetings held with communities held first in the idea-generating phase, next to discuss and evaluate a set of proposed structures, and finally to engage in a thorough learning process regarding implementation.

Following the UNFCCC Bali negotiations in 2007, there is renewed interest in the issue of reduced carbon emissions from deforestation and degradation (REDD). The World Bank is piloting REDD, with an expectation that operationally it will enable countries to gain 'carbon credits' for reducing deforestation and degradation. Vietnam is one pilot country and Indochina Carbon has been working closely with the Government to submit the R-PIN and to help design the REDD pilot. The Darwin project will enable feasibility and implement a mechanism, which allows local communities in the landscape around CTNP to be compensated for reduced deforestation.

The Government is keen to pilot REDD in CTNP/Lam Dong because of its conservation heritage, perceived threats and rhinoceros population. Once funded this project will tap into the mechanism and structures of the World Bank-supported REDD pilot and hence achieve benefits, far in excess of funding. It is hoped that this pilot will be used nationally to stimulate other REDD projects. This project will introduce and demonstrate best practice in participatory rural appraisal, pro-poor policy development and alternative livelihood schemes development. In essence, it will develop the local foundations to ensure equitable distribution of future financing that will genuinely benefit the rural poor. Plus, this work will help inform the Governments process of setting up a nation wide REDD scheme that helps the poorest.

Expected outcomes: In the longer term, establishing such mechanisms will provide sufficient funding to combat the major threats to the National Park and therefore ensure that the biodiversity within the Park is protected. Training of government staff in REDD techniques will help this rapidly growing initiative be implemented more successfully in the future in Vietnam. By examining a range of incentive mechanisms focused around paying for forest conservation, strengthening protected area management and by ensuring empowerment of local communities, the project will support the government's implementation of CBD and CITES. Encroachment of agriculture into the habitat of critically endangered Javan Rhinoceroses and other species will be reduced.

**11a. Is this a new initiative or a development of existing work (funded through any source)?
Please give details:**

This is a new initiative. However, it builds upon work that has been done previously on endangered species in Cat Tien Park. The innovation to leverage carbon funding for the purpose of conservation of the Javan rhinoceros and other threatened biodiversity in the park will complement existing efforts, not replace them.

Previous efforts over the past 15 years, particularly by WWF and the World Bank, have attempted to reduce encroachment into the protected area. However, to date this work has not managed to stop large-scale encroachment. The current project will improve on this limited success of previous work by introducing a more secure and more substantial financial mechanism in the form of payments from REDD.

**11b. Are you aware of any other individuals/organisations/Darwin Initiative projects carrying out similar work? Yes No
If yes, please give details explaining similarities and differences, and explaining how your work will be additional to this work and what attempts have been/will be made to co-operate with and learn lessons from such work for mutual benefits:**

The World Wildlife Fund (WWF) manages the Cat Tien National Park Conservation Project, which has worked on strengthening law enforcement, improving the design of park boundaries, managing habitats, and completing ecological and socio-economic studies in the area. The WWF project is similar to the presently

proposed project in it shares the overall goal of protect critically endangered species and habitats within the forests of the lower Mekong eco-region. The two projects are also similar in that they engage communities living in the buffer areas surrounding the park, with the awareness that these communities must play a central role in successfully reducing encroachment into the national park.

WWF has two new projects in the buffer zone of CTNP. One initiative focuses on livelihoods, in particular looking at intercropping cashew and cocoa to increase incomes to local farmers. The other WWF initiative seeks to develop eco-tourism in the buffer zone, which is another attempt to develop alternative livelihoods. Richard McNally of ICC was closely involved with the development of both of these projects, and so the Darwin project will benefit from close connection and effective coordination with these initiatives.

Where the current project differs most importantly from the WWF project is activity, as proposed, will establish a financial mechanism – via forest carbon markets/REDD – that will effectively compete with the strong economic pressures driving encroachment. This will enable the development of sustainable financing for conservation in a way that other conservation projects implemented by WWF in Cat Tien since 1995 have not been successful in achieving. These project, while reaching several important outcomes and milestones, require more long-term

The two projects will benefit greatly from each other. The Darwin project will benefit from the relationships with bordering communities that WWF has developed in order to effectively develop a participatory benefit-sharing mechanism for payments from REDD. In turn, WWF's work with communities will be given greater weight by the potential for sustainable financing.

In addition, Winrock International (a US-based NGO) is currently implementing a US\$6 million biodiversity conservation project with forest carbon element in Lam Dong province. This Asia Regional Biodiversity Conservation Project, which is funded by USAID since 2005, has been working closely with MARD to develop a "payment for forest ecosystem" framework with the GoV. The project has worked with communities of Da Teh district of Lam Dong province, north of CTNP, but in 2008 abandoned field activities in Da Teh in favour of working with forest landowners in the upper watershed of northern Lam Dong province. It is likely that the project will in some ways benefit from some of the provincial-level legal framework results developed by the USAID/Winrock activities, which have received mixed reviews.

12. Please indicate which of the following biodiversity conventions your project will contribute to: -

At least one must be selected.

- Only indicate the conventions that your project is directly contributing to.

- No additional significance will be ascribed for projects that report contributions to more than one convention

Convention on Biological Diversity (CBD)	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
CITES	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Convention on Migratory Species (CMS)	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

What problem is this project addressing and how was it identified? (150 words)

Agricultural encroachment into Cat Tien National Park and its buffer zones is reducing the habitat available to the Javan Rhinoceros to a range that is dangerously small, given the already critical population numbers of this species. Many other threatened species are similarly threatened by the large amount of forest conversion.

This encroachment is being driven by market forces, particularly the rapid growth in the region's cashew production. This growth and the associated forest conversion has 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.

NGOs and government agencies working in the area have identified the lack of sufficient financing for alternatives as the primary factor that has rendered previous attempts to address this problem largely unsuccessful.

What will change as a result of this project? (150 words)

This project will change the economic incentives faced by farmers making land use decisions around Cat Tien National Park. Presently, their incentives favour expansion into the protected area and its buffer zones to increase the area under cultivation for cashew and other cash crops. Introducing financing from REDD will put a price on forests that are left standing, and 'make the forest worth more alive than dead.' This will reduce the rate of forest conversion and relieve pressure on critical wildlife habitat.

The benefit distribution mechanism that is designed and established by this project will provide a sustainable source of financing for farmers. By developing relationships with carbon buyers such that regular payments will be made in advance of the credits being generated, farmers will have predictable funding. This will reduce their vulnerability to livelihood shocks that could result from being overly dependent on a single cash crop such as cashew.

Why is the project important for the conservation of biodiversity? (150 words)

The Javan Rhinoceros is one of the most endangered animals on the planet. Its global population likely consists of less than sixty animals in only two populations: forty to fifty individuals on the island of Java in Indonesia, and ten or less in Cat Tien National Park. The Cat Tien population constitutes a unique subspecies (*Rhinoceros sondaicus annamiticus*), and is primarily threatened by poaching, limited and shrinking habitat, and its own small population numbers.

By reducing habitat encroachment in Cat Tien National Park, this project will help protect the Javan Rhinoceros, 39 other IUCN globally red-listed species, and an additional 42 species listed as threatened in Vietnam's Red Data Book. These species include the Gaur, Asian Elephant, Sun Bear, and possibly the Banteng. By limiting encroachment, this project has the potential to reduce the increasingly frequent conflict between people and the Park's habitat-stressed population of Asian Elephants.

How does this relate to one or more of the biodiversity conventions? (150 words)

This project meets the overarching objectives of the Convention on Biological Diversity by promoting the conservation of the Javan Rhinoceros and many other threatened species. It is particularly relevant to several articles of the CBD which are as follows:

- Article 8(d-e) by promoting the maintenance of viable populations of species in their natural habitat of Cat Tien National Park through local sustainable development activities
- Article 11 by developing carbon financing to provide incentives for conservation that are both economically and socially sustainable
- Article 12 by training government to improve capacity in REDD, a tool with large potential for other biodiversity conservation projects in Vietnam
- Articles 20-21 by providing an innovative mechanism through which developed country resources can be mobilized via the carbon market to assist developing country conservation.

13. How will the results of the project be disseminated; how will the project be advertised as a Darwin project and in what ways will the Darwin name and logo be used? (max 200 words)

Results of the project will be disseminated in the form of two reports, a lessons-learned document, a short fact sheet, a set of policy recommendations, three workshops, and a link to information and reports on the IIED and ICC websites.

The reports will focus on how to distribute REDD benefits to communities, which is one of the most challenging aspects of REDD projects. The participatory development of this mechanism will generate ideas for many possible structures and a thorough evaluation of the strengths and weaknesses of each. The structure of the mechanism will be presented to communities in a workshop and will be developed into a peer-reviewed article.

A final report will be produced along with a lessons-learned document that will target organizations developing REDD projects. Experience gained in the project will be presented in two final workshops: one regional in Lam Dong province and one for central government and NGOs in Hanoi.

The Darwin Initiative's name and logo will be used on all project publications and websites. The Initiative will be acknowledged in all public communications, meetings and trainings. The British Embassy will be invited to participate in events and DFID will be acknowledged in all press and media.

14. What will be the long term benefits of the project in the host country or region and have you identified any potential problems to achieving these benefits? (max 200 words)

Long-term benefits to Vietnam include: 1) the conservation of biodiversity in this critically important ecosystem; 2) the development of sustainable livelihoods around Cat Tien NP; and improved government capacity to enable Vietnam to capitalize on future REDD projects more successfully.

Stopping encroachment is necessary if there is to be any chance of saving the Javan Rhinoceros. Given 15 years of conservation efforts largely failing in this regard, this is neither straightforward nor easy. The greatest challenge is countering entrenched financial interests that drive agricultural expansion into forests, particularly lucrative cashews. It is for this reason that REDD offers a financial counterbalance.

This project will provide a sustainable livelihood source that will reduce farmer vulnerability stemming from over-reliance on a single crop. The two greatest challenges will be achieving sufficient farmer "buy-in" to the project and obtaining timely financing. To address the former, we will use participatory methods to match methods to farmer's priorities. To address the latter, we will look for up-front payments for credits from carbon buyers to increase financial security.

The project will develop technical capacity for carbon monitoring and REDD. No major problems are expected on this aspect, as the government partners are enthusiastic in this regard.

15. State whether or not the project will reach a stable and sustainable end point. If the project is not discrete, but is part of a progressive approach, give details of the exit strategy and show how relevant activities will be continued to secure the benefits from the project. Where individuals receive advanced training, for example, what will happen should that individual leave? (Max 200 words)

The primary goal of this project will be to bring a payment mechanism to a self-sustaining end point. After methodologies have been developed over the first two years of the project, the main focus will be training and transfer of responsibilities to local partners. A successful transfer will require effective capacity building, which will be an important component of this project.

Capacity needs will be developed on two main fronts: technical and institutional. In terms of technical expertise, local officials will need to be trained to deal with remote sensing data and carbon monitoring in order to be able to generate carbon credits that are acceptable on an international market. The need for development of institutional capacity stems from the need to distribute benefits in a way that is fair, efficient and transparent.

Another crucial element of sustainability will be developing meaningful "buy-in" by the local community. Community members must be involved in the design of the mechanism from the earliest stages of its development, an approach that runs counter to current GoV methods and that of other REDD like initiatives that are currently under development by USAID/Winrock in the south and GTZ in the north.

16. If your project includes training and development, please indicate how you will assess the training needs in relation to the overall purpose of the project. Who are the target groups? How will the training be delivered? What skills and knowledge do you expect the beneficiaries to obtain. How will you measure training effectiveness. (max 300 words)

You should address each of these points.

This project includes two different types of training: technical training for government staff on the implementation of remote sensing and carbon monitoring technologies for the development of REDD; and training specific to administration and allocation of REDD funds.

For technical training, target groups include MARD/DoF staff such as Forest Inventory and Planning Institute (FIPI) and Forest Protection Department (FPD) at central and provincial levels. Training workshops will be supplemented by ongoing monitoring. Since these groups have limited capacity in remote sensing and forest monitoring, trainings will build REDD-specific skills and techniques for reducing uncertainty in estimates and establishing verifiable methodologies for quantifying forest degradation.

Training effectiveness for the technical training will be measured in two ways: a self-evaluation by the trainees; and an independent review and comparison levels of uncertainty in forest monitoring data analyzed by FIPI/FPD before and after the trainings.

Training for funds administration will take place through a series of workshops followed by directed meetings with members selected for a community management board. Skills training will focus on the requirements of the benefit distribution mechanism that will be established through a participatory process. Target individuals for the initial workshop will be anyone who will be expected to participate in the project by modifying their activities and receiving benefits in return. Later meetings will target those individuals selected to manage benefit distribution.

Training effectiveness with respect to individuals receiving benefits will be evaluated by a basic questionnaire assessing understanding of the system. With respect to members of DARD/CTNPMB, training effectiveness will be evaluated by the success of the board's activities: the financial value of benefits distributed, the frequency of meetings and the board's adherence to its own management guidelines.

LOGICAL FRAMEWORK

17. Please enter the details of your project onto the matrix using the note at Annex 3 of the Guidance Note. This should not have substantially changed from the Logical Framework submitted with your Stage 1 application. **Please highlight any changes – the whole logframe has been updated in line with reviewers comments from Phase 1 – hence no highlights, it is all fresh.** (Use no smaller than Arial 10 pt)

Project summary	Measurable Indicators	Means of verification	Important Assumptions
<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>Sub-Goal:</p> <p>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</p> <p>Financial budgets and reports on mechanism development and implementation</p> <p>Financing mechanism exists</p>	<p>Regular project reports monitoring select indicator species as well as forest coverage, quality and type</p> <p>Official budgets and reports</p> <p>REDD mechanism reports</p>	
<p>Purpose:</p> <p>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</p> <p>Scaling up of project lessons to other REDD governmental programs in Vietnam</p>	<p>REDD mechanism reports</p> <p>Trainings conducted</p> <p>Communities conversant with process (using M&E)</p> <p>Lessons documented are cited by MARD/DoF in their work with WB FCPF, UN-REDD, USAID/Winrock, German/GTZ and other initiatives</p> <p>Press outreach (no. Media “hits”)</p>	<p>The Government of Vietnam (GoV) continues to support PES mechanisms; including REDD</p> <p>The Forest Development and Forest Protection fund can receive financing from international carbon financing sources</p> <p>Forest carbon buyers continue to view carbon as viable investment</p> <p>Rates of deforestation/degradation are indeed decreased by project efforts, leading to the generation and receipt of forest carbon credits and long-term financing for the fund</p> <p>The Javan rhinoceros remains a viable population in Cat Tien NP</p>

<p>Outputs:</p> <p>1. Cat Tien National Park (and the greater landscape of Lam Dong) identified as an REDD pilot project area</p>	<p>GoV agrees to establish REDD initiative in the greater landscape of Cat Tien NP</p>	<p>Reports on the pilot development and implementation</p> <p>Media reports highlighting REDD actions and benefits shared</p>	<p>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</p>
<p>2. Internationally recognized system in place to value, monitor and estimate reduced carbon emissions in the landscape</p>	<p>Project Identification Note</p> <p>Project Development Document</p>	<p>Project Identification Note</p> <p>Project Development Document detailing successes and failures in the public domain</p> <p>REDD mechanism reports</p>	<p>Information is readily available and authorities are willing to share information</p> <p>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</p>
<p>3. Finance is supplied through international carbon markets for REDD in the landscape</p>	<p>Carbon financing leveraged by the project</p> <p>Mechanism developed for Cat Tien to reward conservation</p>	<p>REDD mechanism reports</p> <p>Press releases on website</p> <p>Financial transfer statements</p>	<p>The community fund can receive financing from international sources</p> <p>There is local interest in capacity building in “climate justice”</p>
<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 recommended by the project)</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>

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.
- 4.5 Produce final version of plan for benefit distribution.
- 4.6 Workshops in target communities explaining how REDD benefits will be distributed.
- 4.7 Facilitate establishment of a community management board for future funds generated from REDD.

Transfer of control

- 5.1 Initiate discussions with potential buyers of carbon credits, with focus on important biodiversity co-benefits of credits.
- 5.2 Training of government officials and possibly community members on carbon monitoring techniques.
- 5.3 Transfer of responsibility for carbon monitoring to Lam Dong DARD with ICC in advisory role.
- 5.4 Meeting between carbon credit buyers and community management board.

Evaluation and information dissemination

- 6.1 Provincial workshop on project experience with regional partners and other organizations working regionally.
- 6.2 Policy recommendations submitted to MARD and MONRE.
- 6.3 National workshop on REDD as a sustainable financing mechanism.
- 6.4 Documentation of project activities; production of communication materials.
- 6.5 Participatory Project Evaluation.
- 6.6 Final Report and Project Audit.

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

18. Provide a project implementation timetable that shows the key milestones in project activities. Complete the following table as appropriate to describe the intended workplan for your project.

Activity	Months	Year 1				Year 2				Year 3			
		1	2	3	4	1	2	3	4	1	2	3	4
		2009		2010				2011					
1.1 Project initiation and planning workshop.	April 2009	■											
1.2 Establish working groups on technical aspects of REDD and on benefit distribution.	May 2009	■											
1.3 Planning meetings for REDD and benefit distribution.	May - June 2009	■	■										
2.1 Study estimating income-generating potential of REDD in project area.	July 2009		■										
2.2 Socio-economic survey of buffer area communities with particular focus on financial value of expansion into forest areas.	July - Sept. 2009		■	■									
2.3 Survey of business interests, particularly cashew plantations, in the area around Cat Tien.	Sept. 2009			■									
3.1 Sourcing of most recent available satellite images (Landsat) of project area, as well as images from 2002/03 and 1997/98.	August - Sept. 2009		■										
3.2 Generation of maps of forest cover and biomass in project area.	Sept. 2009 – Feb. 2010			■	■								
3.3 Development of baseline rate for deforestation and forest degradation.	Sept. 2009 – May 2010			■	■	■							
3.4 Adapt internationally accepted (Voluntary Carbon Standard) carbon monitoring methodologies to project area.	April-Sept. 2010					■	■						
3.5 Baseline and monitoring methodologies for project certified under Voluntary Carbon Standard's REDD guidelines.	Oct. 2010 - Feb. 2011							■	■				
4.1 Meetings with community members to identify priorities for the design of benefit distribution.	July – Oct. 2009		■	■									
4.2 Study assessing legal framework relevant to REDD benefit distribution.	Oct. – Nov. 2009			■									
4.3 Development of plan for distribution of funds generated by REDD.	Dec. 2009 – Aug. 2010			■	■	■	■						

19. Please indicate which of the following Standard Measures you are likely to report against. You will not necessarily plan to cover all these Standard Measures in your project.

Standard Measure No	Description	Tick if Relevant
1A	Number of people to submit thesis for PhD qualification (in host country)	
1B	Number of people to attain PhD qualification (in host country)	
2	Number of people to attain Masters qualification (MSc, MPhil etc)	
3	Number of people to attain other qualifications (ie. Not outputs 1 or 2 above)	
4A	Number of undergraduate students to receive training	
4B	Number of training weeks to be provided	
4C	Number of postgraduate students to receive training	
4D	Number of training weeks to be provided	
5	Number of people to receive at least one year of training (which does not fall into categories 1-4 above)	
6A	Number of people to receive other forms of education/training (which does not fall into categories 1-5 above)	✓
6B	Number of training weeks to be provided	✓
7	Number of (ie different types - not volume - of material produced) training materials to be produced for use by host country	
8	Number of weeks to be spent by UK project staff on project work in the host country	✓
9	Number of species/habitat management plans (or action plans) to be produced for Governments, public authorities, or other implementing agencies in the host country	
10	Number of individual field guides/manuals to be produced to assist work related to species identification, classification and recording	
11A	Number of papers to be published in peer reviewed journals	✓
11B	Number of papers to be submitted to peer reviewed journals	✓
12A	Number of computer based databases to be established and handed over to host country	
12B	Number of computer based databases to be enhanced and handed over to host country	
13A	Number of species reference collections to be established and handed over to host country(ies)	
13B	Number of species reference collections to be enhanced and handed over to host country(ies)	
14A	Number of conferences/seminars/ workshops to be organised to present/disseminate findings	✓
14B	Number of conferences/seminars/ workshops attended at which findings from Darwin project work will be presented/ disseminated.	
15A	Number of national press releases in host country(ies)	✓
15B	Number of local press releases in host country(ies)	✓
15C	Number of national press releases in UK	
15D	Number of local press releases in UK	
16A	Number of newsletters to be produced	
16B	Estimated circulation of each newsletter in the host country(ies)	
16C	Estimated circulation of each newsletter in the UK	
17A	Number of dissemination networks to be established	
17B	Number of dissemination networks to be enhanced/ extended	
18A	Number of national TV programmes/features in host country(ies)	✓
18B	Number of national TV programmes/features in UK	
18C	Number of local TV programmes/features in host country(ies)	
18D	Number of local TV programmes/features in UK	
19A	Number of national radio interviews/features in host county(ies)	
19B	Number of national radio interviews/features in UK	
19C	Number of local radio interviews/features in host country(ies)	
19D	Number of local radio interviews/features in UK	
20	Estimated value (£'s) of physical assets to be handed over to host country(ies)	
21	Number of permanent educational/training/research facilities or organisations to be established and then continued after Darwin funding has ceased	

22	Number of permanent field plots to be established during the project and continued after Darwin funding has ceased	
23	Value of resources raised from other sources (ie in addition to Darwin funding) for project work	✓

PROJECT BASED MONITORING AND EVALUATION

20. Describe, referring to the Indicators in the Logical Framework, how the progress of the project will be monitored and evaluated, including towards delivery of its outputs and in terms of achieving its overall purpose. This should be during the lifetime of the project and at its conclusion. Please include information on how host country partners will be included in the monitoring and evaluation.

The indicators developed for each of the five outputs will enable straightforward monitoring of project progress. The project leader from IIED, and project team member Vieh Nguyen are recognised M&E experts and will conduct an initial evaluation with the project team to assess strategic and progress indicators during an initial visit at project inception. It is vital to both guide outputs and identify process blockages to ensure M&E is part of the process and not an after-thought. It is anticipated that a mixture of focused surveys coupled with group PRAs will be used to monitor this project.

FUNDING AND BUDGET

Please complete the separate Excel spreadsheet which will provide the Budget information for this application. Some of the questions below refer to the information in this spreadsheet.

NB: Please state all costs by financial year (April to March). Use current prices – and include anticipated inflation, as appropriate up to 3% per annum. The Darwin Initiative will not be able to agree increases in grants to cover inflation on UK costs once grants are awarded.

21. How is your organisation currently funded? (max 100 words)

IIED's income for 2007/8 was £11.3 million, of which funding comprises 50% from governments and government agencies; 5% from international and multilateral agencies; 44% from foundations and NGOs; and 1% from corporations and other income. Pass-through payments to collaborative partnerships represented 34% of expenditure covering approximately 300 projects involving some 162 partners in 59 countries. Public funds received include DFID (UK) £2 million, DANIDA (Denmark) £0.7 million, SIDA (Sweden) £1.4 million, Dutch MFA (The Netherlands) £1.2 million and the Swiss Agency for Development and Cooperation (Switzerland) £0.2 million.

22. Provide details of all confirmed funding sources identified in the Budget that will be put towards the costs of the project, including any income from other public bodies, private sponsorship, donations, trusts, fees or trading activity. Please include any additional unconfirmed funding the project will attract to carry out addition work during or beyond the project lifetime. Indicate those funding sources which are confirmed.

Confirmed:

IIED has confirmed £20,700 over the project lifespan as matched funding. This is from an Environmental Economics Programme sub-themes on 'Making markets work for the poor' through DANIDA funding and 'Estimating the economic cost of adaptation in developing countries'..

ICC has confirmed £14,000 over the project lifespan as matched funding. This is from the Ford Foundation on 'Making carbon work for the poor' and WWF on 'Agricultural encroachment and carbon'.

Unconfirmed:

IIED has a proposal with two donors for matched funding on 'Conservation and adaptation economics', for a total of £45,000 over three years.

ICC has a proposal in with the World Bank for 'New carbon opportunities in Vietnam through REDD'.

23. Please give details of any further funding resources (confirmed or unconfirmed) sought from the host country partner (s) or others for this project that are not already detailed in the Budget or Question 22. This will include donations in kind or un-costed support eg accommodation. (max 50 words per box)

Financial resources: <ul style="list-style-type: none"> ▪ UN-REDD (\$10,000) for a national level workshop ▪ RECOFTC (\$5,000) to support regional training of project staff on REDD. ▪ SNV (\$5,000) annually for technical support on forest carbon markets to share at national/regional levels
Funding in kind:

FCO NOTIFICATIONS

Please check the box if you think that there are sensitivities that the Foreign and Commonwealth Office will need to be aware of should they want to publicise the project's success in the Darwin competition in the host country.

Please indicate whether you have contacted the local UK embassy or High Commission directly to discuss security issues (see Guidance Notes) and attach any advice you have received from them.

Yes (no written advice) Yes, advice attached No

CERTIFICATION 2009/10

On behalf of the company* of International Institute for Environment and Development
 (*delete as appropriate)

I apply for a grant of £63,000 in respect of expenditure to be incurred in the financial year ending 31 March 2010 on the activities specified in the above application.

I certify that, to the best of our knowledge and belief, the statements made by us in this application are true and the information provided is correct. I am aware that this application form will form the basis of the project schedule should this application be successful. (This form should be signed by an individual authorised by the lead UK institution to submit applications and sign contracts on their behalf.)

I enclose a copy of the organisation's most recent audited accounts and annual report, CVs for project principals and letters of support.

Name (block capitals)	JAMES MACGREGOR
Position in the organisation	SENIOR RESEARCH ASSOCIATE

Signed  Date: 1-12-08

Stage 2 Application - Checklist for submission

	Check
Have you provided actual start and end dates for your project?	X
Have you provided your budget based on UK government financial years ie 1 April – 31 March?	X
Have you checked that your budget is complete, correctly adds up and that you have included the correct final total on the top page of the application?	X
Is the concept note within 1,000 words?	X
Is the logframe no longer than 2 pages and have you highlighted any changes since Stage 1?	X
Has your application been signed by a suitably authorised individual? (clear electronic or scanned signatures are acceptable)	X
Have you included a 1 page CV for the Project Leader, any other UK staff working 50%+ on this project, and for a main individual in each overseas partner organisation?	X
Have you included a letter of support from the main overseas partner organisations?	X
Have you checked with the FCO in the project country/ies and have you included any evidence of this?	X
Have you included a copy of your most recent annual report and accounts? An electronic link to a website is acceptable.	X
Have you read the Guidance Notes ?	X

Once you have answered Yes to the questions above, please submit the application, not later than midnight GMT on **Monday 1 December 2008** to Darwin-Applications@itsi.co.uk using the application number (from your Stage 1 feedback letter) and the first few words of the project title **as the subject of your email**. However, if you are e-mailing supporting documentation separately please include in the subject line an indication of the number of e-mails you are sending (eg whether the e-mail is 1 of 2, 2 of 3 etc). **In addition**, a hard copy of the application and any supporting documents not available electronically should be submitted to the Darwin Applications Management Unit, c/o ECTF, Pentlands Science Park, Bush Loan, Penicuik EH26 0PL **postmarked** not later than **Tuesday 2 December 2008**.

DATA PROTECTION ACT 1998: Applicants for grant funding must agree to any disclosure or exchange of information supplied on the application form (including the content of a declaration or undertaking) which the Department considers necessary for the administration, evaluation, monitoring and publicising of the Darwin Initiative. Application form data will also be held by contractors dealing with Darwin Initiative monitoring and evaluation. It is the responsibility of applicants to ensure that personal data can be supplied to the Department for the uses described in this paragraph. A completed application form will be taken as an agreement by the applicant and the grant/award recipient also to the following:- putting certain details (ie name, contact details and location of project work) on the Darwin Initiative and Defra websites(details relating to financial awards will not be put on the websites if requested in writing by the grant/award recipient); using personal data for the Darwin Initiative postal circulation list; and sending data to Foreign and Commonwealth Office posts outside the United Kingdom, including posts outside the European Economic Area. Confidential information relating to the project or its results and any personal data may be released on request, including under the Environmental Information Regulations, the code of Practice on Access to Government Information and the Freedom of Information Act 2000.