

UN-REDD
PROGRAMME



UN-REDD Viet Nam Phase II Multi-Partner Trust Fund:

Terms of Reference

30 November 2012

List of Acronyms

AA	Administrative Agent
AWP	Annual Work Plan
BDS	Benefit Distribution System
CIPS	Co-Implementing Partners
CSO	Civil Society Organization
DARD	Department of Agriculture and Rural Development
EG	Executive Group
FAO	Food and Agriculture Organization
FCPF	Forest Carbon Partnership Facility
FIPI	Forest Inventory and Planning Institute
FPD	Forest Protection Department
GoV	Government of Viet Nam
HACT	Harmonized Approach to Cash transfers
HPPMG	Harmonized Programme and Project Management Guidelines
ICD	International Cooperation Department (MARD)
LoA	Letter of Agreement
M&E	Monitoring and Evaluation
MARD	Ministry of Agriculture and Rural Development
MARD/DoF	Ministry of Agriculture and Rural Development/Department of Forestry
MARD/FPD	Ministry of Agriculture and Rural Development/Forest Protection Department
MARD/DSTE	Ministry of Agriculture and Rural Development/
MBFP	Management Board for Forestry Projects
MONRE	Ministry of Natural Resources and the Environment
MoU	Memorandum of Understanding
MPTF Office	Multi-Partner Trust Fund Office of the United Nations Development Programme
MRV	Measurement, Reporting and Verification
NFMS	National Forest Monitoring System
NGOs	Non-Government Organizations
NIA	National Implementation Agency
NIM	National Implementation Modality
NIP	National Implementing Partners
NPD	National Programme Director
NRAP	National REDD Action Plan
NRIS	National REDD+ Information system
ODA	Official Development Assistance
PCB	Programme Coordination Board
PEB	Programme Executive Board
PMU	Programme Management Unit

PPMU	Provincial Programme Management Unit
QA/QC	Quality Assurance/Quality Control
QWP	Quarterly Work Plan
REDD+	Reducing Emissions from Deforestation and Forest Degradation in Developing Countries; and the role of Conservation, Sustainable Management of Forests and Enhancement of Forest Carbon Stocks in Developing Countries
SAA	Standard Administrative arrangement
SP	Service Providers
TA	Technical Assistance
UNDG	United Nations Development Group
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNFCCC	United Nations Framework Convention on Climate Change
UNRC	United Nations Resident Coordinator
UN-REDD	United Nations Collaborative Programme on Reducing Emissions from Deforestation and Forest Degradation in Developing Countries
VRO	Viet Nam REDD+ Office

Terms of Reference

I. Purpose

1. The purpose of this document is to establish the UN-REDD Viet Nam Phase II Multi-Partner Trust Fund (hereinafter referred as the UN-REDD Viet Nam Phase II MPTF) as a collaborative framework for the UN-REDD Organizations' support to the Government of Viet Nam's efforts to operationalize REDD+ in Viet Nam. This document will establish and detail the administration of UN-REDD Viet Nam Phase II MPTF. The UN-REDD Viet Nam Phase II MPTF will **start on 1 December 2012 and end on 31 December 2015**, and has been established to channel and manage contributions from Viet Nam's development partners in support of actions described in this Terms of Reference (TOR), based on the joint programme document, UN-REDD Viet Nam Phase II Programme: Operationalizing REDD+ in Viet Nam.

II. Background

Forests and forestry in Viet Nam

2. Viet Nam's forest cover declined from 43 per cent to 27 per cent between 1943 and 1990. Since then, Viet Nam has made considerable efforts to increase its overall forest cover, which now stands at 13.39 million hectares or 39.7 per cent. The increase has been mainly due to new plantations, which account for 2.92 million hectares.
3. Despite this increase, the quality of natural forests continues to decrease, suffering from fragmentation and degradation. Over two-thirds of Viet Nam's natural forests are considered poor or regenerating, while rich and closed-canopy forests constitute only 4.6 per cent of the total. The area of natural forest classified as rich decreased by 10.2 per cent between 1999 and 2005, and the amount of medium quality forest declined by 13.4 per cent. Bio-diverse lowland forests have almost disappeared, in particular mangroves. In line with this state of the forests, regeneration and restoration are highly relevant issues. Recent successes with forest plantations, and regeneration of secondary forests, suggest that there is considerable scope for enhancing carbon stocks across Viet Nam. However, natural forest regeneration is becoming more difficult due to the isolation of the remaining rich natural forest patches.
4. The factors driving deforestation/degradation have changed throughout the course of recent history. In the period 1943-1993, it was mostly a result of war and agricultural expansion by people migrating into forested areas. Currently, the main direct causes of deforestation are generally agreed to be: (i) conversion to agriculture (particularly to industrial perennial crops); (ii) unsustainable logging (notably illegal logging); (iii) infrastructure development, and; (iv) forest fires.

5. In response, the Government of Viet Nam (GoV) has launched a range of initiatives and reforms in the forestry sector. Overall, forestry continues to be guided by the *Central Communist Party Strategy for Industrialization and Modernizations, 2000-2020*, which identified five clear forestry objectives to be met by 2010: (i) increasing overall forest coverage to 43 percent of the national land area; (ii) completing the allocation of forestry land to households and other entities; (iii) promoting forest-based livelihoods; (iv) protecting 10 million hectares of natural forests through management contracts with smallholder households; and (v) accelerating the development of forest plantations. Forestry is also expected to play an enhanced role in alleviating poverty, with, for example, the *Viet Nam Forestry Development Strategy (VFDS) 2006-2020* placing considerable attention on land allocation and community forestry. In line with this, a series of policies, laws, institutional reforms, programmes, pilots and plans have been implemented over the last decade. These provide the context for developing REDD+ in Viet Nam.

REDD+ in Viet Nam

6. Given opportunities in forestry, and in line with international developments, Viet Nam has taken steps to incorporate REDD+ into its forestry sector and to develop the national capacity and infrastructure for REDD+. Some related recent institutional and policy steps include:
 - Establishing the National REDD+ Network, with the six associated technical working groups;
 - Early efforts by ministries and provinces to mainstream REDD+ into socio-economic development plans and strategies;
 - Establishing the National REDD+ Steering Committee;
 - Establishing the Viet Nam REDD+ Office (VRO); and,
 - Requesting Provincial People’s Committees to establish inter-agency REDD+ Steering Committee at provincial level.
7. The GoV has also launched many analytical studies in order to increase its REDD+ readiness. The most important of these are: *Applying the Principle of Free, Prior and Informed Consent in the UN-REDD Programme in Viet Nam*; *Design of a REDD-compliant Benefit Distribution System (BDS) for Vietnam*; and the *Measurement, Reporting & Verification (MRV) Framework Document*. Finally, Viet Nam has established its National REDD+ Action Programme (NRAP).
8. Viet Nam has been supported by international partners in the above endeavours, notably the UN-REDD Viet Nam Phase I Programme (“Phase I Programme”) with support from the Government of Norway. Other important international partners include: the World Bank (FCPF), the Governments of Australia, Germany, Japan, the Netherlands and the United States, and various NGOs. With this growing scale and diversity of international partners, the GoV has recognised the need for increased

coordination, one of the driving reasons behind establishing the VRO and preparing the NRAP.

The UN-REDD Viet Nam Phase II Programme

9. In line with recommendations from the UNFCCC 16th COP held in Cancun in 2011 that REDD+ activities be implemented in phases, this UN-REDD Viet Nam Phase II Programme (Programme) is broadly equivalent to the Cancun second phase, in which countries are to focus on “the implementation of national policies and measures and national strategies or action plans that could involve further capacity-building, technology development and transfer and results-based demonstration activities”. The estimated implementation period of the Programme is three years from early 2013 (or as soon as preparation for implementation is completed).
10. The overall Goal of the UN-REDD Viet Nam Phase II Programme is:

The forestry sector contributes to the 2020 target for agriculture and rural development emission reductions (Decision MARD 3119 of 2011)

11. The Programme’s Objective is:

To enhance Viet Nam’s ability to benefit from future results-based payments¹ for REDD+ and undertake transformational changes in the forestry sector

III. UN-REDD Viet Nam Phase II Multi-Partner Trust Fund

12. The MPTF will support Viet Nam’s Programme for Phase II of UN-REDD. The Programme will focus on completing the establishment of required capacities and provide technical assistance to build up the emerging REDD+ implementation framework in Viet Nam. It will build essential capacity for REDD+ in national institutions and key stakeholder groups. It will build essential REDD+ capacity in all provinces with significant forest cover. However, the main focus is on six pilot Provinces – where the Programme will create the foundations for REDD+ piloting at commune, district and provincial levels.
13. In parallel to the work of UN-REDD, a series of other international partners are developing similar capacity in other provinces. Through the combined work of UN-REDD and these partners, a total of 8-10 provinces should soon be ready to pilot REDD+ activities.

¹Note that the term “results-based payments” refers only to the basis for international transfer of funds to Viet Nam

14. Viet Nam is expecting to pilot a **Results-based Component subsequent to, or partially concurrent to the Programme**, that will support wide-scale implementation of results-based, REDD+ activities by thousands of land users across the six UN-REDD pilot provinces. The precise modalities under the Results-based Component will differ from province to province, in order to generate a maximum of knowledge and lessons. However, in each province, at each site, the benefit distribution system (BDS) will ensure that benefits are distributed in order to achieve results.

Innovation and Lesson Learning

15. The UN-REDD Viet Nam Phase II Programme has many innovative aspects that are expected to generate a great deal of knowledge and understanding on how to operationalize REDD+. Two notably innovative aspects are the participatory monitoring and the approach to regional and trans-boundary issues.
16. The Programme will test and develop “participatory monitoring” – with the aims of improving data availability, reducing monitoring costs and increasing commitment from local stakeholders. Local participation in both the implementation and monitoring of REDD+ activities is integral to the design of the Programme. Local stakeholders will support monitoring in two ways. Firstly, they will contribute data and information related to the implementation of REDD+ activities. For example, if a REDD+ activity leads to enhanced forest carbon stocks through reforestation, local stakeholders will be responsible for collecting appropriate data, such as the number of trees planted, timing and location of planting, and uploading these to the National REDD Information System (NRIS) for all stakeholders to see. Secondly, local stakeholders will act as local-level watch-agents, observing the implementation of REDD+ activities that are carried out by entities other than local communities, such as private companies.
17. The Programme recognises that Viet Nam sits at the centre of one of the most challenging regional leakage situations in the world. Although not expecting to resolve this challenge, the Programme will address this challenge. Crucially, approaches to minimize cross-border leakages from the demonstrations sites will be developed. This work will be undertaken in close collaboration with the unfolding FLEGT process in Viet Nam and the lower Mekong countries.
18. The Programme has six Outcomes, which are:
 - Outcome 1: Capacities for an operational National REDD+ Action Programme (NRAP) are in place
 - Outcome 2: The six pilot provinces enabled to plan and implement REDD+ actions
 - Outcome 3: National Forest Monitoring System (NFMS) for Monitoring and Measurement, Reporting and Verification and National REDD+ Information System (NRIS) on Safeguards are operational

- Outcome 4: A national level BDS established
- Outcome 5: Mechanisms to address the social and environmental safeguards under the Cancun Agreement established
- Outcome 6: Regional cooperation progress on REDD+ implementation in the Lower Mekong Sub-Region.

IV. Structure and Functions

19. The UN-REDD Viet Nam Phase II Programme will follow the UN-REDD ‘Tier 2’ modality agreed at the October 2012 UN-REDD Policy Board meeting in Brazzaville. This means that the Government of Viet Nam leads the implementation of the Programme whilst it will contribute to work areas of the UN-REDD Programme Strategy 2011-2015. The UN-REDD Viet Nam Phase II Programme is fully aligned with the Vietnamese REDD+ institutional framework, under the guidance of the National REDD+ Steering Committee. The Participating UN Organizations will have full programmatic accountability, and also be accountable for implementation of their financial, social and environmental standards. The funds will be implemented by them in accordance with their own regulations, rules, directives and procedures, including social and environmental procedures. In addition, the Participating UN Organizations will ensure consistency with the UN-REDD Programme’s principles, criteria, guidelines and quality assurance measures, including the Social and Environmental Principles and Criteria (SEPC). The Programme will build on the work and the lessons learnt from the UN-REDD Viet Nam Phase I Programme and will benefit from UN-REDD frameworks and guidance on fiduciary, environmental and social safeguards, and the involvement of national entities and civil society developed by the UN-REDD Programme. The Programme will also comply with the UN One Plan 2012-2016, agreed between the Government of Viet Nam and UN organizations working in the country. The Programme must increase the participation of stakeholders in its governance compared to the UN-REDD Viet Nam Phase I Programme, especially involvement of local stakeholders.
20. The governance and implementation structures are designed specifically for the UN-REDD Viet Nam Phase II Programme. Most structures for the governance of the UN-REDD Viet Nam Phase II Programme anticipate implementation of the National REDD+ Action Programme (NRAP; especially of “full REDD+”) and will be a subset of national structures as well as support their establishment and development. The governance and implementation structures below are consistent with Viet Nam’s regulations on ODA management.
21. The Programme will be implemented according to existing agreed guidelines between UN Organizations and the GoV, including the HPPMG (Harmonized Programme and Project Management Guidelines), where appropriate. In addition a Programme implementation manual will be developed that will describe implementation process

details that cannot all be contained in the Programme document. This will be done in the Inception Stage of the Programme.

22. The Programme Document will be agreed and signed between the GoV and Participating UN Organizations. The Participating UN Organizations will appoint the UNDP's Multi Partner Trust Fund Office (MPTF Office) as the Administrative Agent (AA) of the UN-REDD Viet Nam Phase II Multi-Partner Trust Fund (UN-REDD Viet Nam Phase II MPTF Fund) through the standard UNDG Memorandum of Understanding (MOU) for administering multi-partner trust funds. The MPTF Office will enter into agreements with donors financing the Programme through signature of the Standard Administrative Arrangement (SAA).
23. Overall governance and strategic direction will be provided by the UN-REDD Viet Nam Executive Group (EG); overall management decisions will be made by the Program Executive Board (PEB). MARD will be the National Executing Agency, and MARD's VNFOREST will be the "Project Owner" according to Vietnamese ODA regulation. VNFOREST will establish a Programme Management Unit (PMU). The Minister of MARD will nominate a unit as the National Implementation Agency (NIA) and will appoint a senior official as National Programme Director (NPD). The NPD will have overall responsibility for the Programme. Provincial PMUs (PPMUs) in 6 provinces will also be created and will operate under the guidance of the NPD/PMU.
24. The Viet Nam REDD+ Office (VRO) is responsible for coordination, quality assurance and quality control (QA/QC) of NRAP implementation, including support projects such as the Programme.
25. Several Co-Implementing Partners (CIPs) will be responsible for achieving specific results, usually within a single Outcome. They are expected to work with several partners and will not be exclusively responsible for an Outcome of the Programme (see below for more detail). The Participating UN Organizations and/or PMU will also work with several service providers (SPs) through specific contracts, such as FIPI, the Independent Monitoring Board (see also below), and training organisations. This will be programmed as part of the Annual Work Plans (AWPs) of the Participating UN Organizations with the PMU.
26. The Participating UN Organizations, in collaboration with the PMU, will prepare quarterly and annual work plans (AWPs, developed in unified format) to be submitted to the PEB for approval. The PEB will submit annual fund disbursement requests indicating resource allocations at the Programme Outcome level per each Participating UN Organization to the EG for approval and subsequent instruction to the MPTF Office to make transfers.

1. UN-REDD Viet Nam Phase II MPTF Governance and Management structure

27. The Programme will have the governance and management structures as per the organogram in Figure 1. The membership, roles and responsibilities of the main structures are as follows:
28. The Programme will be governed by the UN-REDD Viet Nam Executive Group (EG) and the Programme Executive Board (PEB).
29. The **Executive Group (EG)** provides strategic direction to the Programme, ensures UN-REDD quality assurance and fulfils an important oversight function. It will be chaired by a senior representative of the GoV, and include a senior representative of the donor(s), and a representative of the UN-REDD Strategy Group (FAO, UNDP, UNEP, on a rotational basis, the other two will participate as observers). The UN Resident Coordinator (UNRC) Viet Nam, as co-chair of the PEB, participates as an observer. Vietnamese civil society will also have an observer at the EG. The MPTF Office will be an ex-officio member. The EG will meet annually in November immediately after a PEB meeting. The EG may also meet more frequently, as required for specific purposes, including through telephone conference or videoconference.
30. The EG will make decisions by consensus. Decisions of the EG shall be duly recorded.
31. The specific roles of the EG include the following:
- Set the strategic direction of the UN-REDD Viet Nam Phase II Programme by responding to relevant decisions of the UNFCCC, national strategies and plans;
 - Approval of the EG's own Terms of Reference, rules and regulations;
 - To discuss the MPTF requirements and priorities including appropriate MPTF and MPTF Development Partners visibility;
 - To review and approve the Programme Implementation Manual prepared by the PEB;
 - To review and approve the annual reports (programmatic and financial) consolidated by the Administrative Agent based on the progress reports submitted by the Participating UN Organisations;
 - To review the findings of the audit reports referred to under Section 4.3 in the Programme Document and Paragraph 84 below;

- To highlight lessons learnt and periodically discuss follow up by Participating UN Organisations on recommended actions that have MPTF-wide impact;
 - Approve any major changes in Programme Outcomes;
 - Approve annual resource allocations at the Programme Outcome level per each Participating UN Organization;
 - Review and approve the criteria for PEB allocation of available MPTF resources;
 - Review annual evaluation reports;
 - Review and subsequently approve the request for release of funds from the MPTF Office to the Participating UN Organizations as submitted by the PEB;
 - Review compliance of the contract signed between donor(s) and the MPTF Office as AA (SAA), and the MOU signed between the Participating UN Organizations and the AA;
 - Ensure the UN-REDD Tier 2 responsibilities are fulfilled as set out in the Tier 2 Terms of Reference; and
 - Provide information on the Programme implementation to the UN-REDD Secretariat, Policy Board and partners.
32. The **Programme Executive Board (PEB)** is responsible for making management decisions, including approval of quarterly and annual work plans and budget revisions (subject to the provisions for EG approval, described above). As was the case for the Phase I Programme, the PEB will make executive decisions to ensure that Programme implementation will happen as planned and agreed.
33. The PEB will make decisions by consensus, and in accordance with standards that shall ensure management for results, cost-effectiveness, fairness, integrity, transparency and effective international competition. The PEB will ensure the integration of the Programme into Viet Nam's emerging REDD+ governance structure.
34. The Chair of the PEB will be a senior official of the GoV and the UN Resident Coordinator Viet Nam (UNRC) will be Co-chair. Members will include representatives of FAO, UNDP, UNEP; the NPD; the Head of the VRO, other relevant governmental agencies, and representatives of civil society and Indigenous Peoples. Prior to presenting their position on a significant issue to the PEB, Participating UN Organizations have to make sure that it is endorsed internally by their Organizations and is in line with their Organizations' regulatory requirements. The PMU will provide secretarial support.

35. The PEB will meet quarterly or more frequently, as required, including a meeting just before the annual EG meeting, in which the PEB will approve AWP budgets. The PMU will share agendas and supporting documents at least one week before the meeting, and distribute minutes, with decisions highlighted, within one week of the meeting.
36. The PEB will hear reports from observers, including experts of Participating UN organizations; representatives of other ministries; and leaders of DARD in pilot provinces; the International Cooperation Department (ICD) of MARD; and directors of each CIP.
37. The specific roles of the PEB include the following:
- Provide overall guidance and oversight to the PMU and monitor the overall performance;
 - Discuss Programme management issues including consistent and common approaches to programme costing, cost recovery, implementation modalities, results-based reporting and impact assessment;
 - Prepare draft Programme Implementation Manual to the EG for approval;
 - Approve the Inception Report;
 - Approve annual and quarterly progress reports and work plans including budgets prepared by the PMUs;
 - Submit annual reports to the AA who will submit consolidated reports to the EG for approval;
 - Review and approve proposals from Participating UN Organisations submitted for funding; ensure their quality and conformity with the requirements of the MPTF agreements (MoUs, SAAs);
 - Submit requests to the EG for release of funds from the MPTF Office to UN Organizations. Such requests will be accompanied by approved work plans and budgets for the subsequent period;
 - To ensure appropriate consultative processes take place with key stakeholders at the country level so as to avoid duplication or overlap between the MPTF and other funding mechanisms;
 - Ensure the implementation of recommendations related to the Programme and identify critical issues for follow up.

38. **The Programme Management Unit (PMU)** will be placed at the NIA. The PMU is headed by the NPD. In addition, a full-time deputy NPD (dNPD) will be recruited. Key PMU staff will be full time, including the Programme Coordinator, Provincial Coordinator, chief accountant etc.
39. The roles of the PMU are described in Decree 131/2006/ND-CP (issued by the Government of Viet Nam on 9 November 2006). In summary, the PMUs roles include developing overall and detailed work plans including resources and target dates for the expected results; maintaining information management systems; preparing progress reports; and hiring consultants to undertake mid-term and terminal evaluations.
40. The NPD's duties are overseeing all activities and functions of the PMU, including:
- Oversee the development of quarterly (QWP) and annual work plans and operational budgets;
 - Review and consolidate semi-annual and annual progress reports on activities and expenditures incurred, including information for all Participating UN Organizations;
 - Identification of synergies and coordination of linkages between activities;
 - With the Participating UN Organizations, supervision of the implementation of all activities and tasks in line with the corresponding work plans and budgets;
 - With the Participating UN Organizations, management of the budget;
 - Provision of clearance for payment requests (for those funds transferred to the NIA);
 - Ensuring delivery of approved work plans;
 - Design and implementation of a quality assurance system and reports to the PEB;
 - Represent the GoV in reviewing and approving annual and quarterly work plans and budgets;
 - Represent the GoV in approving and signing contractual documents related to implementation of the Programme;
 - Serve as Secretary to the PEB, thus being responsible for ensuring that decisions taken by the Board are acted upon by the PMU;
 - Provide the PEB updates on the implementation progress of the Programme, based on information received from the Programme Coordinator;
 - Liaise with all national and international development partners contributing to REDD+ to ensure coordination among agencies;
 - Ensure effective participation of units of MARD, including provincial DARDs;

- Review and approve ToR for consultants and companies qualified to provide specific inputs to the programme; and to review and approve the selection of consultants and companies;
 - Supervise the PMU, in particular through the Programme Coordinator;
 - Supervise the Provincial Project Management Units (PPMU), in particular through the National Senior Technical Advisor;
 - Guide the national and international experts and consultants, in particular through the International Senior Technical Advisor;
 - Present the progress and results of the Programme for national and international workshops and other events;
 - Task internal monitoring and evaluation (M&E) of the Programme;
 - Report the results of internal M&E to the PEB; and
 - Ensure high-level political commitment to REDD+ within the GoV.
41. There will be **Provincial PMUs (PPMUs)** in the 6 pilot provinces, each with a Provincial Programme Director, a Provincial Programme Field Coordinator and some support staff. PPMUs will manage some finance locally, under the supervision of the NPD/PMU. The PPMUs are responsible for overseeing activities in the concerned provinces, for preparing provincial annual and quarterly work plans, and for preparing provincial annual and quarterly reports. Such reports will be submitted for approval to the NPD/PMU.
42. In the districts of the 6 pilot provinces there will be REDD+ Task Forces, comprising staff from the forestry sections of DARD, district division of ARD or otherwise, and representatives of civil society and the private sector (there is diversity as to how this is organized locally). Communes will be asked to nominate forestry officers where appropriate, who will receive technical training and, if required to attend training events or meetings, will receive financial support to do so.
43. **The Participating UN Organizations** will provide technical assistance (TA) to VNFOREST, the PMU, and PPMUs. On accountabilities of Participating UN Organizations please paragraph 58 below.
44. The LogFrame (section 3.3 of the Programme document) specifies the responsible Participating UN Organizations per Output and at the key Participating UN Organization to coordinate results for the Outcome level. Based on this, consolidated quarterly and annual work plans will be prepared jointly with the PMU and approved by the PEB. The NPD and the PMU will play a strong role in this coordination. Where necessary, the UNRC in Viet Nam or his/her delegate assists in ensuring the coordination of inputs by the three Participating UN Organizations.

45. There will be at least one full-time Officer in the PMU per UN Organization financed by Programme resources and managed by each of FAO, UNDP and UNEP.
46. The Participating UN Organizations will provide technical support to the overall Programme. For UNDP and FAO this will be through the respective Viet Nam Country Offices, where there will be at least one full-time staff member responsible for the Programme. For UNEP, this will be through the Regional Office.
47. Managed under the National REDD+ Steering Committee and technically supported by an independent expert panel, the **Viet Nam REDD+ Office (VRO)** will coordinate REDD+ projects with the Programme, to minimize overlaps and optimise exchanges and cooperation between the projects. The VRO will ensure coordination between all REDD+ stakeholders in Viet Nam by maintaining and reinforcing the REDD+ Network and related working groups. The VRO shall conduct internal quality assurance and quality control (QA/QC) of the technical activities which are performed by the Programme's Partners. The VRO must also review the "paper trail" in cases of allocations of rights to "participation benefits" to forest managers and users (e.g. communities, forest management boards) that will be established in the pilot provinces of the Programme.
48. The VRO will establish a panel of experts from various VNFOREST Departments, research institutions, NGOs and independent experts to advise the NPD on all substantive work, for example for appraisals of QWP that include specific technical requirements, and reviews of draft results for this purpose. The technical checks of draft results will be conditions for approvals by the NPD and therefore of payments. In order to keep a neutral role of the VRO in the QA/QC and evaluation processes, its work plan and the financial support will be approved by PEB. Most financial support for the VRO operations will be provided by government budget and other partners.
49. **Co-implementing Partners (CIPs)** will implement substantive and specific parts of the Programme. They will be responsible for specific results, and work on that with various other partners. Detailed activities per CIP will be agreed in the Inception Stage of the Programme, but the following is an outline:
- The Forest Protection Department (FPD) will be a CIP with a focus on forest law enforcement, and forest governance. FPD also participates in capacity building for measuring and monitoring the result of the REDD+ implementation for the BDS in provinces (Outcome 4).
 - MARD will appoint the Management Board for Forestry Projects (MBFP) as CIP for certain project management activities in pilot provinces, and for e.g. capacity building in non-pilot provinces it will identify CIPs according to the work requirement and qualification of the agencies.

50. To assure coordination, a **Joint Coordinating Group (JCG)** will be established. It will include the NPD, the Head of the VRO and representatives of the three Participating UN Organizations.
51. The JCG will meet at least quarterly. The PMU will act as secretariat, sharing agendas at least one week before the meeting, and distributing minutes within one week of the meeting
52. Specifically, the JCG will:
- Ensure strategic collaboration across all outcomes and work plans;
 - Ensure joint inputs, activities and outputs where possible;
 - Ensure all parties are fully informed and fully engaged in the activities of other parties;
 - Ensure information flows fully and freely within and across all REDD+ stakeholders;
 - Find solutions to coordination challenges as and when they arise;
 - Approve the quarterly work plans and reports of the PPMUs and CIPs;
 - Approve technical proposals and ToRs which are prepared by PMU, PPMUs and Programme Partners;
 - Approve bidding plans based on the approved annual and quarterly work plans; and
 - Evaluate implementation progress as set out in the approved quarterly work plans;
53. The **Independent Monitoring Board (IMB)** will comprise of civil society organizations, NGOs and research organizations from the Viet Nam REDD+ Network. The host organization of the IMB will be agreed by the Viet Nam REDD+ Network members following an open selection process. It will be hosted by a national or international institution operating in Viet Nam. The work of the IMB will be funded by the Programme. It will monitor overall Programme results and not be a substitute for internal M&E. It will have the following key functions:
- Conduct checks of: (a) concrete results of key activities; (b) implementation of activities according to EG-agreed implementation guidelines and decisions; and (c) local *ex ante* benefit distribution.
 - Liaise with official (local) inspection mechanisms regarding local benefits and implementation.
 - Provide semi-annual and annual monitoring reports to the EG and co-chairs of the PEB, regarding the above-mentioned checks.

Financial accountability and financial flows.

54. The UN-REDD Viet Nam Phase II Programme funds are channelled through the UN-REDD Viet Nam Phase II Multi Partner Trust Fund (UN-REDD Viet Nam Phase II MPTF). The Multi-Partner Trust Fund Office (MPTF Office) will transfer the funds to the Participating UN Organizations upon approval by the EG, according to allocations identified in this Programme document, and in subsequent years, based on the AWP. The Participating UN Organizations will transfer funds to the NIA/PMU, CIPs and to service providers for implementation in accordance with their policies and procedures.
55. The UN-REDD Viet Nam Phase II MPTF will use the pass-through modality. In a pass-through arrangement, contributors and participating entities agree to channel funding through a Fund managed by the Administrative Agent (AA). The AA is the appointed interface between the Participating UN Organizations and the contributors. UNDP's accountability when acting as the AA is set out in the policy "UNDP's Accountability when acting as AA in MPTFs and JPs using the pass-through fund management modality" (see <http://mptf.undp.org>). UNDP performs the AA functions in accordance with the UNDG "Protocol on the AA for MPTFs and JPs"².
56. The MPTF Office administers UN-REDD Viet Nam Phase II MPTF resources in accordance with UNDP financial regulations and rules and the UN-REDD Viet Nam Phase II MPTF's TOR (which will be attached to the MOU and SAA mentioned below). It will be responsible for the following activities:
- Sign an MOU with the Participating UN Organizations;
 - Negotiate and sign Standard Administrative Arrangements (SAAs) with contributors that wish to provide contributions to the UN-REDD Viet Nam Phase II MPTF;
 - Receive, administer, and manage contributions from contributors;
 - Subject to availability of funds, disburse funds to Participating Organizations based on resource allocation decisions of Executive Group (EG);
 - Receive narrative and financial reports from Participating UN Organizations;
 - Prepare annual and final Consolidated Narrative and Financial Reports of the UN-REDD Viet Nam Phase II MPTF;
 - Transmit Annual/Final Consolidated Reports to contributors to the UN-REDD Global Secretariat (to provide information on Tier 2 activities to the UN-REDD Policy Board) and the Executive Group (EG); and

²<http://mptf.undp.org/>

- Subject to the availability of funds, disburse funds for direct costs to Participating UN Organizations requested by the Executive Group (EG) to perform additional tasks in support of the Programme.
57. The AA will charge a standard fee of 1 per cent of each contributor contribution for fund administration and fiduciary responsibilities, which is applicable to all UN MPTFs that the MPTF Office administers.
 58. In line with the MoU and SAA the MPTF Office transfers funds and accountability to the three Participating UN Organizations to utilize the funds under their own applicable accountability framework. The funds are managed in line with each Organization's rules and procedures. The Participating UN Organizations will harmonize their administrative procedures to the extent possible.
 59. Technical Assistance (TA) by Participating UN Organizations is based on the agreed Programme document and quarterly and annual work plans (AWPs). In consultation with the Participating UN Organizations, MARD will select appropriate national CIPs and service providers to implement specific tasks and responsibilities. FAO, UNDP and UNEP may have contracts with the National Implementing Agency (NIA) and CIPs as well as service providers. For UNDP, this will only occur when determined by the UNDP Country Director on the basis of the HACT assessments. Otherwise, national implementation is UNDP's default modality. All partners will use the cost norms in the "UN-EU Guidelines for Financing of Local Costs in Development Cooperation with Viet Nam".
 60. All procurements and disbursements by the three Participating UN Organizations, with the exception of Project Support Costs and Specialized Service Delivery Costs, are approved by the NPD, thereby assuring coordination and ensuring national accountability.

Organigram of UN-REDD Viet Nam Phase II

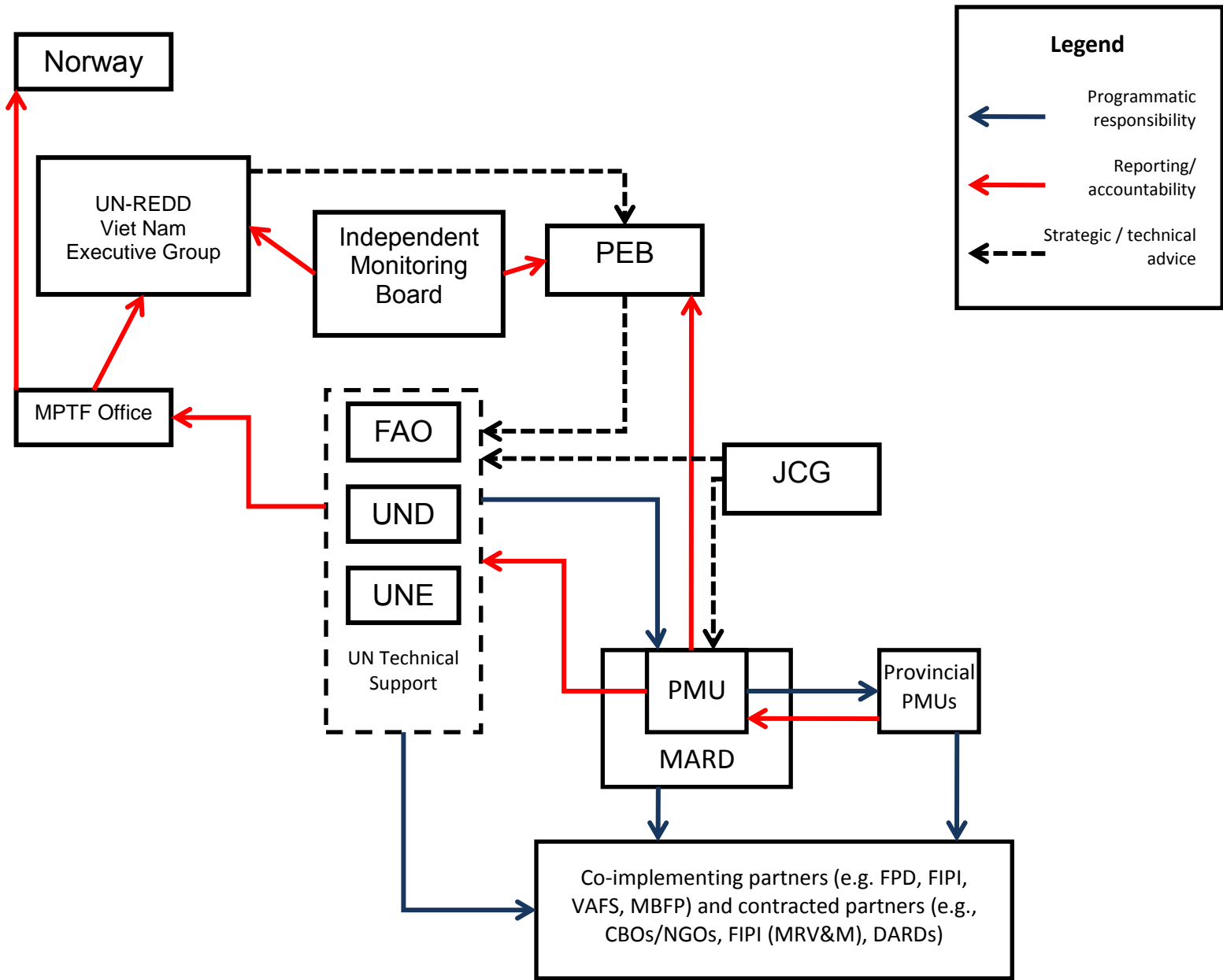


Figure 1: Organogram of the UN-REDD Viet Nam Phase II Programme

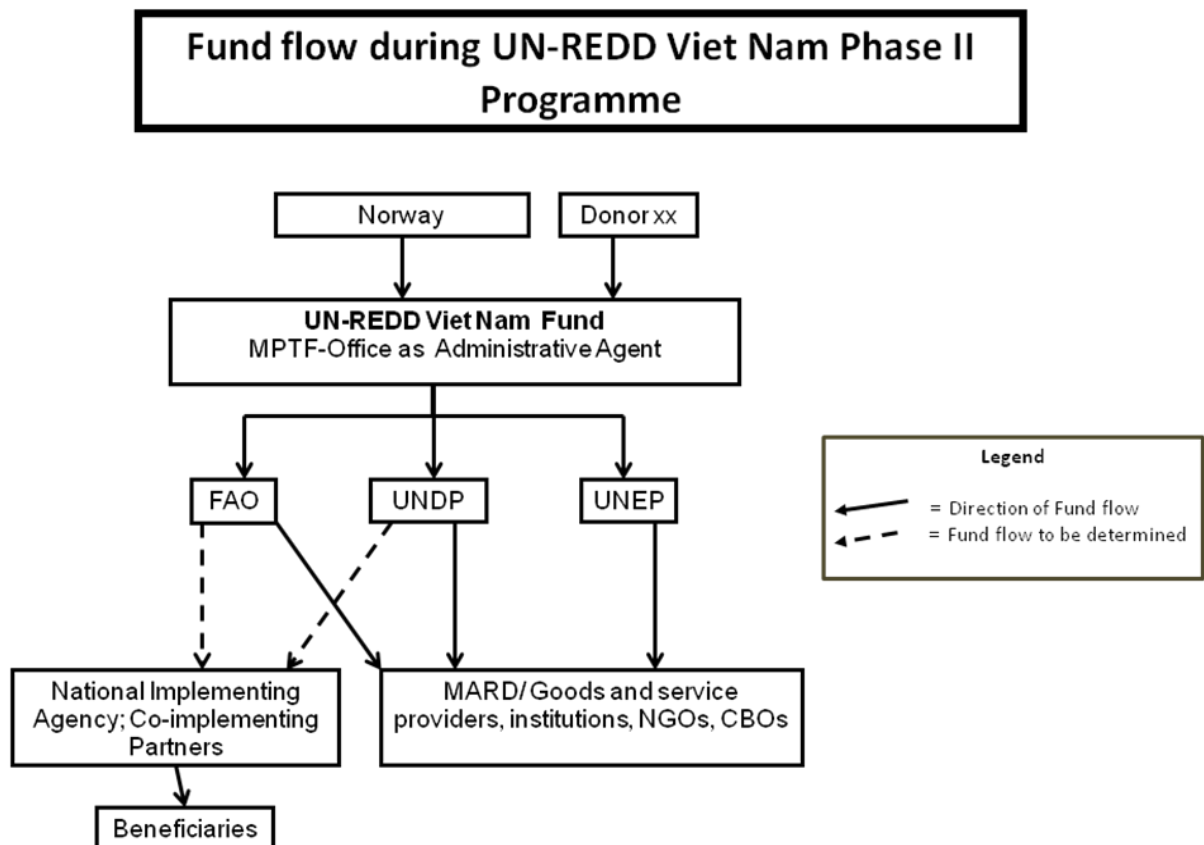


Figure 2: Fund flow of the UN-REDD Viet Nam Phase II Programme

61. In outline, **the Participating UN Organization’s** rules and procedures are as follows:

62. **FAO:** For those Outputs indicated in the Logframe (section 3.3 of the Programme document), FAO receives funds and delivers services to different National Implementing Partners (NIP), in line with FAO standard procedures applied also for Viet Nam. FAO uses the Harmonised Approach to Cash Transfers (HACT) for non-commercial activities with quarterly payments based on agreed work plans; and does direct (i) international procurement, (ii) national procurement, or (iii) implements through an agreement with a national agency (through a Letter of Agreement).

63. **UNEP:** For those Outputs indicated in the Logframe (section 3.3 of the Programme document), UNEP receives funds and delivers services to different agencies, in line with standard UNEP procedures for Viet Nam. UNEP (i) procures internationally, (ii) procures nationally, or (iii) implements through an agreement with a national agency, with quarterly payments based on agreed work plans. Such agencies are referred to as “National Implementing Partners (NIP)”.

64. **UNDP:** For those Outputs indicated the Logframe (section 3.3 of the Programme document), UNDP receives funds and delivers services to different agencies, under the NIM modality. UNDP uses the Harmonized Programme and Project Management Guidelines (HPPMG) to guide all disbursements, procurements, financial transfers and payments. The NPD will be programmatically accountable for detailed management and implementation of all activities and outputs, other than those for which the GoV requests UNDP to take responsibility for. Taking into account the financial report of the preceding quarter, and any cost savings or overruns reported therein, funds for those activities in the coming quarter to be managed by the MARD under the UNDP NIM component will be transferred by the UNDP Country Office to the account of the Programme. For certain activities and groups of activities, UNDP and MARD will identify CIPs, who will be directly responsible, in line with UNDP procedures, for implementing those activities. For these activities, the PMU enters into a direct agreement with the CIP concerned. Funds for these activities will be transferred by the UNDP Country Office to specific accounts for Programme.
65. Specialized service delivery costs for Programme implementation by the Participating UN Organizations may be charged directly to the Programme, in accordance with the regulations of UNDG, and are expected to amount to no more than 7% of the Participating UN Organizations’ budget allocation.
66. The following Table summarizes the membership, role, indicative costs and sustainability implications of all bodies described in the preceding text that are specific to the Programme.

Table 1: Membership, roles, and indicative costs of bodies of the Programme

Body	Primary role	Membership	Indicative Costs	Sustainability issues
EG	Strategic direction Approval of annual funds and reports	Viet Nam, Norway, UN (senior-most level)	No cost to programme – any travel costs to be absorbed by participants	No sustainability required – functions limited to administration of UN-REDD
PEB	Overall Programme management	MARD and other GoV agencies, UN, CSO and IP reps; Norway and other donors as observers	US\$5,000/yr (meeting facilities and travel for non- Hanoi-based members)	No sustainability required – functions limited to administration of UN-REDD
NPD, PMU and PPMUs	Day-to-day management of programme, including collaboration with Participating UN Organizations	NPD, dNPD, technical advisors and administrative staff recruited for UN-REDD Phase 2	US\$90,000/yr salary costs and operations	Embedded in existing forestry structures (MARD, VNFOREST, DARD, etc.). Main role is to build capacity in VRO and provincial organizations to ensure sustainability

JCG	Strategic collaboration Effective information flow Finding solutions to coordination challenges	MARD and participating UN organizations	No costs because programme related staff only	No sustainability required – functions limited to administration of UN-REDD
IMB	Conducting independent checks on implementation (and safeguards)	Independently selected CSO/NGO representatives	US\$10,000 travel	Involves key stakeholders at different levels. Could evolve into REDD+ IMB

67. The remaining bodies (VNFOREST, VRO, NIA) are existing GoV units, for which minimal or no costs will be incurred through the Programme.

Monitoring, Evaluation and Reporting

68. The Logical Framework matrix (Section 3.3 of the Programme Document) provides the expected results (Objective, Outcomes and Outputs) of the Programme, together with indicators, baseline values and time-bound targets. It also describes the means of verification and risks and assumptions associated with each result, and the responsible Participating UN Organization for each Output and the national implementing partners.

69. MARD and the Participating UN Organizations shall jointly conduct scheduled/annual planning and review meetings for all activities covered in the results framework, monitoring and evaluation plan and work plans of the Programme. This will include an assessment of the risks and assumptions to determine whether they are still holding.

Monitoring

70. The Programme activities, inputs and achievements will be subjected to standard UN monitoring procedures.

71. The Objective, Outcomes, Outputs and Indicators in the M&E framework will be regularly monitored by the PMU. The PMU will continuously inform the NPD and the three Participating UN Organizations regarding the delivery of outputs, progress towards targets and budgetary compliance. The M&E framework will be reviewed, revised and validated after programme start-up, based on the proposals of the PMU and the approval of the EG.

72. Key results of the Programme include a REDD+ Monitoring Framework (see Output 3.2 and 3.3), and capacities for forest monitoring will be built, including gender monitoring capacities (see Outcome 5). Sex-disaggregated data will be incorporated into the M&E framework, as well as specific indicators on gender and participation of ethnic minorities.

Evaluation

73. The PMU will establish an Evaluation Plan which ensures that PMU, PPMU, NIP, CIPs and Participating UN Organizations will undertake annual reviews and a Final Evaluation. These evaluations of activities and results of the Programme will assess the relevance and effectiveness of the interventions, and measure the development impact of the results achieved, with reference to the analysis and indicators described in the Programme proposal and further work. The review and evaluation reports shall be submitted to the PEB and the EG.
74. At the end of every year an assessment and evaluation of the Participating UN Organizations on their capacity to deliver on administrative and technical aspects of the Programme will be conducted by a third party independent organization and the report will be submitted to the PEB and to the EG. The evaluation will also address management and delivery capacity of the PMU and of CIPs as well as the main contractors.
75. Notwithstanding, a donor may evaluate or review, separately or jointly with other partners, its cooperation with the UN under this Programme, with a view to establishing whether contributions have been used for their intended purposes. The donor(s), the AA and the Participating UN Organizations shall agree on the scope and conduct of such review or evaluation. Subject to their respective regulations, rules, policies and procedures, the Participating UN Organizations shall upon request assist in providing all relevant information to the donor(s). All costs related to such exercises initiated by the donor(s) separately or together with other partners would be borne by the donor(s) unless otherwise agreed. It is understood that any such review or evaluation will not constitute a financial, compliance or other audit of the Programme.

Reporting

76. PPMUs will provide regular (quarterly) progress reports to the PMU, on results achieved, lessons learned and the contributions made, and activities that were carried out through their respective budget allocations. The PMU will consolidate all PPMU reports, supplemented by its own report into an integrated quarterly report. These reports will be provided to the JCG as appropriate and to the PEB for approval and will be used by the Participating UN Organizations as part of the joint work planning with the PMU. The NPD shall also provide the PEB updates on the implementation progress of the Programme every six months, based on information received from the PMU, PPMUs and CIPs. The UN Resident Coordinator will assist in ensuring that the Participating UN Organizations provide the necessary information.

77. The Participating UN Organizations will provide the MPTF Office as AA with the following statements and reports (copy to relevant stakeholders including the UN-REDD Secretariat):

- Annual narrative progress reports focused on the results achieved, to be provided no later than three months (31 March) after the end of the calendar year;
- Final narrative reports after the completion of the activities in the approved programme (including the final year of the activities in the approved programme) to be provided no later than four months (30 April) after the calendar year following the financial closing of the UN-REDD Viet Nam Phase II MPTF. The final report will give a summary of results and achievements compared to the objectives of the UN-REDD Viet Nam Phase II MPTF.

78. Participating UN Organizations will be required to provide the following statements and reports to the AA:

- Annual financial statements and reports as of 31 December with respect to the funds disbursed to it from the UN-REDD Viet Nam Phase II MPTF Account, to be provided no later than four months (30 April) after the end of the calendar year;
- Certified final financial statements and final financial reports after the completion of the activities in the approved programme (including the final year of the activities in the approved programme) to be provided no later than six months (30 June) of the year following the financial closing of the UN-REDD Viet Nam Phase II MPTF.

79. The MPTF Office shall prepare consolidated narrative progress and financial reports consisting of the reports referred to above submitted by each Participating UN Organization, and shall provide those consolidated reports to the EG. Subsequently, in accordance with the concerned standard MOU and the SAA, the AA will submit consolidated narrative and financial reports to all Programme contributors, notably to the Government of Norway. Agreed standard UNDG financial and progress reporting formats will be utilised. The AA will also submit to contributors a certified annual financial statement (Source and Use of Funds).

80. The PMU will assist in the preparation of the reports. Narrative reports will be reviewed internally by the respective Participating UN Organizations, before they will be signed by the Participating UN Organizations and the National Programme Director.

Public Disclosure

81. Decisions by the EG will be circulated as appropriate to ensure the full coordination and coherence of UN-REDD Viet Nam Phase II MPTF efforts. The AA will develop a dedicated web page on the MPTF Office GATEWAY to ensure appropriate transparency and accountability. The UN-REDD Viet Nam Phase II MPTF Office GATEWAY web-page will contain real-time information on contributor commitments and deposits, transfers to the Participating Organizations, and annual expenditure. In line with the UN's commitment towards public disclosure of its operational activities, summaries of EG decisions, project information and periodic progress reports will be posted on the UN-REDD Viet Nam Phase II MPTF Office GATEWAY web-page.
82. Information given to the press, to the beneficiaries of the Programme, all related publicity material, official notices, reports and publications, shall acknowledge the role of the Programme's donors, the Participating UN Organizations, MARD, the NIA and any other relevant parties.
83. Whenever possible and to the extent that it does not jeopardize the privileges and immunities of UN Organizations, and the safety and security of their staff, UN Organizations will promote donor visibility on information, project materials and at project sites, in accordance with their respective regulations, rules, policies and procedures.

Audit

84. The AA and Participating UN Organizations will be audited in accordance with their own Financial Regulations and Rules and in accordance with the Framework for auditing MPTFs which was agreed by the Internal Audit Services of Participating UN Organizations and endorsed by the UNDG in September 2007. Copy of the external audit reports, together with the AA or the relevant Participating UN organizations comments thereon, shall be forwarded to the EG, in line with the applicable policy of the Participating UN Organization. The consolidated audit report prepared by the Internal Oversight Unit of the Administrative Agent shall be forwarded to the EG.

Risk Monitoring

85. The Risk Log (see Annex J) will be reviewed (at different levels of detail) by the PEB, as well as the EG. In the case of any risks for which the PEB concludes that the risk status or the probability or impact scores need to be amended, the PEB will decide whether the existing Counter Measures/Management Response remain adequate or need to be amended. The revised Risk Log will be sent to all Participating UN Organizations and MARD no later than two weeks after the PEB meeting.

Other Matters

86. The UN-REDD Viet Nam Phase II MPTF will be established upon signing of the Memorandum of Understanding by at least two Participating Organizations and the MPTF Office as the Administrative Agent. The MPTF will be operational with the signature of the first Standard Administrative Arrangement by a Contributor and Administrative Agent.

87. The UN-REDD Viet Nam Phase II MPTF will terminate upon completion of all Projects/Programmes funded through the UN-REDD Viet Nam Phase II MPTF and after satisfaction of all commitments and liabilities. Notwithstanding the completion of the initiatives financed from the UN-REDD Viet Nam Phase II MPTF, any unutilized balances will continue to be held in the UN-REDD Viet Nam Phase II MPTF Account until all commitments and liabilities incurred in implementation of the Projects/Programmes have been satisfied and project activities have been brought to an orderly conclusion. Any balance remaining in the UN-REDD Viet Nam Phase II MPTF Account or in the individual Participating Organizations' accounts upon completion of the VIET NAM REDD+ shall be used as decided by the PEB and EG in consultation with the Contributors to the Fund on the priorities established by the PEB and EG. Any funds returned to Contributors will be in proportion to their contributions to the UN-REDD Viet Nam Phase II MPTF.