



UN-REDD VIET NAM PHASE II MPTF
CONSOLIDATED ANNUAL FINANCIAL REPORT **2013**

**Consolidated Annual Financial
Report of the Administrative Agent
of
the UN REDD Viet Nam Phase II MPTF**

for the period 1 January to 31 December 2013

Multi-Partner Trust Fund Office
Bureau of Management
United Nations Development Programme
[GATEWAY: http://mptf.undp.org](http://mptf.undp.org)

PARTICIPATING ORGANIZATIONS



Food and Agriculture Organization
(FAO)



United Nations Development
Programme (UNDP)



United Nations Environment
Programme (UNEP)

CONTRIBUTORS



NORWAY

DEFINITIONS

Allocation

Amount approved by the Steering Committee for a project/programme.

Approved Project/Programme

A project/programme including budget, etc., that is approved by the Steering Committee for fund allocation purposes.

Contributor Commitment

Amount(s) committed by a donor to a Fund in a signed Standard Administrative Arrangement with the UNDP Multi-Partner Trust Fund Office (MPTF Office), in its capacity as the Administrative Agent. A commitment may be paid or pending payment.

Contributor Deposit

Cash deposit received by the MPTF Office for the Fund from a contributor in accordance with a signed Standard Administrative Arrangement.

Delivery Rate

The percentage of funds that have been utilized, calculated by comparing expenditures reported by a Participating Organization against the 'net funded amount'.

Indirect Support Costs

A general cost that cannot be directly related to any particular programme or activity of the Participating Organizations. UNDG policy establishes a fixed indirect cost rate of 7% of programmable costs.

Net Funded Amount

Amount transferred to a Participating Organization less any refunds transferred back to the MPTF Office by a Participating Organization.

Participating Organization

A UN Organization or other inter-governmental Organization that is an implementing partner in a Fund, as represented by signing a Memorandum of Understanding (MOU) with the MPTF Office for a particular Fund.

Project Expenditure

The sum of expenses and/or expenditure reported by all Participating Organizations for a Fund irrespective of which basis of accounting each Participating Organization follows for donor reporting.

Project Financial Closure

A project or programme is considered financially closed when all financial obligations of an operationally completed project or programme have been settled, and no further financial charges may be incurred.

Project Operational Closure

A project or programme is considered operationally closed when all programmatic activities for which Participating Organization(s) received funding have been completed.

Project Start Date

Date of transfer of first instalment from the MPTF Office to the Participating Organization.

Total Approved Budget

This represents the cumulative amount of allocations approved by the Steering Committee.

Introduction

This Consolidated Annual Progress Report under the UN-REDD Viet Nam Phase II Multi Partner Trust Fund (UN-REDD Viet Nam MPTF) covers the period from 1 January to 31 December, 2013. This report is in fulfillment of the reporting requirements set out in the Standard Administrative Arrangement (SAA) concluded with the Donor. In line with the Memorandum of Understanding (MOU) signed by Participating UN Organizations, the Annual Progress Report is consolidated based on information, data and financial statements submitted by Participating Organizations. It is neither an evaluation of the UN-REDD Viet Nam MPTF nor an assessment of the performance of the Participating Organizations. The report provides the Steering Committee with an overview of achievements and challenges associated with the UN-REDD Viet Nam MPTF, enabling it to make strategic decisions and take corrective measures, where applicable.

Consolidated Annual Progress Report UN-REDD Viet Nam MPTF is prepared by the United Nations Development Programme (UNDP) Multi-Partner Trust Fund Office (MPTF Office) in its capacity as the Administrative Agent of the UN-REDD Viet Nam MPTF. It is based on information provided by the Participating Organizations. In accordance with the Terms of Reference (TORs) of the Fund, the Administrative Agent consolidates financial reports from the Participating UN Organizations and combines this with the narrative report, which is prepared by the UN-REDD Viet Nam MPTF Programme Management Unit (PMU).

The consolidated annual progress report is presented in two parts. Part 1 is the Annual Narrative Report and Part 2 is the Annual Financial Report.

Overview

The UN-REDD Viet Nam MPTF was established in December 2012, and made operational in with the first contribution of US\$ 8,9 mil. to the Fund from the Government of Norway. UN-REDD Viet Nam MPTF funds are pooled in a UNDP Multi-Partner Trust Fund (MPTF) managed by MPTF Office.

The UN-REDD Viet Nam MPTF unites the work of the 3 UN entities to continue the efforts of UN-REDD Phase I in reducing emissions from deforestation and forest degradation in Viet Nam. Phase II coincides with the second phase of the three phases of REDD+ as elaborated under the Cancun Agreement. Its objective is to enhance Viet Nam's ability to benefit from future results-based payments for REDD+ and undertake transformational changes in the forestry sector.

The UN-REDD Viet Nam MPTF contributes directly to the implementation of the Viet Nam Forestry Development Strategy and the National Climate Change Strategy. In particular, the objective contributes directly to the implementation of the National REDD+ Action Programme (NRAP).

Phase II will deliver capacity building and provide technical assistance at the national and provincial levels, but also covering initial activities to reduce emissions in the six pilot provinces: Lam Dong, Ca Mau, Binh Thuan, Ha Tinh, Bac Kan and Lao Cai. Phase II will provide local capacity building required for implementing REDD+ activities at the site level.

In parallel to the work under Phase II, a series of other initiatives are developing similar capacity in other provinces. Through the work under Phase II and these partners, a total of eight to ten provinces should be ready to pilot REDD+ activities within the next several years.

Phase II will deliver six Outcomes. These are:

- Outcome 1:** Capacities for an operational National REDD+ Action Programme are in place
- Outcome 2:** The six pilot provinces enabled to plan and implement REDD+ actions
- Outcome 3:** National Forest Monitoring System for Monitoring and Measurement, Reporting and Verification and National REDD+ Information System on Safeguards, are operational
- Outcome 4:** A national level Benefit Distribution System 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.

Progress made during 2013 towards achieving above six Outcomes is provided in the Monitoring Framework 1.2. below.

1. Country Programme Status

1.1 Country Programme Identification

Please identify the Country Programme by completing the information requested below. The Government Counterpart and the designated Country Programme focal points of the Participating UN Organisations will also provide their electronic signature below, prior to submission to the UN-REDD Secretariat.

<p>Country : SOCIALIST REPUBLIC OF VIET NAM</p> <p>Title of Programme: UN REDD PHASE II</p>	<p>Date of signature¹: 31th July 2013</p> <p>Date of first transfer of funds²: ca. 16 August 2013</p> <p>End date according to Joint Programme Document: 31 December 2015</p> <p>No-cost extension requested³: No</p>
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<p>Implementing partners⁴:</p> <ul style="list-style-type: none"> · Viet Nam Administration of Forestry (VNFORD), Ministry of Agriculture and Rural Development (MARD)

The financial information reported should include indirect costs, M&E and other associated costs.

Financial Summary (USD) ⁵			
UN Agency	Approved Programme Budget ⁶	Amount transferred ⁷	Cumulative Expenditures up to 31 December 2013 ⁸
FAO	11,948,740	755,195	206,713
UNDP	12,314,105	1,153,460	409,278
UNEP	3,989,310	285,500	0
<i>Programme Cost</i>	28,252,155	2,194,155	615,991
<i>Indirect Support cost (7%)</i>	1,977,651	153,591	40,620
<i>Total</i>	30,229,806	2,347,746	656,611

¹Last signature on the National Programme Document

² As reflected on the MPTF Office Gateway <http://mptf.undp.org>

³ If yes, please provide new end date

⁴ Those organizations either sub-contracted by the Project Management Unit or those organizations officially identified in the National Programme Document as responsible for implementing a defined aspect of the project. Do not include the participating UN Organizations unless Direct Implementation Modality (DIM) is being applied.

⁵ The information on expenditure is unofficial. Official, certified financial information is provided by the HQ of the Participating UN Organizations by 30 April and can be accessed on the MPTF Office GATEWAY (<http://mptf.undp.org/factsheet/fund/CCF00>)

⁶ The total budget for the entire duration of the Programme, as specified in the signed Submission Form and National Programme Document. This information is available on the MPTF Office GATEWAY: <http://mptf.undp.org>

⁷ Amount transferred to the participating UN Organization from the UN-REDD Multi-Partner Trust Fund. This information is available on the MPTF Office GATEWAY: <http://mptf.undp.org>

⁸ The sum of commitments and disbursement

1.2 Monitoring Framework

At the outcome level please provide an assessment of cumulative achievements against the expected targets in the Monitoring Framework included in the Country Programme Document or in a revised framework per inception workshops or mid-term reviews. In case there is a divergence from the Country Programme Document, please indicate the change and the reason for it succinctly in a footnote. At the output level, please provide achievements in the reporting period against the expected targets in the annual work plan. Where a word limit is indicated, please note that this is the maximum limit, however if progress can be articulated meaningfully in less words it is not necessary to reach that limit. If there is no data to be reported in the reporting period, please mark N/A. Please add additional rows as needed. For information on means of verification, responsibilities and risk and assumptions, please refer to the Monitoring Framework in the Country Programme Document.

Outcome 1: Capacities for an operational National REDD+ Action Programme (NRAP) are in place	
Progress towards outcome:	
<p>In general, the progress made in 2013 is on track towards achieving relevant targets of the Outcome in terms of enhancing knowledge of stakeholders on REDD+ and promoting Government allocation of funding for NRAP implementation.</p> <p>At the national level, in 2013, the Programme has supported MARD's leaders and officials to exchange international experience on (i) how to mobilize effective participation of all relevant stakeholders in REDD+ readiness, (ii) design and dissemination of communications on REDD+ readiness and (iii) REDD planning and implementation. At provincial level, the Programme has made first steps to improve knowledge and understanding of members of Provincial REDD+ Steering Committees on REDD+ and climate change through one kick-off workshop in Lam Dong.</p> <p>For the development of National REDD Fund (NRF) which is expected to serve the NRAP and Provincial REDD+ Action Plan (PRAP) implementation in future, the Programme provided inputs for the proposal of NRF development (drafted initially through support from the LEAF Program), and at the same time, suggested a road map towards its finalization and endorsement by government in accordance with international practices and opportunities for funding.</p> <p>To promote key business sector's engagement in REDD+, the Programme also has drafted a proposal on sector engagement on rubber and coffee and put it for discussion with Gov for following actions.</p>	
Expected Results (Output 1.1): Implementation guidelines for the NRAP approved and rolled out.	
Indicators:	Adoption of NRAP implementation guidelines
Baseline:	The work has not started
Progress against target (Achievements gained in the reporting period)	
Expected annual Target N/A	Achievement of Annual Target N/A (No budget was planned for the target in the work plan 2013)
Expected Results (Output 1.2): VRO strengthened in terms of its managerial, secretarial and technical capacity to lead the NRAP implementation and support the NRSC	
Indicators:	1. Increase of professionally qualified staff members in the VRO in the role as a technical secretariat to the National REDD Steering Committee (NRSC) and National REDD+ Network

Baseline:	4 by mid-2012
Progress against target: Partly achieved. On-going process	
Expected annual Target Understandings of existing VRO staff and NRAP's Steering Committee members broadened to fully engage key stakeholders in REDD+ readiness processes Technical support provided to VRO leadership in the organization and operation of the National REDD+ Network	Achievement of Annual Target Partly achieved. On-going process A study tour was conducted for the delegation of the Vietnam REDD+ Office (VRO) and MARD to visit Cambodia on 30th Oct. –1st Nov 2013 for “exchanging lessons and experiences on approaches to ensure the full and effective participation of all relevant stakeholders in REDD+ readiness, and the design and dissemination of communications on REDD+ readiness”. Preparation work is ongoing i.e. finalization of TORs for REDD+ network officer to support VRO office
Expected Results (Output 1.3): An effective mechanism to generate knowledge, organize policy dialogues, and feed policy recommendations is adopted and functioning	
Indicators:	Examples of policy recommendations for effective implementation of NRAP adopted by the GoV based on proposals submitted by the National REDD Network/sub-technical working groups (STWGs)
Baseline:	None; the process of how the STWGs prepare and report on policy recommendations to the Network, and how those recommendations are being adopted by the Government, is not clear.
Progress against target: Achieved. On-going process	
Expected annual Target MARD and VNFOREST's Official participated in COP negotiations related to REDD+ and knowledge exchange forum of REDD planning and implementation	Achievement of Annual Target Achieved. The participation of 4 MARD's officials in COP (from 9th to 23rd November, 2013) was enabled by the support of the Programme to enhance their understanding and negotiation skills to have informed agreement on policies protecting national rights and promoting international co-operation related to climate change. In addition, the delegation comprised by 3 high ranking officials of VRO and VNFOREST were supported to join the knowledge exchange in Oslo in October 2013 for sharing and learning experiences in REDD planning and implementation.
Expected Results (Output 1.4): National REDD+ Fund (NRF) operational	
Indicators:	National REDD+ Fund and associated institutions are ready to receive international finance and disburse to beneficiaries

Baseline:	NRF does not exist, but is mandated for establishment in the NRAP. (VN has PFES decree issued in 2010, and Forestry funds operating)
Progress against target : Achieved. Ongoing process.	
Expected annual Target Inputs provided for finalization of the National REDD+ fund proposal	Achievement of Annual Target Achieved. Ongoing process. Actions were taken to (i) review the draft of National REDD+ fund proposal drafted by LEAF and (ii) develop a road map to have the fund formulated and put into operations by June 2015. This road map is ready now for further discussion and agreement with MARD and other stakeholders.
Expected Results (Output 1.5): Action plans for greater sustainability of production of raw materials from key industries (e.g. aquaculture, coffee, rubber and timber) implemented	
Indicators:	Level of adherence to industry action plans designed to reduce emissions from forests
Baseline:	Sustainability plans are developed for the three major agro-commodities that are drivers of deforestation in the pilot provinces (coffee, rubber, shrimp), but strategies are not widely implemented
Progress against target: Achieved. On-going process	
Expected annual Target Action plans developed for key business sector's engagement in REDD+ (coffee, rubber, timber and aquaculture)	Achievement of Annual Target Achieved. On-going process A proposal to engage the coffee and rubber sectors in REDD+ has been drafted by the UNDP Green Commodities Facility together with national consultants and will be implemented in 2014
Expected Results (Output 1.6): Mechanisms to enhance forest law enforcement and inclusive governance adopted and implemented	
Indicators:	Establishment of a multi-agency Task Force for investigation and prosecution of serious and organized forest crimes
Baseline:	Task force not in place (Coordination mechanisms between agencies have not been set up.)
Progress against target: No achievements in Year 1.	
Expected annual Target Updated assessment of capacity in gaps in forest law enforcement	Achievement of Annual Target No achievements in Year 1. (Activities implemented were limited to preparatory discussions with related agencies, including UNODC, border provinces, FLEGT standing office - primarily for reasons of limited time for implementation.)
Expected Results (Output 1.7): Awareness on climate change and REDD+ to provincial authorities and administration, increased	

Indicators:	Number of provinces whose Provincial REDD+ Steering Committee members have an adequate or better understanding of REDD+
Baseline:	Unknown, but assumed to be low, as REDD+ is new in Viet Nam and the NRAP was only approved in June 2012.
Progress against target: Partially achieved. On-going process	
Expected annual Target Knowledge and understanding of members of Provincial REDD+ Steering Committees on of REDD+ and climate change enhanced	Achievement of Annual Target Partially achieved. On-going process One national and one provincial kickoff workshops have been conducted to inform the steering committees and stakeholders about the basic concepts and key elements of REDD+ and UN-REDD Programme Phase II. Some preparatory activities have been implemented, e.g. the ToR on development of awareness raising materials has been formulated and the call for consultants will be released in January 2014.
Expected Results (Output 1.8): Awareness on climate change and REDD+ raised among key stakeholders at national level through enhanced communication and dissemination of lessons learned	
Indicators:	Number of awareness-raising workshops, publications, newsletters and other forms of documents/lessons published and features in various media outlets such as newspapers and on TV
Baseline:	Numerous products developed and services provides during Phase I (see report entitled "Assessing the Effectiveness of Training and Awareness Raising Activities of the UN-REDD Programme in Viet Nam (2009-2011)")
Progress against target: N/A	
Expected annual Target N/A	Achievement of Annual Target Initial communication materials prepared and disseminated to inform relevant stakeholders on the UN-REDD Viet Nam Programme Phase II
Outcome 2: The six pilot provinces are enabled to plan and implement REDD+ actions	
Progress towards outcome: The Programme has been working intensively to get this Outcome underway. Preparatory actions particularly for institutionally preparing the pilot provinces to work with/on the Programme has been a major focal area of work, but is proving to take time and challenges abound particularly in recruitment of qualified staff. Kick-off workshops in each province are among the first activities, but only carried out in one province (Lam Dong) in 2013. Plans for carrying out the five other workshops are available. The Programme is also working towards outlining the main steps in planning for REDD+ in the pilot provinces. Much work will need to be carried out focusing on provincial planning during the first half of 2014, in order to start implementation promptly thereafter.	

Expected Results (Output 2.1): REDD+ institutions in the six pilot provinces established, and REDD+ mainstreamed into provincial master plan on forest protection and development (FPDP) and provincial integrated plan on socio-economic development (SEDP)	
Indicators:	Number of provinces that have endorsed a FPDP that acknowledges an interim REL as a provincial target
Baseline:	One province (Lam Dong) has REDD+ incorporated into the FPDP.
Progress against target: Partially achieved. On-going	
Expected annual Target Provincial SEDP and FPDP reviewed to provide inputs for incorporation of REDD+ into these plans	Achievement of Annual Target Partially achieved. On-going process Preparation work for implementation of activities has been undertaken: (i) the kick-off workshop in Lam Dong was conducted on 10 th Oct. 2013, and (ii) all Provincial Forest Protection and Development Plans (FPDP) of 6 provinces had been gathered and are ready for further analysis.
Expected Results (Output2.2): Awareness on climate change and REDD+ raised among provincial, district and commune officials and other stakeholders in six pilot provinces	
Indicators:	Percentage of stakeholders at provincial, district and commune level in six provinces who have a “good understanding” of REDD+ in terms familiar for the local population such as climate change, forest protection, sustainable forest management
Baseline:	Currently less than 5%, with the exception of key stakeholders in pilot districts of Lam Dong Province, have a good understanding. To be quantitatively established through a capacity needs assessment and baseline survey at the outset of the Programme
Progress against target: N/A	
Expected annual Target N/A	Achievement of Annual Target Initial communication materials prepared and disseminated to inform related stakeholders on the UN-REDD Viet Nam Programme Phase II. A ToR on awareness raising materials has been developed jointly with Output 1.7
Expected Results (Output2.3):Site-based REDD+ Activity Plans and Provincial REDD+ Action Plans in the six pilot provinces are finalized and approved	
Indicators:	Number of provinces that have approved FPDPs with integrated REDD+ specific actions
Baseline:	Zero (Initial Provincial REDD+ Action Plans have been proposed in the ProDoc
Progress against target: Partly achieved. On-going process	

Expected annual Target Key provincial drivers and key interventions are identified and agreed. Site-based planning undertaken for 2 pilot villages	Achievement of Annual Target Exercises for identification of provincial drivers and key interventions were formulated and implemented in one province. Preparation work is finalized for site-level planning to be undertaken in 2 villages in Lam Dong. The activity will be implemented in February 2014.
Expected Results (Output2.4): REDD+ Action Plans are implemented	
Indicators:	Percentage of annual targets set out in the Provincial REDD+ Action Plan that have been met
Baseline:	No plans implemented as the process hasn't yet started
Progress against target: No achievements in Year 1.	
Expected annual Target Provincial targets and baselines set per each of the REDD+ demonstration activities	Achievement of Annual Target Activities to achieve the target will be implemented in 2014 in conjunction with the development of site-based REDD+ action plans and provincial REDD+ Action Plans
Expected Results (Output2.5): Improved land tenure arrangements ensured in the six pilot provinces	
Indicators:	Percentage of production forests (by area) that has been issued legal land tenure records.
Baseline: Baselines are a measure of the indicator at the start of the National Programme	Percentage not yet calculated (Bac Kan and Ha Tinh have surveys of status of forestland tenure completed in September 2012. BinhThuan has cadastral maps for 2009 but need to be updated)
Progress against target: No achievements in Year 1.	
Expected annual Target Land ownership according to official records are surveyed in selected pilot provinces.	Achievement of Annual Target Land ownership according to official records are surveyed in selected pilot provinces.
Expected Results (Output2.6): NFMS: Monitoring framework in the six pilot provinces established	
Indicators:	<ol style="list-style-type: none"> 1. Number of provinces that have established a monitoring framework 2. Number of provinces that are operating through the monitoring framework
Baseline: Baselines are a measure of the indicator at the start of the National Programme	<ol style="list-style-type: none"> 1. Zero provinces: No REDD+ monitoring framework 2. Zero provinces: No REDD+ monitoring framework
Progress against target: No achievements in Year 1.	
Expected annual Target Guideline for provincial monitoring frameworks developed	Achievement of Annual Target No achievements in Year 1. (Activities implemented were limited to preparatory discussions with related projects on methodology for monitoring- primarily for reasons of limited time for implementation.)
Expected Results (Output2.7):NFMS: Participatory monitoring in the six pilot provinces implemented	

Indicators:	Number of provinces that are operating their participatory monitoring of the monitoring framework
Baseline: Baselines are a measure of the indicator at the start of the National Programme	Zero provinces: Provincial monitoring frameworks not yet available
Progress against target: N/A	
Expected annual Target N/A	Achievement of Annual Target N/A (not included in 2013 AWP).
Outcome 3: The NFMS for monitoring and MRV	
Progress towards outcome:	
<p>In 2013, the Programme coordinated with the related initiatives working on improvement of the National Forest Inventory and National Forestry Information Systems to ensure that the proposed systems under NFMS and NRIS can effectively and efficiently be operated. Such coordination (including ensuring the other initiatives are addressing institutional issues) is considered crucial in determining the usability and sustainability of the proposed NFMS and NRIS, and therefore a key input/condition before actual work takes place under this Outcome. The coordination and institutional discussions will need to continue into 2014, and will ultimately affect how the Outcome will be attained.</p>	
Expected Results (Output 3.1): The NRIS operational	
Indicators:	Number of provinces that have made data entry in NRIS on plans, safeguards, monitoring results and BDS
Baseline:	Zero provinces: No system in existence
Progress against target: No achievements in Year 1.	
Expected annual Target National information protocols for NRIS are defined.	Achievement of Annual Target No achievements in Year 1. (Activities implemented were limited to discussions for coordination with related projects - primarily for reasons of limited time for implementation.)
Expected Results (Output 3.2): NFMS: LMS developed	
Indicators:	Number of provinces with available QA/QC activity data (AD)
Baseline: Baselines are a measure of the indicator at the start of the National Programme	0 provinces. (AD without QA/QC has been generated through NFIMAP)
Progress against target: No achievements in Year 1.	
Expected annual Target RS imagery and interpretation skills identified.	Achievement of Annual Target No achievements in Year 1. (Activities implemented were limited to discussions for implementation of NFI&S in 2 provinces - primarily for reasons of limited time for implementation.)
Expected Results (Output 3.3): EF developed	
Indicators:	Number of BEF/allometric equations developed

Baseline:	249 equations for 4 forest types in 3 ecosystems, including 89 species. National Communications LULUCF sector reports at Tier 1
Progress against target: Partly achieved; on-going process	
Expected annual Target Review of AE work from Phase I. NFI&S work started up in one province.	Achievement of Annual Target A technical workshop conducted to review the AE work conducted during Phase I and to develop plan for 2014.
Expected Results (Output 3.4): NFMS: Institutional arrangement for compiling REDD+ GHG-Inventory clarified.	
Indicators:	GoV institution with the required capacity to work on sector data for the National REDD+ Inventory Report has been identified.
Baseline: Baselines are a measure of the indicator at the start of the National Programme	No institution identified to date: National Communications LULUCF sector GHG report is developed by an ad hoc team
Progress against target: No achievements in Year 1.	
Expected annual Target Existing capacities for GHG-Inventory assessed.	Achievement of Annual Target No achievements in Year 1. (Activities unimplemented - primarily for reasons of limited time for implementation.)
Expected Results (Output 3.5):Interim performance indicators and REL/FRL established	
Indicators:	<ol style="list-style-type: none"> 1. Number of pilot provinces that have endorsed the interim REL/FRL 2. Guidance and recommendations for a national REL/FRL developed
Baseline:	<ol style="list-style-type: none"> 1. Zero provinces: Two first interim version of REL/FRL proposed by NODECO and JICA studies 2. First interim version of REL/FRL proposed by a JICA study
Progress against target: No achievements in Year 1.	
Expected annual Target Approaches to establishing RELs are developed centrally.	Achievement of Annual Target No achievements in Year 1. (Activities implemented were limited to technical drafting and review for REL/RL methodology, and preparation for 2014- primarily for reasons of limited time for implementation).
Outcome 4:Stakeholders at different levels are able to receive positive incentives	
Progress towards outcome: Though no achievement has been made in 2013 under this Outcome, the Programme has undertaken a number of preparatory tasks to accelerate implementation in 2014 and onwards. As a starting point, the ToRs on positive incentives practices and resource mechanisms at the local level were drafted with an intention to review and learn from related local practices for the development of an integrated BDS at a later stage.	

Expected Results (Output 4.1):National-level mechanisms and standards for distribution of REDD+ positive incentives researched and drafted.	
Indicators:	Percentage of elements of national-level mechanisms and standards of a BDS fully established
Baseline:	Phase I completed a comprehensive analysis of required elements and generated policy recommendations
Progress against target: No achievement in Year 1. Preparatory work is on process	
Expected annual Target Design and establishment of the national recourse mechanism Benefits sharing schemes in REDD+ pilot provinces reviewed for the design of a REDD+ compliant BDS pilot models	Achievement of Annual Target No achievement in Year 1. Preparatory work is on process A number of preparatory work has been done to facilitate Programme implementation in 2014, e.g. the ToR on BDS development consultancy has been drafted and to be calling for consultancy proposals in January 2014. In addition, the ToR for recourse mechanism have been finalized and is put under procurement process.
Expected Results (Output 4.2): Provincial-level mechanisms, guiding principles and criteria, which are non-discriminatory, for distribution of REDD+ positive incentives researched and drafted.	
Indicators:	Number of elements of provincial-level mechanisms, performance standards, guiding principles and criteria of a BDS fully established
Baseline: Baselines are a measure of the indicator at the start of the National Programme	None, but a provincial FPDP operationalized for PFES in Lam Dong province Phase 1 completed a comprehensive analysis of required elements and generated policy recommendations
Progress against target: N/A	
Expected annual Target N/A	Achievement of Annual Target N/A as no activity was scheduled in 2013 AWP
Expected Results (Output 4.3):Design of an integrated and non-discriminatory BDS for full REDD+ implementation established.	
Indicators:	Government approval of a proposal that will allow distribution of integrated positive incentives from REDD+ revenues and government budget
Baseline:	No development of any proposal, but MOF has already issued a circular on the qualification criteria for PFES
Progress against target: N/A	
Expected annual Target N/A	Achievement of Annual Target N/A as no activity was scheduled in 2013 AWP
Outcome 5:Mechanisms to address the social and environmental safeguards under the Cancun Agreement, established	

Progress towards outcome:	
Though no achievement has been made in 2013 under this Outcome, some technical discussions have been organized to facilitate implementation in 2014.	
Expected Results (Output 5.1): Transparent and effective national forest governance structures established.	
Indicators:	<ol style="list-style-type: none"> Level of perceived risk of corruption in REDD+ in Viet Nam All information (i.e. land use, decision making process, governance structure, etc) pertaining to the implementation of the NRAP is publically available and accessible Percentage of stakeholders at all levels that are aware of a mechanism that ensures independent information on REDD+ can be brought to the attention of the Participants Board
Baseline:	<p>For indicator #1: Preliminary corruption survey undertaken; average risk rating = 3.16. Information are not widely available by the public</p> <p>For Indicator # 2. 0%, Nothing in place</p>
Progress against target: No achievement in Year 1	
Expected annual Target Awareness raising campaigns developed and implemented Framework, including indicators, for collecting data related to forest governance developed Measures designed and implemented to ensure open and effective access to information;	Achievement of Annual Target Activities will start being implemented in 2014
Expected Results (Output 5.2): Measures to ensure respect for the knowledge and rights of ethnic minorities and members of local communities related to forest management designed and adopted.	
Indicators:	Level of satisfaction among ethnic minorities and local communities in each pilot province concerning respect for their knowledge and rights
Baseline:	No data, including data on knowledge and rights of ethnic minorities and local communities (stock-taking of knowledge in pilot provinces to be undertaken in year 2)
Progress against target: N/A	
Expected annual Target N/A	Achievement of Annual Target N/A as no activity was scheduled in 2013
Expected Results (Output 5.3): Full and effective stakeholder participation mechanisms, especially for women, local communities and ethnic minorities , established and adopted	

Indicators:	Endorsement of national guidelines to ensure full and effective stakeholder participation in REDD+ Level of representation of women in Participants Board, Complaints Board, NRSC, REDD+ Steering Committees and others relevant to REDD+
Baseline:	Discussions undergoing in the STWG on Safeguards on a national safeguards on REDD+ (Baseline studies expected to be undertaken, and fed into the development of a gender monitoring framework.)
Progress against target: No achievement in Year 1	
Expected annual Target National approach defined to ensuring full and effective stakeholder participation in REDD+ A framework, including indicators, for collecting data on the effectiveness of the full and effective stakeholder participation in REDD+, and reporting through the NRIS developed	Achievement of Annual Target Activities will start being implemented in 2014
Expected Results (Output 5.4): Environment safeguards related to avoidance of conversion of natural forests, risk of reversals, and displacement	
Indicators:	<ol style="list-style-type: none"> 1. Development and approval of a safeguards roadmap endorsed by all representatives appointed by concerned stakeholders who have equal voice and equal vote, approved and respected during implementation of REDD+ 2. National approach to addressing and respecting environmental safeguards is approved and being implemented
Baseline:	<ol style="list-style-type: none"> 1. Consultations on initial work plan for a safeguards roadmap have been initiated 2. No national approach to safeguards consistent with the Cancun Agreements of COP 16 exists
Progress against target: No achievement in Year 1	
Expected annual Target By the end of Year 1, safeguards roadmap is developed and approved	Achievement of Annual Target Initial exchange/discussions were taken with the conveners of Safeguards STWG on possible inputs from the Programme and follow-up activities
Outcome 6:Regional cooperation enhances progress on REDD+ implementation in the Lower Mekong Sub-Region.	
Progress towards outcome: In no more than 150 words please indicate how and if, based on progress so far, the National Programme is on track towards reaching this outcome.	
Though no achievement has been made in 2013 under this Outcome, some technical discussions have been organized to facilitate the Programme implementation in 2014.	
Expected Results (Output 6.1):Effective cooperation between governments in the Lower Mekong Sub-Region on reducing illegal logging and trade	

Indicators:	<ol style="list-style-type: none"> Public availability of data on cross-border timber trade including quota allocated to timber traders. Number of interdictions of illegal timber movements at ports of entry/exit
Baseline:	<ol style="list-style-type: none"> No cross border trade data and quota allocations available on government websites Data not available by Custom Authorities on Customs report 2011
Progress against target: No achievements in Year 1.	
Expected annual Target Regional dialogues and/or exchanges on REDD+ and related topics have been conducted.	Achievement of Annual Target No achievements in Year 1. (Activities implemented were limited to preparatory discussions with border provinces with Lao - primarily for reasons of limited time for implementation.)
Expected Results (Output 6.2):Commitments by the wood-processing industry in Viet Nam and other countries in the region to sourcing legal and sustainably harvested timber	
Indicators:	Number of wood-processing associations that have signed commitment to the Codes of Conduct
Baseline: Baselines are a measure of the indicator at the start of the National Programme	Zero associations: No Codes of Conduct available
Progress against target: N/A	
Expected annual Target N/A	Achievement of Annual Target N/A (not included in 2013 AWP).
Expected Results (Output 6.3):REDD + strategies across the Lower Mekong Sub-region and beyond are informed by Vietnamese lessons	
Indicators:	<ol style="list-style-type: none"> Existence of effective mechanisms (incl. direct meetings , study tours and documents) to disseminate lessons; and Number of exchange workshops
Baseline:	<ol style="list-style-type: none"> No effective mechanism: Irregular and sporadic dialogue takes place across some countries.
Progress against target: No achievements in Year 1	
Expected annual Target N/A	Achievement of Annual Target No achievements in Year 1. (Activities unimplemented).
Expected Results (Output 6.4):Lower Mekong Sub- regional strategy to address displacement of deforestation and forest degradation developed	
Indicators:	Number of countries that have endorsed a regional strategy for addressing displacement of deforestation and forest degradation has been agreed.
Baseline:	No regional strategy exists.
Progress against target: N/A	

Expected annual Target N/A	Achievement of Annual Target N/A (not included in AWP).
Expected Results (Output 6.5):Lower Mekong Sub-region regional collaboration on enhancing biodiversity conservation through REDD+.	
Indicators:	Number of common tools and approaches developed for forest biodiversity conservation and biodiversity monitoring
Baseline:	Zero: Irregular and sporadic collaboration amongst government agencies, more collaboration amongst NGOs
Progress against target: No achievements in Year 1.	
Expected annual Target N/A	Achievement of Annual Target No achievements in Year 1. (Activities unimplemented).
Expected Results (Output 6.6):South-South Cooperation for REDD+ readiness activities in other countries in the Lower Mekong Sub-region	
Indicators:	Number of regional LDCs that are receiving technical support on REDD+ readiness from Viet Nam
Baseline:	Zero: Virtually no technical support provided through South-South cooperation
Progress against target : N/A	
Expected annual Target N/A	Achievement of Annual Target N/A (not included in AWP).

1.3 Financial Information

In the table below (*this is an excel table, double click to enter information or right click to open in an excel worksheet to enter additional rows or edits as needed*), please provide up-to-date information on activities completed based on the Results Framework included in the signed Country Programme Document; as well as financial data on planned, committed and disbursed funds. The table requests information on the cumulative financial progress of the Country Programme implementation at the end of the reporting period (including all cumulative yearly disbursements). Please add additional rows as needed.

Definitions of financial categories:

- *Commitments*: Includes all amount committed to date. Commitment is the amount for which legally binding contracts have been signed and entered into the Agencies' financial systems, including multi-year commitments which may be disbursed in future years.
- *Disbursement*: Amount paid to a vendor or entity for goods received, work completed, and/or services rendered (does not include un-liquidated obligations)
- *Expenditures*: Total of commitments plus disbursements

PROGRAMME OUTCOME	UN ORGANISATION	IMPLEMENTATION PROGRESS			
		Amount Transferred by MPTF to Programme	Cumulative Expenditures up to 31 December 2013		
		(A)	Commitments	Disbursements	Total Expenditures
			(B)	(C)	(D) B+C
Outcome 1: Capacities for an operational National REDD+ Action Plan	FAO	58,749.20	0.00	9,991.95	9,991.95
	UNDP	164,780.00	14,689.46	47,128.56	61,818.02
	UNEP	85,000.00	0	0	0.00
Sub-total		308,529.20	14,689.46	57,120.51	71,809.97
Outcome 2: The six pilot provinces enabled to plan and implement REDD+	FAO	437,824.74	0.00	190,534.66	190,534.66
	UNDP	341,330.00	4,523.96	47,773.68	52,297.64
	UNEP	158,000.00	0	0	0.00
Sub-total		937,154.74	4,523.96	238,308.34	242,832.30
Outcome 3: National Forest Monitoring System for Monitoring and Measurement,	FAO	235,081.14	0.00	6,001.58	6,001.58
	UNDP	0.00	0.00	0.00	0.00
	UNEP	0.00	0	0	0.00
Sub-total		235,081.14	-	6,001.58	6,001.58
Outcome 4: A national level Benefit Distribution System established	FAO	0.00	0.00	0.00	0.00
	UNDP	64,200.00	18,095.81	6,778.45	24,874.26
	UNEP	0.00	0	0	0.00
Sub-total		64,200.00	18,095.81	6,778.45	24,874.26
Outcome 5: Mechanisms to address the social and environmental	FAO	0.00	0.00	0.00	0.00
	UNDP	133,750.00	0.00	0.00	0.00
	UNEP	22,500.00	0	0	0.00
Sub-total		156,250.00	-	-	-
Outcome 6: Regional cooperation progress on REDD+ implementation in the	FAO	23,540.00	0.00	185.27	185.27
	UNDP	0.00	0.00	0.00	0.00
	UNEP	20,000.00	0	0	0.00
Sub-total		43,540.00	-	185.27	185.27
Programme Management Costs	FAO	0.00	0.00	0.00	0.00
	UNDP	449,400.00	3,705.76	266,582.04	270,287.80
	UNEP				
Sub-total		449,400.00	3,705.76	266,582.04	270,287.80
Indirect support cost	FAO	52,863.66	0.00	14,469.94	14,469.94
	UNDP	80,742.20		26,150.00	26,150.00
	UNEP	19,985.00	0	0	0.00
Sub-total Indirect support cost		153,590.86	-	40,619.94	40,619.94
FAO (Total):		808,058.74	0.00	221,183.40	221,183.40
UNDP (Total):		1,234,202.20	41,014.99	394,412.73	435,427.72
UNEP (Total):		305,485.00	0	0	0.00
Grand TOTAL:		2,347,745.94	41,014.99	615,596.13	656,611.12

1.3.1 Co-financing

If additional resources (direct co-financing) are provided to activities supported by the UN-REDD Country Programme, please fill in the table below:

Sources of co-financing ¹⁰	Name of co-financer	Type of co-financing ¹¹	Amount (US\$)
National and local government	Government of Vietnam	In cash	30.000
National and local government	National GoV and provincial authorities	In-kind	50.000

1.3.2 Additional finance for national REDD+ efforts catalyzed by the Country Programme¹²

Name of financer	Description	Amount (US\$)
USAID	Funded through Lowering Emissions from Asia forests and Vietnam Forests and Deltas Programs	2.000.000
GIZ	GIZ Global Governance Program	600.000
ICI (Germany)	Through projects implemented by NGOs	700.000
JICA	Piloting REDD+ in Dien Bien Province	1.000.000
EC	Via EC international programs	200.000
Norad	Via Norad-funded global and regional programs	300.000

2. Country Programme Progress

The questions in section two are intended to capture advancements and challenges that the Country Programme has faced during the reporting period. It also aims to collect information on inter-agency coordination, ownership and development effectiveness, and communication. Please provide your answers after each question.

2.1 Narrative on Progress, Difficulties and Contingency Measures

The questions below provide a brief narrative describing progress on the implementation of activities, generation of outputs and attainment of outcomes. Please describe internal and external challenges to Country Programme implementation, as well as the contingency actions planned to overcome them. If there are any facilitating factors that have contributed to moving certain processes forward, please include them as well. This is the space to signal any adjustments, difficulties, or potential processes that might have a bearing on the implementation of the Country Programme. If the Programme was subject to an evaluation, review or internal assessment, please provide the main elements and how they have influenced implementation/planning for the coming year.

2.1.1 Please provide a brief overall assessment of the extent to which the Country Programme is progressing in relation to expected outcomes and outputs. Please provide examples if relevant (600 words).

Programme progress has been limited compared to expectations, due primarily to the various tasks related to Programme start-up and slow progress in recruitment of staff (both in UN and PMU). By December 2013, PMU

¹⁰ Indicate if the source of co-financing is from: Bilateral aid agency, foundation, local government, national government, civil society organizations, other multilateral agency, private sector, or others.

¹¹ Indicate if co-financing is in-kind or cash.

¹² Estimated for 2013, these are a part of the on-going REDD+ projects in-country and that they are not necessarily "catalyzed" by the country programme

and PPMUs were established and started working on annual and quarterly plan for 2014.

The bulk of the work achieved in the first year of implementation (approximately 5 months of implementation time) focused on technical discussions, scoping exercises and detailed concepts of technical activities.

Firstly, some initial achievement of the Programme relates to capacity and awareness-raising. First results were achieved to improve national and provincial capacities and understanding of REDD+ concepts and technical aspects.

Second, technical expertise was provided to determine the scope and orientation of upcoming activities such as the establishment of the NRF with the provision of inputs from the UN-REDD Programme to the LEAF initiative (under USAID funding). Also, experts from UNDP provided support to scope activities and a course of action for the engagement of key business sectors. In a similar manner technical discussions have taken place through the Sub-Technical Working Group (STWG) on Safeguards with inputs from the Programme on Environmental and Social Safeguards to ensure that the Programme achieves its target in the coming year of implementation.

As the first year of implementation was dedicated to setting up the management structure and the collaborative mechanism of the Programme, further activities and results of the 6 outcomes were not included in this year planning and/or have experienced delays. However, it can be concluded that in the first year of implementation a number of the technical discussions and scoping of work has been cleared and defined among all stakeholders in order to support the course of actions in year 2.

2.1.2 Please provide a brief overall assessment of any measures taken to ensure the sustainability of the Country Programme results during the reporting period. Please provide examples if relevant, these can include the establishment of REDD+ institutions expected to outlive the programme, regulations, or capacities that will remain in place after the completion of the programme.(250 words)

The Programme is strategizing on how best to involve the various relevant government offices as well as institutions as partner organizations, and to build capacity in national/local NGOs to ensure facilitative capacity even after the Programme closure. In these regards, discussions with a number of national institutes (such as IPSARD, FIPI) have taken place, and a process of consultation on provincial level partnerships has begun with NGO, in 2013.

2.1.3 If there are difficulties in the implementation of the Country Programme, what are the main causes of these difficulties? Please check the most suitable option.

- UN agency Coordination
- Coordination with Government
- Coordination within the Government
- Administrative (Procurement, etc) /Financial (management of funds, availability, budget revision, etc)
- Management: 1. Activity and output management
- Management:2. Governance/Decision making (Programme Management Committee/National Steering Committee)
- Accountability
- Transparency
- Absence of technical capacities and expertise nationally
- Difficulty to draw international technical capacities and expertise
- Country Programme design
- External to the Country Programme (risks and assumptions, elections, natural disaster, social unrest)

2.1.4 If boxes are checked under 2.1.3, please briefly describe any current *internal* difficulties¹³ the Country Programme is facing in relation to the implementation of the activities outlined in the Joint Programme Document.(200 words)

Slow progress in recruitment of staff at UN agencies and PMU (including the CTA and Programme Coordinator) has deterred necessary coordination and implementation. In addition, the government-appointed Programme Director and Deputy Director are both assigned to work only part-time for the Programme, and without fully

¹³ Difficulties confronted by the team directly involved in the implementation of the National Programme

delegated authority for decision-making. The results of the above elements have been delay in day-to-day decision-making, and slow progress of implementation overall.

Government procedures (particularly for procurement) are extremely tedious, and require substantive resources to prepare and receive approval. The procedures are not deemed suitable for the TA nature of the Programme, but the Programme is required to adhere to these procedures.

Also, the novelty of the Programme governance structure (e.g. the Executive Board being co-chaired by UN and government, and consensus decision making by all Board members) to the government has posed difficulties in getting approval of key processes such as annual and quarterly planning.

2.1.5 If boxes are checked under 2.1.3, please briefly describe any current external difficulties¹⁴ (not caused by the Country Programme) that delay or impede the quality of implementation.(200 words)

Coordination with the government agencies/offices other than the Implementing Partner is limited and difficult to achieve. This is partially due to lack of capacity and knowledge (misunderstanding) of REDD+ in the government offices outside VNFOREST, and also considered due to a silo-mentality of the bureaucratic system.

In Viet Nam where various development partners are working on REDD+ (including those on project-based REDD+), coordination among projects is also essential. However, such coordination has not been easy to achieve, despite efforts being taken by the Programme. Stronger coordination capacity within the government is called for.

2.1.6 Please, briefly explain the actions that are or will be taken to eliminate or manage the difficulties (internal and external referred to in question 2.1.3 and 2.1.4) described in the previous sections.(250 words)

Recruitment processes are being reviewed and alternative options being considered for filling posts that are difficult to find qualified capacity for. Recruitment related issues are hoped to resolve within early 2014.

Discussions with government are taking place for increased time contribution, particularly from the Deputy Director of the Programme, and institutional contributions to the Programme from the Deputy's home institution (as mentioned in the Programme Document.)

The Programme Implementation Manual (PIM) has been drafted and will be finalized in couple of months to smoothen the workflows among UN agencies with PMU and PPMUs.

Programme activities intended for raising awareness and capacity within government offices will be implemented in 2014.

REDD+ development partners have convened for dialogue on self-initiated coordination, and for collective dialogue with government on how best to facilitate the process for strengthening coordination by the government.

2.2 Inter-Agency Coordination

The aim of the questions below is to collect relevant information on how the Country Programme is contributing to inter-agency work and "Delivering as One".

2.2.1 Is the Country Programme in coherence with the UN Country Programme or other donor assistance framework approved by the Government?

¹⁴ Difficulties confronted by the team caused by factors outside of the National Programme

Yes No

If not, please explain and what are the measures to address this (150 words):

2.2.2 What types of coordination mechanisms and decisions have been taken to ensure joint delivery? Please reflect on the questions above and add any other relevant comments and examples if you consider it necessary (100 words):

UN agency focal points have arranged to have regular working days working in the PMU office (1-3 days a week).

In principle, work-planning will be done collectively by the UN and PMU, to ensure mutual understanding of the activities being proposed and implemented by other UN organizations.

2.2.3 Are the recommendations of the HACT assessment being applied in the implementation of the Country Programme by the three participating UN organisations?

Yes No

If not, please explain, including which recommendations from the HACT assessment have or have not been applied:

In principle, yes. But, UNEP is currently (as of March 2014) not party to HACT, thus does not directly apply. Notwithstanding, where the HACT assessment reviews can apply to UNEP, this will be applied.

2.3 Ownership¹⁵ and Development Effectiveness

The questions below seeks to gather relevant information on how the Country Programme is putting into practice the principles of aid effectiveness through strong national ownership, alignment and harmonization of procedures and mutual accountability.

2.3.1 Are the national implementing partners and UN-REDD focal points involved in the planning, budgeting and delivery of the Country Programme?

No Some Yes

Please explain what measures are in place to ensure national ownership:

2.3.2 Are the UN-REDD Programme's Guidelines for Stakeholder Engagement and Operational Guidance Engagement of Indigenous Peoples and Other Forest Dependent Communities applied in the Country Programme process?

No Partially Fully

Please explain, including if level of consultation varies between non-government stakeholders:

Some actions had been taken such as having one representative of CSOs and one representative of Ethnic Minorities as PEB members. Workshops at provincial level had been conducted with broader participation of different local stakeholders, including the ethnic minority representatives at local level, the village heads, the local communities representatives, the women unions, etc. A ToR on stakeholder identification, analysis and engagement mechanisms has been drafted and the work will be undertaken in 2014 onwards.

2.3.3 What kind of decisions and activities are non-government stakeholders involved in?

Policy/decision making
 Management: Budget Procurement Service provision
 Other, please specify

Please explain, including if level of involvement varies between non-government stakeholders:

Two non-government stakeholders (ie representatives of civil society, and indigenous peoples) are part of the Programme Executive Board. Other than this arrangement, non-government stakeholders may be recipients of service contracts. As explained under 2.1.2, there is on-going dialogue with NGOs to develop arrangements

¹⁵Ownership refers to countries exercising effective leadership over their REDD+ policies and strategies, and co-ordination of actions.

for partnerships at the provincial level, where identified NGOs may ultimately be involved in all aspects mentioned above, depending on the capacity and preference of the NGOs, and based on dialogue with the Programme and its proponents.

2.3.4 Based on your previous answers, briefly describe the current situation of the government and non-government stakeholders in relation to ownership and accountability¹⁶ of the Country Programme. Please provide some examples.

Ownership and accountability are both currently present for government stakeholders, but neither can be stated as being present for non-government stakeholders at this stage of the Programme implementation.

For the government stakeholders, both ownership and accountability is present primarily at VNFOREST (National Implementing Partner.)

3. General Programme Indicators

This section aims to aggregate information on results for the six work areas of the UN-REDD Programme defined in the Programme's Strategy (2011-2015), delivered through the Global and Country Programmes. Information is to be provided cumulatively. If the information requested is not available at this stage of Programme implementation, check the "does not apply" box.

3.3.1 Number focal personnel with increased capacities on MRV and monitoring:

Women Total No: 03
 Men Total No: 15

Comments:

3.3.2 Does the country have a functional MRV and monitoring system in place?

Yes Partially No Not applicable at this stage

Comments:

3.3.3 Does the country have nationally owned governance indicators, developed through a participatory governance assessment?

Yes Partially No Not applicable at this stage

Comments:

3.3.4 Was a participatory governance assessment supported by the UN-REDD Programme and incorporated into the National REDD+ Strategy?

Yes Partially No Not applicable at this stage

Comments, including if the assessment was supported by another initiative:

The Participatory Governance Assessment (PGA) supported by UN-REDD Global Programme has been piloted in Vietnam since 2012. The PGA process initiated a pilot phase in Lam Dong to engage a set of local stakeholders and define indicators that could be used to create a baseline for data on forest governance. The PGA process was reviewed in early January 2014 identifying lessons learnt and an Expert Group has been integrated to guide the process toward a PGA Vietnam report to be launched by end of June 2014. A new indicator set based on two main governance issues has been developed through a participatory process. As being tested in the pilot province of Lam Dong, the indicator set has been further supplemented by provincial-specific indicators. Once piloted successfully, the process can be replicated in more provinces in UN REDD Programme phase 2.

¹⁶Accountability: Acknowledgment and assumption of responsibility for actions, products, decisions, and policies and encompassing the obligation to report, explain and be answerable for resulting consequences.

3.3.5 Does the National REDD+ Strategy include anti-corruption measures, such as a code of conduct, conflict of interest prohibitions, links to existing anti-corruption frameworks, protection for whistleblowers or application of social standards?

Yes Partially No Not applicable at this stage

Comments:

3.3.6 Number of Indigenous Peoples/civil society stakeholders represented in REDD+ decision making, strategy development and implementation of REDD+ at the national level:

Women Total No. 20.....

Men Total No. 35.....

Comments:

3.3.7 Number of consultation processes (Meetings, workshops etc.) underway for national readiness and REDD+ activities:

Total No.05.....

Comments – indicate critical issues that have come out of these processes:

3.3.8 Grievance mechanism established in order to address grievances of people alleging an adverse effect related to the implementation of the UN-REDD country programme:

Yes Partially No Not applicable at this stage

Comments: the Inception workshop was designed as a consultation meeting to solicit any comments.

As the Programme rolls out in 2014 in the provinces, the Programme will work on grievance mechanisms for the Programme and for REDD in general. (so, “Not applicable at this stage”)

3.3.9 Country has undertaken to operationalize Free Prior and Informed Consent for the implementation of readiness or REDD+ activities that impact Indigenous Peoples’ and local communities’ territories, resources, livelihoods and cultural identity:

Yes Partially No Not applicable at this stage

Comments:

The draft National FPIC Guidelines had been developed and on the process of finalization.

3.3.10 Country applying safeguards for ecosystem services and livelihood risks and benefits:

Yes Partially No Not applicable at this stage

Comments:

The country has scattered policies in place to promote safeguards but they are all not specific and systematic yet for the ecosystem services and livelihood risks and benefits.

3.3.11 Application of the UN-REDD Programme social principles and criteria:

Yes Partially No Not applicable at this stage

Comments:

Vietnam has several legal documents mentioning these principles but still need to develop the concrete criteria.

3.3.12 REDD+ benefit distribution system contributes to inclusive development¹⁷, with specific reference to pro-poor¹⁸ policies and gender mainstreaming¹⁹:

Yes Partially No Not applicable at this stage

Comments:

The BDS will be developed in 2014 and 2015.

3.3.13 Country adopting multiple benefit decision tool kit:

Yes Partially No Not applicable at this stage

Comments:

The tool kit is still quite new for the country. However, some tools have been applied or tested, such as cost-benefit analysis, opportunity costs analysis, mapping important ecosystems and biodiversity conservation areas, cash and non-cash benefits design, etc.

3.3.14 National or sub-national development strategies incorporate REDD+ based investments as means of transformation of relevant sectors²⁰:

Yes Partially No Not applicable at this stage

Comments:

3.3.15 Investment agreements supported or influenced so that they take advantage of the REDD+ as a catalyst to a green economy:

Yes Partially No Not applicable at this stage

Comments: There is still no such investment agreement for REDD+ in Vietnam.

4. Key lessons

In no more than 400 words please provide a narrative of the most significant lessons learned in the context of the Country Programme, as they relate to one of the thematic work areas on REDD+ or more generally to the practical aspects of implementation, coordination and communication.

- Key strategies on REDD+ implementation in Viet Nam should determine the working aspects of different REDD+ elements such as the National REDD+ Fund, the necessary national REDD+

¹⁷Inclusive development is development that marginalized groups take part in and benefit from, regardless of their gender, ethnicity, age, sexual orientation, disability or poverty. Inclusive growth implies **participation** and **benefit-sharing**. On the one hand, it ensures that everyone can participate in the growth process, both in terms of decision-making for organizing the growth progression as well as in participating in the growth itself. On the other hand, it makes sure that everyone shares equitably the benefits of growth.

¹⁸Pro-poor policies are those that directly target poor people (i.e. benefit the poor more than the non-poor), or that are more generally aimed at reducing poverty. There is also a general consensus that pro-poor policy processes are those that allow poor people to be directly involved in the policy process, or that by their nature and structure lead to pro-poor outcomes. For some, the aim of pro-poor policies is to improve the assets and capabilities of the poor.

¹⁹ The overall intention of gender mainstreaming with regard to environment and energy is to ensure the inclusion of gender equality considerations in planning systems at all levels, and to expand both the access of women to finance mechanisms and the direction of that finance to areas that will benefit women. Gender mainstreaming tools include gender analysis, sex-disaggregated data and participatory approaches that explicitly consider women.

²⁰ Relevant sectors denote those that are related to forests and land use, e.g. including energy, agriculture, mining, transport and land use planning.

institutions and their capacities. Due to the complexity and uncertainty of REDD+ (namely the issue of, if, when, how and how much financial returns can be expected as performance-based incentives for the country), some key elements of how REDD+ will be implemented nationally are not confirmed (e.g. how REDD+ will be integrated into broader provincial planning), and confuse or convolute other processes. Mechanisms for the Programme to discuss and agree on its key REDD+ strategies (such as proposals for the national strategy) in timely manner is crucial.

- The pool of qualified national capacities to work on REDD+ is limited, whereas donors and development partners are expanding their REDD+ portfolios in-country. The Programme may not be able to adequately meet human resource needs, thus should consider alternative approaches of accessing capacity, for example, through strategic partnerships/service provision contracts with entities (e.g. NGOs, research projects) that are already working in related areas of work/ in the targeted provinces.
- The scope and magnitude of the Programme (especially within the limited timeframe for implementation) requires considerable inputs for successful delivery. The planned level of international full time inputs is now perceived to be insufficient. The Programme is now considering mobilizing more international inputs through contracts.

5. Government Counterpart Information

The aim of this section is to allow the Government Counterpart to provide their assessment, as well as additional and complementary information to Section 1-4, which are filled out by the three participating UN organizations.

Comments by the Government Counterpart:

In last 5 months of 2013, the UN Organizations have worked closely with Government of Vietnam to bring the Programme into implementation. The Programme Management Unit, key administrative supporting staff and facilities are in place. Program Executive Board (PEB) is established and Programme Implementation Manual (PIM) is under preparation. A number of awareness raising events at national and provincial levels are held with participation of a wide range of relevant stakeholders. Preparatory work for technical activities are initiated to create foundation for implementation in 2014.

Much work has been done but some measures be taken to speed up the Programme implementation. For example, (i) acceleration of recruitments within UN agencies and within government; (ii) deployment of the staff and support needed from the Ministry, and more active participation and support from MARD/VNFOREST Departments and other Ministries; (iii) MARD reviews and simplifies procedures to streamline internal decision-making process, strengthen the JCG and empower the NPD for making day-to-day decisions to accelerate the Programme implementation; (iv) acceleration of the process of finalization and approval of the PIM with harmonized, simplified and practical rules and procedures, including financial management and transfer; (v) make Letters of agreement (LoA) with the Co-Implementing Partners (CIPs) as anticipated in the Programme document and implement the agreements as soon as possible; selection of and making the LoA with additional CIPs, as appropriate, review the procurement procedures and initiate the process for contracting other service providers; (vi) PMU and UN Organizations should work more closely with the PPMU to ensure they have enough capacities and fully own the processes, and the implementation of the Programme and its piloting are suitable with local circumstances.

6. Other stakeholders (non-government) Information

The aim of this section is to allow non-Government stakeholders to provide their assessment, as well as

additional and complimentary information to Section 1-4, which are filled out by the three participating UN organizations. Please request a summary from existing stakeholder committees or platforms.

Comments by other stakeholders (non-government):

The participation of VNGOs in REDD+ is increasing. However, their participation is still limited. There are various INGO working on REDD+. The coordination among them and with VNGOs at the national level is not very strong. In many cases, VNGOs are only informed. Higher participation levels are absent.

Capacity of VNGO especially at local levels (provinces, especially districts and communes) is weak. In many places, they still lack of information about REDD+. These are the main reasons that they are not be able to participate actively in REDD+ activities.

There is still a lack of mechanism for VNGOs and local stakeholders to integrate their activities into the national REDD+ activities. In some cases, local NGOs want to introduce their REDD-related "successful" models for broader application, however, it seems that REDD+ activities are already determined.

A clearer and practical methodology is needed for local stakeholders to assure their local policies and measures to meet REDD+ safeguards or to integrate suitable activities into their policies.

2013 FINANCIAL PERFORMANCE

This chapter presents financial data and analysis of the UN REDD Viet Nam Phase II MPTF using the pass-through funding modality as of 31 December 2013. Financial information for this Fund is also available on the MPTF Office GATEWAY, at the following address: <http://mptf.undp.org/factsheet/fund/VNM00>.

1. SOURCES AND USES OF FUNDS

As of 31 December 2013, 1 contributor deposited US\$ 8,899,964 and US\$ 29,548 has been earned in interest,

bringing the cumulative source of funds to US\$ 8,929,512 (see respectively, Tables 2 and 3).

Of this amount, US\$ 2,347,746 has been transferred to 3 Participating Organizations, of which US\$ 615,597 has been reported as expenditure. The Administrative Agent fee has been charged at the approved rate of 1% on deposits and amounts to US\$ 89,000. Table 1 provides an overview of the overall sources, uses, and balance of the UN REDD Viet Nam Phase II MPTF as of 31 December 2013.

Table 1. Financial Overview, as of 31 December 2013 (in US Dollars)*

	Annual 2012	Annual 2013	Cumulative
Sources of Funds			
Gross Contributions	8,899,964	-	8,899,964
Fund Earned Interest and Investment Income	-	29,548	29,548
Interest Income received from Participating Organizations	-	-	-
Refunds by Administrative Agent to Contributors	-	-	-
Fund balance transferred to another MDTF	-	-	-
Other Revenues	-	-	-
Total: Sources of Funds	8,899,964	29,548	8,929,512
Use of Funds			
Transfers to Participating Organizations	-	2,347,746	2,347,746
Refunds received from Participating Organizations	-	-	-
Net Funded Amount to Participating Organizations	-	2,347,746	2,347,746
Administrative Agent Fees	89,000	-	89,000
Direct Costs: (Steering Committee, Secretariat...etc.)	-	-	-
Bank Charges	-	623	623
Other Expenditures	-	-	-
Total: Uses of Funds	89,000	2,348,369	2,437,369
Change in Fund cash balance with Administrative Agent	8,810,965	(2,318,821)	6,492,144
Opening Fund balance (1 January)	-	8,810,965	-
Closing Fund balance (31 December)	8,810,965	6,492,144	6,492,144
Net Funded Amount to Participating Organizations	-	2,347,746	2,347,746
Participating Organizations' Expenditure	-	615,597	615,597
Balance of Funds with Participating Organizations			1,732,149

* Due to rounding of numbers, totals may not add up. This applies to all numbers in this report.

2. PARTNER CONTRIBUTIONS

Table 2 provides information on cumulative contributions received from all contributors to this Fund as of 31 December 2013.

Table 2. Contributors' Deposits, as of 31 December 2013 (in US Dollars)*

Contributors	Prior Years as of 31-Dec-2012	Current Year Jan-Dec-2013	Total
NORWAY	8,899,964	-	8,899,964
Grand Total	8,899,964	-	8,899,964

3. INTEREST EARNED

Interest income is earned in two ways: 1) on the balance of funds held by the Administrative Agent ('Fund earned interest'), and 2) on the balance of funds held by the Participating Organizations ('Agency earned interest') where their Financial Regulations and Rules allow return of interest

to the AA. As of 31 December 2013, Fund earned interest amounts to US\$ 29,548. No interest was received from Participating Organizations. Details are provided in the table below.

Table 3. Sources of Interest and Investment Income, as of 31 December 2013 (in US Dollars)*

Interest Earned	Prior Years as of 31-Dec-2012	Current Year Jan-Dec-2013	Total
Administrative Agent			
Fund Earned Interest and Investment Income		29,548	29,548
Total: Fund Earned Interest		29,548	29,548
Participating Organization			
Total: Agency earned interest			
Grand Total		29,548	29,548

4. TRANSFER OF FUNDS

Allocations to Participating Organizations are approved by the Steering Committee and disbursed by the Administrative Agent. As of 31 December 2013, the AA has transferred US\$ 2,347,746 to 3 Participating Organizations (see list below).

Table 4 provides additional information on the refunds received by the MPTF Office, and the net funded amount for each of the Participating Organizations.

Table 4. Transfer, Refund, and Net Funded Amount by Participating Organization, as of 31 December 2013 (in US Dollars)*

Participating Organization	Prior Years as of 31-Dec-2012			Current Year Jan-Dec-2013			Total		
	Transfers	Refunds	Net Funded	Transfers	Refunds	Net Funded	Transfers	Refunds	Net Funded
FAO				808,059		808,059	808,059		808,059
UNDP				1,234,202		1,234,202	1,234,202		1,234,202
UNEP				305,485		305,485	305,485		305,485
Grand Total				2,347,746		2,347,746	2,347,746		2,347,746

5. EXPENDITURE AND FINANCIAL DELIVERY RATES

All final expenditures reported for the year 2013 were submitted by the Headquarters of the Participating Organizations. These were consolidated by the MPTF Office.

5.1 EXPENDITURE REPORTED BY PARTICIPATING ORGANIZATION

As shown in the table below, the cumulative net funded amount is US\$ 2,347,746 and cumulative expenditures reported by the Participating Organizations amount to US\$ 615,597. This equates to an overall Fund expenditure delivery rate of 26%.

Table 5. Net Funded Amount, Reported Expenditure, and Financial Delivery by Participating Organization, as of 31 December 2013 (in US Dollars)*

Participating Organization	Approved Amount	Net Funded Amount	Expenditure			Delivery Rate %
			Prior Years as of 31-Dec-2012	Current Year Jan-Dec-2013	Cumulative	
FAO	808,059	808,059		221,183	221,183	27.37
UNDP	1,234,202	1,234,202		394,413	394,413	31.96
UNEP	305,485	305,485				0
Grand Total	2,347,746	2,347,746		615,597	615,597	26.22

5.3 EXPENDITURE BY PROJECT

Table 5 displays the net funded amounts, expenditures reported and the financial delivery rates by Participating Organization.

Table 5. Expenditure as of 31 December 2013 (in US Dollars)

Country / Project No.and Project Title		Participating Organization	Approved Amount	Net Funded Amount	Expenditure	Delivery Rate %
Viet Nam						
00087425	Operationalizing REDD+ in Viet Nam	FAO	808,059	808,059	221,183	27.37
		UNDP	1,234,202	1,234,202	394,413	31.96
		UNEP	305,485	305,485		0
Viet Nam Total			2,347,746	2,347,746	615,597	26.22
Grand Total			2,347,746	2,347,746	615,597	26.22

5.4 EXPENDITURE REPORTED BY CATEGORY

Project expenditures are incurred and monitored by each Participating Organization and are reported as per the agreed categories for inter-agency harmonized reporting. In 2006 the UN Development Group (UNDG) established six categories against which UN entities must report inter-agency project expenditures. Effective 1 January 2012, the UN Chief Executive Board (CEB) modified these categories as a result of IPSAS adoption to comprise eight categories. All expenditures incurred prior to 1 January 2012 have been reported in the old categories; post 1 January 2012 all expenditures are reported in the new eight categories. The old and new categories are noted to the right. Table 6 reflects expenditure reported in the UNDG expense categories. Where the Fund has been operational pre and post 1 January 2012, the expenditures are reported using both categories. Where a Fund became operational post 1 January 2012, only the new categories are used.

In 2013, the highest percentage of expenditure was on Equipment, Vehicle, Furniture and Depreciation 39%. The second highest expenditure was on Contractual Services 37%.

2012 CEB Expense Categories	2006 UNDG Expense Categories
1. Staff and personnel costs	1. Supplies, commodities, equipment & transport
2. Supplies, commodities and materials	2. Personnel
3. Equipment, vehicles, furniture and depreciation	3. Training counterparts
4. Contractual services	4. Contracts
5. Travel	5. Other direct costs
6. Transfers and grants	6. Indirect costs
7. General operating expenses	
8. Indirect costs	

Table 6. Expenditure by UNDG Budget Category, as of 31 December 2013 (in US Dollars)*

Category	Expenditure			Percentage of Total Programme Cost
	Prior Years as of 31-Dec-2012	Current Year Jan-Dec-2013	Total	
Supplies, Commodities, Equipment and Transport (Old)	-	-	-	
Personnel (Old)	-	-	-	
Training of Counterparts (Old)	-	-	-	
Contracts (Old)	-	-	-	
Other direct costs (Old)	-	-	-	
Staff and Personnel Cost (New)	-	9,481	9,481	1.65
Suppl, Comm, Materials (New)	-	1,067	1,067	0.19
Equipment, Vehicle, Furniture, Depreciation (New)	-	226,425	226,425	39.38
Contractual Services (New)	-	213,707	213,707	37.17
Travel (New)	-	48,736	48,736	8.48
Transfers and Grants (New)	-	-	-	
General Operating (New)	-	75,560	75,560	13.14
Programme Costs Total	-	574,976	574,976	100.00
Indirect Support Costs Total	-	40,620	40,620	7.06
Total	-	615,597	615,597	

Indirect Support Costs: The timing of when Indirect Support Costs are charged to a project depends on each Participating Organization's financial regulations, rules or policies. These Support Costs can be deducted upfront on receipt of a transfer based on the approved programmatic amount, or a later stage during implementation.

Therefore, the Indirect Support Costs percentage may appear to exceed the agreed upon rate of 7% for on-going projects, whereas when all projects are financially closed, this number is not to exceed 7%.

6. COST RECOVERY

Cost recovery policies for the Fund are guided by the applicable provisions of the Terms of Reference, the MOU concluded between the Administrative Agent and Participating Organizations, and the SAAs concluded between the Administrative Agent and Contributors, based on rates approved by UNDG.

The policies in place, as of 31 December 2013, were as follows:

- The Administrative Agent (AA) fee: 1% is charged at the time of contributor deposit and covers services provided on that contribution for the entire duration of the Fund. As of 31 December 2013, US\$ 89,000 has been charged in AA fees.
- Indirect Costs of Participating Organizations: Participating Organizations may charge 7% indirect costs. In the current reporting period US\$ 40,620 was deducted in indirect costs by Participating Organizations. Cumulatively, indirect costs amount to US\$ 40,620 as of 31 December 2013.

7. ACCOUNTABILITY AND TRANSPARENCY

In order to effectively provide fund administration services and facilitate monitoring and reporting to the UN system and its partners, the MPTF Office has developed a public website, the MPTF Office Gateway (<http://mptf.undp.org>). Refreshed in real time every two hours from an internal enterprise resource planning system, the MPTF Office Gateway has become a standard setter for providing transparent and accountable trust fund administration services.

The Gateway provides financial information including: contributor commitments and deposits, approved programme budgets, transfers to and expenditures reported by Participating Organizations, interest income and other expenses. In addition, the Gateway provides an overview of the MPTF Office portfolio and extensive information on individual Funds, including their purpose, governance structure and key documents. By providing easy access to the growing number of narrative and financial reports, as well as related project documents, the Gateway collects and preserves important institutional knowledge and facilitates knowledge sharing and management among UN Organizations and their development partners, thereby contributing to UN coherence and development effectiveness.