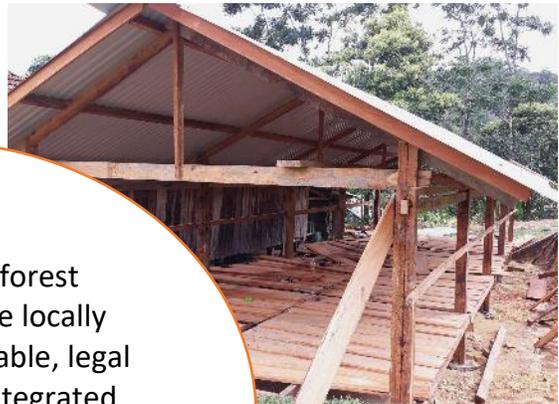


BRIEFING

Integrated PFES, REDD+ and FLEGT/VPA system at subnational level



At the site level, forest monitoring must be locally appropriate, sustainable, legal and feasible. This integrated monitoring tool identifies and combines essential metrics of REDD+, PFES and FLEGT-VPA into a single, viable system.



Key messages:

- Site-based or local forest monitoring is a requirement under regulations of various state entities. It is also essential to provide data and information to local decision makers in concurrent management of three initiatives that aim to improve forest management and advance sustainable development. These initiatives are: a Payment for Forest Environmental Services (PFES) scheme; reducing emissions from deforestation and forest degradation and conservation, sustainable forest management and enhancement of carbon stocks in developing countries (REDD+); and a Voluntary Partnership Agreement (VPA) on Forest Law Enforcement, Government and Trade (FLEGT) with the European Union. Monitoring tools developed by NGOs or other government counterparts can be independent and additional but they can only complement, not replace, the government's data requirements.

- Additional monitoring of REDD+, PFES and VPA should be integrated with and based on the current statistical forestry sector reporting system rather than introducing whole new systems. Improvement, modification and synergy are essential to avoid redundancies and create an effective operating system able to meet all forestry objectives, both mandatory statistics and additional monitoring needs of REDD+, PFES and VPA.

Introduction

Contributing to the fundamental goal of improved forest management and sustainable development, Vietnam concurrently implements three initiatives: PFES, REDD+, and FLEGT/VPA.

These initiatives are at different stages of development. PFES, which transfers revenues from hydropower, municipal water and ecotourism companies to households in protection forest areas, is operational and enshrined in the Forestry Law. Vietnam became the first Asia-Pacific country to complete the Warsaw Framework for REDD+ and has a revised, strengthened National REDD+ Action Plan. Several REDD+ projects at the local level, which also involve carbon credit payment through the voluntary carbon markets, are already in the implementation phase. Vietnam's VPA with the EU, which aims to combat illegal logging and promote legal timber trade, came into force in 2019. Vietnam is now working on regulations needed to implement the country's timber legality assurance system.

The three initiatives have evolved relatively independently from each other. They are supported by domestic (PFES) or international (REDD+ and FLEGT/VPA) efforts, are catalysed by different underlying drivers and facilitated by diverse stakeholders. Each operates under separate legal mandates, uses different mechanisms for implementation, and have developed autonomous monitoring and reporting requirements.

However, despite their independent origins, there is substantial overlap in the data needs of these initiatives. These include, for example, information on land tenure or resource access rights, benefit sharing, forest governance, social safeguards, sustainable management of forest resources and biodiversity conservation. Given these overlaps, maintaining different monitoring systems for REDD+, PFES and VPA/EU-FLEGT may lead to inefficiencies, particularly at the local or site level. Limited capacity and human resources on the ground might make it difficult and costly to gather and process all the required data for each initiative, especially when the different monitoring systems (both mandatory and independent) are not coordinated.

Between November 2018 and January 2021, Fauna & Flora International (FFI) Vietnam Programme, with support from the European Forest Institute (EFI)'s EU REDD Facility, initiated a pilot scheme to develop a local level integrated monitoring system (herein after 'the tool') for REDD+, FLEGT and PFES to support improved monitoring, reporting and decision making in the forestry sector in Vietnam. Piloting, or field-testing, of the proposed tool was conducted in three villages in Hieu Commune, Kon Plong District, Kon Tum Province. The learning from this pilot can

inform further scaling and replication of such a system, involving wider stakeholders, in Vietnam and beyond.

Approach

The proposed monitoring system was developed by identifying key indicators within PFES, REDD+ and the FLEGT/VPA, and removing any overlaps or redundancies. The selected indicators were then aligned with the mandatory forest statistics reporting system, rather than establishing a completely new and potentially incompatible one. For PFES, the monitoring requirements found in Vietnamese laws and regulations were reviewed. For REDD+, the review covered the monitoring requirements under the Forest Carbon Partnership Facility, the United Nations Framework Convention on Climate Change (including the Cancun Agreement on safeguards), as well as the Plan Vivo and combined Community, Biodiversity and Carbon & Verified Carbon Standard standards for voluntary REDD+ projects. For FLEGT, the emerging VPA monitoring and related forest governance monitoring framework was reviewed.

The first draft of the proposed monitoring indicators was discussed during several meetings and small workshops at the subnational level (in Hieu Commune and Kon Plong District), as well as at a large, multistakeholder workshop in Hanoi. As a result of the review and subsequent consultations, a total of 51 monitoring indicators were selected and categorised into four monitoring requirements, as follows:

- Specific PFES and payment for ecosystem services (PES) financial flows: 14 indicators for monitoring the income sources, the payments and use of funds.
- Safeguards under REDD+, PFES and FLEGT/VPA: 15 indicators for monitoring the development of the programme/project safeguards (for example, in terms of application of Free, Prior and Informed Consent) and its operations/effectiveness.
- Implementation monitoring: seven indicators for monitoring programme/project activities, law enforcement (in forest protection and timber harvesting, transport, purchase and process), livelihood support (benefits) and grievance redress/management.
- Impact monitoring: 15 indicators for monitoring the impacts of programme/project, in terms of carbon, biodiversity, and social and institutional/legal context.

A data collection system for these indicators was developed and tested during a six-month period in Hieu Commune. Hieu was selected as FFI had been developing a REDD+ pilot project in the commune since 2011. The project in Hieu was certified by Plan Vivo in December 2020. All identified indicators were field-tested, except several at the larger-impact level (for example, socioeconomic indicators that require longer term monitoring). To facilitate the field-testing, templates for paper-based data collection and Excel sheets for data input were developed. FFI conducted training and discussion sessions for local partners, including the Forest Protection and

Development Fund (FPDF) office, the Kon Plong Sub-Forest Protection Department (FPD), the State Forest and Water Protection Forest owners/managers, and community members.

After the testing period, another iteration of the tool was developed, incorporating the feedback from the field tests and a national-level workshop. This process culminated in refined data collection templates for the 16 selected monitoring indicators. In addition, a Google Form version was developed to supplement the excel/paper-based version of data collection templates.

Table 1: Development stages of the pilot integrated monitoring system

Stage/No.	Activities
1.	<i>Design stage</i>
1.1	Literature review of the legal framework/monitoring and evaluation in PFES, REDD+ and FLEGT/VPA
1.2	Pre-selection and formulation of the monitoring indicators
1.3	Consultation workshops at the national and provincial levels
1.4	Selection of the monitoring indicators
2.	<i>Field implementation stage</i>
2.1	Technical trainings for local partners on PFES, REDD+ and FLEGT/VPA, the monitoring framework and toolset
2.2	Technical trainings for communities and Commune People's Committee (CPC)/on-field rangers on multi-purpose forest patrol/monitoring
2.3	Field-testing of data collection and management protocols
2.4	Final pilot review and workshop to refine indicators

Monitoring tool

The integrated REDD+, PFES and FLEGT/VPA monitoring tool was designed to be realistic, viable, legal and sustainable. The design and testing processes also considered three key criteria: already collected data; capacity of local forest owners, managers and data collectors; and indicators that are essential to, unique to, and/or cross-cutting among REDD+, FLEGT/VPA and PFES according to consulted stakeholders. The numerous indicators created for these initiatives, along with the government's legally required metrics to inform forest statistics, were pooled and assessed against these criteria.

Box 1: Requirements for PFES, REDD+ and FLEGT/VPA monitoring at subnational level	
	Key monitoring requirements
Environmental service market	Payment sources (REDD+, PFES and state-funded programmes)
	Payment
	Use of payment revenue
Implementation	PFES, REDD+, FLEGT/VPA activities (awareness raising, capacity building, forest patrol, plantation, forest enrichment, etc.)
	Forest violation/level of law enforcement in forest protection
	Forest violation/level of law enforcement in timber harvesting, transport, purchase and processing
	Livelihood improvement
	Grievance management
Impact	Income and well-being improvement
	Policy and legal framework
	Forest change
	Carbon change
	Biodiversity change

As a result of this process, the indicators under the safeguards monitoring requirement were no longer considered. Safeguards monitoring for REDD+, PFES and state-funded programmes is in essence verification and validation of Project Design Development (PDD) at the design phase and therefore excluded from this monitoring system. In the end, it was decided the monitoring framework should focus only on three main areas, 15 monitoring requirements (see Box 1), and 36 indicators, as follows:

- Environmental services payments (three monitoring requirements and nine indicators, see Table 1)
- Implementation process (seven monitoring requirements and 13 indicators, see Table 2)
- Programme/project impact (five monitoring requirements and 14 indicators, see Table 3)

Table 2: Monitoring of environmental services payment and state-funded programmes

Monitoring requirements	Monitoring indicators	Data source/Monitoring tools
PES sources (PFES, REDD+ or state-funded programmes)	Amount and percentage of payments annually gathered from different sources, further categorised by PES users (water supply company or hydropower plant) and state programmes	Annual payments scheduled by FPDF
	Total amount of payments annually paid to	Annual payments

	different forest owners, categorised by PES users (company or hydropower plants) and state programmes	scheduled by FPDF
	Number and percentage of carbon credits annually certified and sold, categorised by different forest owners	Annual reports by project coordinator
	Forest area, boundaries and location (block, apartment and plot) paid, categorised by payment sources and forest owners	Data and maps by FPDF and state forest owners
	Percentage of forest area and boundaries of totally planned forest area paid from all the different payment sources	Data analysis and GIS mapping
Payment amount	Income per ha (VND) for different forest areas and boundaries	Data analysis and GIS mapping
	Income per household (VND) for different villages and communes	Data analysis and GIS mapping
Allocation and use of the payment revenues (applied for REDD+ only)	Amount and percentage of payments annually used for different purposes as per the benefit-sharing mechanism	Commune Forest Management Board record book Annual reports by project coordinator
	Total amount of payments and percentage of PES earmarked for livelihood development (through microfinancing initiatives such as bank loans) spent for livelihood development, categorised by forest owners/communities	Annual reports by project coordinator

Table 3: Monitoring of the implementation process

Monitoring requirements	Monitoring indicators	Data sources/Monitoring tools
Awareness raising	Number and percentage of households that participated	Village meeting minutes
Capacity building	Number and percentage of households that participated	Activity report by project/programme (training, study tour, etc.)
Forest violations/	Percentage of violation cases sanctioned by CPC or on-site forest rangers, categorised by	Forest patrol sheet

level of compliance with legal regulations in forest protection	forest owners and administrative units	Violation minutes Sanctioning decision
	Percentage of violation cases sanctioned by District People's Committee or SubFPD, categorised by forest owners and administrative units	Sanctioning decision
	Percentage of criminal cases sanctioned by local courts	Sanctioning decision
Forest violations/levels of compliance with legal regulations in timber harvesting, transport, trade and processing	Percentage of timber processing enterprises that are fully compliant with regulations	Periodical check minutes by SubFPD
	Volume and percentage of timber harvested from natural and plantation forests from different sources with legal dossiers, categorised by forest owners and administrative units	Timber packing list Periodical check minutes by SubFPD
	Percentage of timber processing enterprises that use legal timber Percentage of processed timber that is legal (m ³)	Periodical check minutes by SubFPD
	Volume and percentage of non-timber forest products collected from natural and plantation forests, categorised by forest owners and administrative units	Packing list Village meeting minutes
Dispersed tree planting	Number of trees planted dispersedly, categorised by tree species, forest owners and administrative units	Scheme and report by forest owners
Livelihood development	Increase in scale (amount or area) of sustainable livelihoods and percentage of participating households	Annual report by REDD+ project coordinator
	Increase in scale (amount or area) of alternative livelihoods and percentage of participating households	Annual report by REDD+ project coordinator
Grievance management	Number and percentage of grievances that are fully resolved, categorised by PFES,	Record books by forest owners or CPC/on-site forest rangers and

	REDD+, FLEGT and other state-funded programmes	REDD+ Project Coordinator
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Table 4: Monitoring of the programme/project impact

Monitoring requirements	Monitoring indicators	Data sources/monitoring tools
Forest	Change in forest cover (percentage)	Remote sensing/Global watch analysis combined with ground-truthing data
	Percentage increase in acreage of planted forest tended, categorised by forest owners and administrative units	Plantation plan by forest owners; Forest patrol sheets
	Percentage increase in acreage of regeneration/restoration forests, categorised by forest owners and administrative units	Forest nourishment and enrichment plan by forest owners; Forest patrol sheets
	Percentage decrease in acreage of natural forest due to forest clearance and natural disasters, categorised by forest owners and administrative units	Forest patrol sheets
Forest carbon	Change in carbon stock (percentage)	Remote sensing/Global watch analysis combined with ground truthing data
	Decrease in GHG emissions (tCO ₂ eq/year)	Remote sensing/Global watch analysis combined with ground truthing data
Biodiversity	Frequency of indicator animal species appearance (grey-shanked douc langur and other primates)	Forest patrol sheets
	Status of indicator plant species (<i>Cinnamomum balansae</i> , <i>Magnolia spp.</i> , <i>Taxus wallichiana</i>)	Forest patrol sheets
	Frequency of human activities that create a disturbance to wildlife habitat	Forest patrol sheets
Income and	Percentage of poor households	Commune statistical data

well-being	Percentage of households with improved living conditions, categorised by village and commune (community criteria)	Assessment report of REDD+ project coordinator
	Percentage of households with increased income, including monetary and non-monetary income (assets identified according to state inventory)	Assessment report of REDD+ project coordinator
Institutions and policies	Number of responses or grievances about policies and legal frameworks, categorised by programme/project (REDD+, PFES, FLEGT, state assistance and forest governance programmes)	Meeting minutes; grievance record books of forest owners, FPD, REDD+ project coordinator

To accompany these indicators, 15 templates for data collection were developed. The templates were also refined following the pilot in Hieu commune. The templates were initially developed for paper-based data collection, but subsequently adapted to Google Forms, with corresponding database in Google Sheets. The use of a web-based, simple, user-friendly database and reporting system will allow for a more seamless integration with the Government’s Forest Management Information (FORMIS) system.

The data collected by forest rangers, government officials, community members and CSOs, will be entered into a single database managed by local FPDs. The database can then be analysed and synthesised for different purposes (such as PFES, REDD+ and FLEGT/VPA reporting).

Lessons learnt and recommendations

At the local level, the mandatory forest reporting system is used to provide data for state forest statistics according to the 2015 Statistics Law. Data on forest development, yield of timber and non-timber forest products, forest protection and violations, and forest cover and environmental services are collected by forest owners and forest rangers and submitted to the Forest Protection Sub-Department (at the district level). Using the submitted data, the Department periodically prepares and submits operational reports (and sometimes urgent situational reports) to the District People’s Committee and the provincial-level FPD.

Stakeholders consulted during the development of this monitoring framework noted the challenges faced in the current forest reporting system. For example, during forest patrols, most livelihood-related behaviours (forest clearance, tree felling and hunting) are legally regarded as violations, but generally ignored by villagers/community rangers and staff of state forest organisations. Moreover, if a series of such violations are recorded/reported together, with forest damage measured and evidenced, the data would be regarded as ‘sensitive’ because it

reflects ineffectiveness of forest protection actions and goes against the policies of the logging ban and performance-based ecosystem benefits (forest protection contracts). Consequently, it is challenging to use existing data to estimate forest degradation and carbon stock estimation, for example, for calculation of yearly payments. Further, patrols and data collection remain irregular, as are the managerial checks, with insufficient oversight and few adjustments if errors are recorded.

On the other hand, data specific to REDD+, PFES or FLEGT/VPA monitoring can be collected by different actors under different data collection procedures, which unfortunately often lead to overlapping and inconsistent data for certain localities. They also come from both primary sources, such as forest patrol sheets, and secondary sources, such as PFES payment plans or announcements, meeting minutes, lists of training participants and impact assessment reports. When oversight is weak, the monitoring is also prone to errors.

Reflecting on the current data reporting situation, stakeholders prefer to consolidate the collection of 'additional' data with the current statistical reporting system. They note, however, the importance of increasing the quality of periodical reports by ensuring that the submitted data is sufficient and accurate. An integrated data collection for various purposes is therefore an opportunity to improve forest monitoring systems at the local level. The locally managed integrated database will not only benefit each geography-specific programme/project but can be fed into the national database as needed.

Stakeholders also note that combining mandatory and additional data, instead of creating a new system, will help minimise the need for human resources, costs and time, in preparation/training and operationally. Adding REDD+, PFES and FLEGT/VPA monitoring functions to the current system does not create significantly more work or pressure. However, it does require improving the quality rather than quantity of human resources. Data collection and reporting are mandatory for forest owners. They are paid to carry out these tasks under PFES and state-funded programmes. With additional investment, funds could be earmarked for advanced database development, technological device procurement (smartphones) and capacity building.

Overall, such an integrated monitoring system should be piloted at a larger scale (such as a cluster of communes or even district-wide) and at least for one year to sufficiently assess its impact and ensure high performance of all monitoring indicators. Given the small and focused nature of this project and the piloting phase in Hieu, it was difficult for data collectors to conduct widespread

and long-term patrol duties, especially with limited technological equipment (GPS and smartphones). Hence, financial support should be secured for equipment and technical capacity building, especially the development of a data management and reporting system for the local FPD sector and forest owners.

Fundamental to such an integrated monitoring system is an advanced and user-friendly database management and reporting software (Excel- or Internet-based) from which reports can be exported if necessary. Such an integrated system could be integrated into the national FORMIS system, as already explored but not finalised via the Google Form and Google Sheets. Options for an app-based version of the tool can also be considered. Further, a plug-in that could link the integrated tool to the well-established Spatial Reporting and Monitoring Tool (SMART) for ranger-based patrol data collection and reporting can be developed. Above all, such a system would be very useful if made accessible to a wide audience including environmental services buyers and sellers, managers or technicians, researchers, etc. If so, local decision makers would be provided with useful feedback or scientific recommendations from studies of the monitoring system.

Crucially, forest patrol is both a programme/project activity and a monitoring activity, providing essential data for monitoring at the implementation and impact levels. Therefore, the effectiveness of both the programmes/projects and of the monitoring largely depends on this activity. It is recommended that at the implementation level, forest patrol activity be improved, taking into account feasibility. Locally, guidelines on forest patrol and management, including monitoring and violation resolution, should be developed. Capacity-building activities can also be conducted to reduce the amount of inadequate, inaccurate and unreliable data.

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