Darwin Initiative: Half Year Report

(due 31 October 2010)

Project Ref No 17-015

Project Title Harnessing Carbon Finance to arrest deforestation: Saving the Javan

rhinoceroses

Country(ies) Vietnam

UK Organisation International Institute for Environment & Development (IIED)

Collaborator(s) SNV – The Netherlands Development Organisation

Project Leader Maryanne Grieg-Gran

Report date 25 October 2011

Report No. HYR 3

Project website http://www.iied.org/sustainable-markets/key-issues/environmental-

economics/harnessing-carbon-finance-arrest-deforestation;

http://www.snvworld.org/en/regions/asia/ourwork/Pages/Cat%20Tien.aspx

1. Outline progress over the last 6 months (April – September) against the agreed baseline timetable for the project (if your project has started less than 6 months ago, please report on the period since start up).

Progress on two key elements of the national REDD+ architecture namely: benefit distribution system (BDS) and participatory forest monitoring (PFM) has been made.

(i) Benefit Distribution System and local fund management:

A study setting out draft guidelines for the operation of a local fund for the disbursement of REDD+ payments under a national scheme has been produced. This is now informing the development of a national BDS design under the UN-REDD programme. This study (Output 4) drew from meetings conducted (throughout August and September 2011) by local advisors for SNV with relevant national, provincial, district and commune agencies, in addition to focus group discussions with villagers, within the project landscape. This included consultation with 81 households in Loc Bao, Tien Hoang and Dong Nai Thuong communes.. An IIED paper reviewing the lessons for benefit distribution systems for REDD+ in Vietnam from the international experience with payments for environmental services schemes, integrated conservation and development programmes and food for work programmes has been drafted and will be completed and made available for the upcoming UNFCCC COP17 in Durban.

(ii) Participatory Forest Monitoring:

A draft operational framework has been prepared for the participatory forest monitoring, with an initial focus on carbon, and will move into operational design and field testing stages in the second half of project year three. PFM work (Outputs 2 and 3) has expanded in scope from initial participatory carbon monitoring (PCM) focus to embrace a broader purpose of local adaptive management and national (including REDD+) information needs. A team of national advisors to SNV have been secured comprising: a forest inventory and planning specialist from the Ministry of Agriculture & Rural Development; a forestry expert from the Forest Science Institute of Vietnam and a community participation specialist.

(iii) Communicating project outputs

The BDS and PFM elements of the project have been profiled (Output 5) at a number of national and subnational fora such as the national REDD+ technical sub-working groups on: BDS, local implementation and monitoring, and reporting and verification. Further project visibility opportunities, including communicating project outputs with practitioners and policy makers at the upcoming UNFCCC COP17 in Durban, have been identified for the second half of PY3.

2. Give details of any notable problems or unexpected developments that the project has encountered over the last 6 months. Explain what impact these could have on the project and whether the changes will affect the budget and timetable of project activities.

The BDS work has incurred some minor delays (< 1 month) due to technical advisor rescheduling. PFM model development has been delayed by four weeks due to unavoidable and unforeseen unavailability of the technical advisory team leader (civil servant who was dispatched on party political training at short notice). Operational designs and field testing are now programmed for late 2011.

The revised strategic direction of the project, communicated in the PY2 annual report, of aligning with an interim national REDD+ fund instead of pursuing a voluntary carbon market project, has met with some delay. The proposed interim national REDD+ fund, up to USD 100 million of Norwegian bilateral investment, through the UN-REDD Phase II is still under development. SNV are part of the UN-REDD Phase II drafting team and are technically contributing in the areas on BDS and PFM, based on this project's experiences.

Largely as a consequence of delayed PFM interventions, budget drawdown for the first half of PY3 has been < 50 %, but expenditure is expected to accelerate in the third quarter of the project year with the onset of PFM activities in the field.

Have any of these issues been discussed with LTS International and if so, have changes been made to the original agreement?
Discussed with LTS: no/ yes , in (month/yr)
Formal change request submitted: no/ yes , in(month/yr)
Received confirmation of change acceptance no/yes in(month/yr)

3. Do you expect to have any significant (eg more than £5,000) underspend in your budget for this year?
Yes □ No ⊠
If yes, and you wish to request a carryforward of funds, this should be done as soon as possible. It would help Defra manage Darwin funds more efficiently if you could give an indication of how much you expect this request might be for.
Estimated carryforward request: £

4. Are there any other issues you wish to raise relating to the project or to Darwin's management, monitoring, or financial procedures?

If you were asked to provide a response to this year's annual report review with your next half year report, please attach your response to this document.

Please note: Any <u>planned</u> modifications to your project schedule/workplan or budget should <u>not</u> be discussed in this report but raised with LTS International directly.

Please send your **completed form by email** to Eilidh Young at <u>Darwin-Projects@ltsi.co.uk</u>. The report should be between 1-2 pages maximum. <u>Please state your project reference number in the header</u> of your email message eg Subject: 17-075 Darwin Half Year Report