



People, forests, and climate change mitigation

VIETNAM: WHY REDD+ NEEDS LOCAL PEOPLE

With much of Vietnam's forest area already actively managed by local people, and given Vietnam's early engagement in REDD+ readiness initiatives, the country is emerging as a global leader in community-led climate change mitigation in the forest sector. To do so, however, a number of critical issues still need to be addressed. Here we outline why the active engagement of local communities and indigenous peoples is so crucial, and what challenges still need to be overcome. We then summarize the critical actions required to ensure the future success of Vietnam's REDD+ program.

Key Messages

Local people are essential to the success of REDD+ in Vietnam.

Vietnam's ability to conserve or enhance carbon stocks, and earn REDD+ carbon credits will depend heavily on forest management practices at community level.

Forest areas under community management have great potential for reducing emissions.

Community forest restoration will make a significant contribution to REDD+.

REDD+ can contribute to poverty alleviation and democratic participation.

International investments will include social safeguards at every stage of REDD+ planning and implementation. But a well-designed REDD+ scheme in Vietnam could go further by ensuring that local people capture a significant share of overall benefits and participate in decision making.

Critical actions can be taken now to accelerate progress, and ensure that local people fully realize their potential role in REDD+.

Expanding forest allocation to communities, securing their rights, and ensuring that transaction and implementation costs are minimized in a performance-based system are all ways to encourage communities to contribute to the success of REDD+.



PROGRESS ON REDD MADE AT COPENHAGEN

Although the international community failed to reach a binding REDD agreement at the end of 2010, this was due to the lack of wider agreement on emission reduction targets and financing mechanisms. Negotiations on the overall climate change agreement, and a specific agreement on REDD continue.

A number of key issues are extremely likely to be part of REDD when it is finally agreed. These include:

- Expanding the scope of REDD to REDD+, to embrace forest operations that *do more good*, as well as those that *do less harm*
- Articulating key environmental and social safeguards that include:
 - *No conversion of natural forests to plantations*
 - *Reference to the UN Declaration of Rights on Indigenous Peoples (UNDRIP)*
 - *Full and effective participation of local people in planning and implementation*

The following issues still need to be resolved:

- REDD+ financing and benefit sharing
- Methodologies for monitoring, reporting, and verification (MRV)
- Speed, scale, and strategy for implementation

VIETNAM, REDD+, AND LOCAL PEOPLE

With local people already playing a significant role in managing Vietnam's forests, the future success of REDD+ depends heavily on their active engagement. Degraded forests under community management offer great potential to deliver the carbon stock increases so urgently needed for climate change mitigation.

While negotiations on REDD+ (and a wider climate change agreement) continue, Vietnam is forging ahead with its preparations. Under the UN-REDD program, a pilot project in Lam Dong province is already testing REDD+ mechanisms and strengthening capacities at the sub-national level.

In order for local people to engage actively, REDD+ must provide them with clear and fair benefits, and make sure they are able to participate throughout decision-making and implementation processes. The international REDD+ mechanism will include several social safeguards designed to ensure this.

However, the Government of Vietnam has the potential to develop a national REDD+ mechanism that goes further to address some of the country's most pressing social needs. For example, a well-designed program could contribute to the national poverty reduction strategy as well as to the national policy on democratic participation.

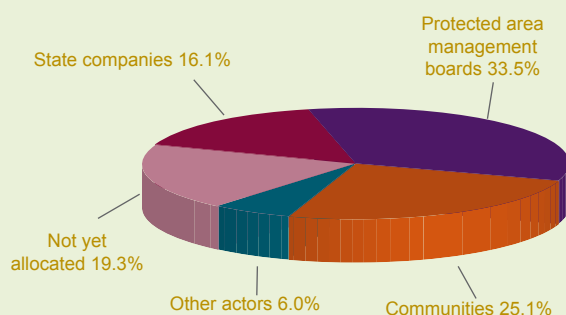
Why local people are essential

Outside of protected area management boards, local people are the largest forest tenure group in Vietnam. Forests held under local tenure, either by households or communities, amount to a total of around 3.3 million hectares – over a quarter of the country's total forest area. A further 19% of forest area, some 2.6 million hectares, is under the temporary management of communal authorities, but is expected to be partially or wholly allocated to local people.

With these numbers, there is no doubt local people have a vital role to play in forest management; they will be an essential partner in REDD+ implementation.

Local people will be directly responsible for delivering reduced deforestation and forest degradation results in the areas under their control. Their management will be essential to realize the potential to maintain and possibly enhance carbon stocks, as well as provide a cost-effective means to monitor and verify changes.

Forest ownership in Vietnam



Source: <http://www.kiemlam.org.vn>

Great potential for active contribution

As most forest areas allocated to local people are relatively poor in quality, they have greater potential for rapid carbon stock increases than do better-quality forests such as those predominant in protected areas. As REDD+ includes the enhancement of forest carbon stocks, reforestation and forest restoration by communities will make a significant contribution to the removal of greenhouse gases.

Community monitoring can be a cost-effective alternative (and supplement) to intensive forest inventories conducted by external experts. Experience from community-managed forests in Nepal and India shows that with basic training, local people can assess changes in carbon stocks in their forests.¹ The results of such accounting can be reported to state agencies responsible for further calculations at higher levels (e.g. district or provincial). In a national REDD+ program, where ground measurements of forest biomass must be carried out on a regular basis across the country, monitoring by local people provides an efficient and relatively inexpensive way of collecting data.

Although many communities have rights to manage forestland, community forestry is not yet formalized on a large scale. The 'package' of procedures and institutions required for this has already been designed. It includes village forest regulations, benefit-sharing procedures, community-based law enforcement, and community forest management and protection funds. Several projects have successfully demonstrated that collaboration between state agencies and local people, a key tenet of community forestry, can improve forest management. Experience also shows that local forest resources are often better protected and managed by communities than by State Forest Companies² or protected area management boards, despite considerable subsidies and support from the State to the latter.

Quality of forest allocated to communities under CFM Pilot Project

	Area (ha)	Percent
Bare land	2,383	14.1%
Poor forest	10,411	61.7%
Medium forest	1,735	10.3%
Rich forest	242	1.4%
Mixed timber-bamboo	2,004	11.9%
Plantation	88	0.5%
Total	16,863	100%

Source: adapted from Community Forestry Pilot Program

Going beyond social safeguards – adding value to REDD+ in Vietnam

Although social and environmental safeguards for REDD+ are not yet finalized, they were a key element of the Copenhagen negotiations. For the Government of Vietnam to receive REDD+ finance from the international community, local people must be involved at every stage of planning and implementation. Their direct and transparent involvement is essential to build trust and confidence, and thus is an essential prerequisite for REDD+ to succeed.

In addition to delivering forest data and results, local people's engagement in REDD+ also offers an opportunity to help address pressing social issues. Income from REDD+ could make an important contribution to poverty reduction among forest-dependent people. Data from Nepal indicates that at a carbon price of \$US5 per tonne, revenue from forest carbon for local people may comprise some 30% of the net financial benefits from the forests they manage.³ During the past fifteen years, Vietnam has made significant progress in reducing poverty nationally, but much less in tackling rural poverty. The financial benefits from REDD may provide much-needed supplementary income to rural people whilst enabling them to manage, and live in harmony with, their forests.

Globally, the mechanism for delivering financial benefits to local people remains to be developed. However, the Government of Vietnam is one of the first to take concrete steps towards developing an equitable and cost-effective benefit distribution system.⁴

Importantly, complementary payments to local people will be needed before performance-based payments are received at the national level. They would therefore be an important element of readiness activities funded under UN-REDD and other mechanisms. These payments should be independent of the revenue generated by the achievement of future REDD+ targets, and instead focus on directly paying local people for monitoring work and other tangible activities that contribute to REDD+ readiness.

¹ *Reducing Carbon Emissions through Community-managed Forests in the Himalayas*, Banskota K, B.S., Karky and M. Skutsch, ICIMOD 2007

² For example, see *The Local Outcomes of Forest Devolution: Evidence from Dak Lak*, Tran, T. N., Nguyen, T. Q., and Sikor, T. August 2003

³ *The Cost of Carbon Abatement Through Community Forest Management in Nepal Himalaya*, B. Karky and M. Skutsch, March 2009

⁴ *Design of a REDD Compliant Benefit Distribution System for Vietnam*, UNREDD Program, January 2010

Involving local people in REDD+ is aligned with the Government of Vietnam's democratic participation policy,⁵ which emphasizes their rights to be informed and consulted, and to participate in decision-making processes.

In addition, their active participation will help ensure that social safeguards for REDD+ are realized. One frequently voiced concern is that REDD+ may lead to rights violations of poor and marginalized groups. Their meaningful engagement, including securing Free, Prior and Informed Consent (FPIC) at every stage of the process, will be an important indicator that local people's rights are being respected and their interests, needs, and aspirations met.

THE WAY FORWARD: TOWARDS FULL COMMUNITY PARTICIPATION IN REDD IN VIETNAM

There are a number of critical actions the Government of Vietnam can take to accelerate progress and overcome challenges to ensure that local people are able to play a full and active role in the success of REDD+ in Vietnam.

- *Providing secure rights to forests:* For local people to benefit from REDD+, secure and strong rights to forests are a pre-requisite. Above all, local people holding rights to forestland need to be certain that they will share in the benefits derived from their contribution to improving forest management.
- *Accelerating the allocation of forestland:* The Government of Vietnam needs to speed up the transfer of unallocated forest to local people. Currently, almost one out of five hectares remains in legal limbo. Rapid allocation could boost community forestry to almost double the current area within a few years.
- *Effectively enforcing the law:* For REDD+ to work effectively, the legal framework needs to apply to all forest owners in the same way. Law enforcement has to recognize the rights of local people as much as the rights of other forest managers.
- *Clarifying the functions of state agencies:* A clear separation between the state agencies managing forests and monitoring forest management performance is required. The state agencies competing with local people for REDD+ funds must be different from those in charge of monitoring and law enforcement.
- *Minimizing transaction costs:* Forests managed by local people are often small in size. The bundling of community forests at the commune or district level should be considered to reduce costs and ensure equitable benefits.
- *Providing interim incentives for local communities:* Until performance-based payments are disbursed through REDD+, interim support must be available. This support may come in two forms: advance payments (e.g. conditional savings books), or direct payments to local people for their contribution towards REDD+ readiness such as regular, simple forest inventories and forest restoration activities.

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Nguyen Quang Tan is RECOFTC's Country Program Coordinator in Vietnam.

Thomas Sikor is a Reader in Development Studies at the University of East Anglia

Ben Vickers is a Senior Program Officer at RECOFTC and its Climate Change Focal Point

Thomas Enters is Senior Manager of RECOFTC's Regional and Country Analysis and Support Unit

⁵ Decree 29/1998/ND-CP dated 15 May 1998 and Ordinance 34/2007/PL-UBTVQH11 dated 20 April 2007



RECOFTC

PO Box 1111, Kasetsart Post Office

Bangkok 10903, Thailand

Tel: +66 (0)2 940 5700

Fax: +66 (0)2 561 4880

Email: info@recoftc.org

Website: www.recoftc.org