

**Ministry of Agriculture and Rural Development**

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Operational Manual  
Vietnam Conservation Fund

Forest Sector Development Project

June 2004  
(Revised January 19, 2009)

**LIST OF ACRONYMS**

5MHRP	Five Million Hectares Reforestation Program
CNA	Conservation Needs Assessment
CTA	Chief Technical Adviser
DARD	Department of Agriculture and Rural Development
GEF	Global Environment Facility
FPD	Forest Protection Department
FIPI	Forest Inventory and Planning Institute
FSDP	Forest Sector Development Project
FSSP	Forest Sector Support Programme
GoV	Government of Vietnam
IBA	Important Bird Area
MARD	Ministry of Agriculture and Rural Development
MPI	Ministry of Planning and Investment
MONRE	Ministry of Natural Resources and Environment
M&E	Monitoring and Evaluation
NGO	Non Governmental Organization
NPSC	National Project Steering Committee
OMP	Operational Management Plan (for SUF)
SUF	Special Use Forest
TA	Technical Assistance
ToR	Terms of Reference
TRG	Technical Review Group
VCF	Vietnam Conservation Fund
WWF	World Wide Fund for Nature

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**(1) PROJECT SUMMARY SHEET**

Overall Goal of FSDP	The sustainable management of forests and the conservation of biodiversity to achieve: (a) protection of the environment; (b) improved livelihood of people in forest dependent areas; and (c) enhanced contribution of forestry to the national economy.
Components	(a) Institutional development (inc. key institutional and policy issues relating to effective management of SUFs); (b) Small-scale plantation forest development; (c) SUF conservation; and (d) Project management (inc. support for overall project management and monitoring).
SUF Component Objective	To conserve biodiversity of global significance in Vietnam through establishing a pilot national SUF financing mechanism (VCF) that will provide support, on a competitive basis, to up to 30 poorly managed SUFs of high biodiversity value; and providing TA support on SUF conservation and management.
SUF Component Outputs	(a) VCF established and effectively and efficiently managed as a long-term conservation financing mechanism (b) GoV institutions responsible for SUF management have the capacity to use appropriate tools and methods and apply these tools and methods for sustainable SUF management (c) Sustainable management of SUFs
Project Area	SUFs that meet the three eligibility criteria of Appendix 5
Summary of SUF Component	The VCF will support the management of national parks ( <i>vuon quoc gia</i> ), nature conservation areas ( <i>khu bao ton thien nhien</i> ) and species/habitat conservation areas ( <i>khu bao ton loai/sinh canh</i> ) that meet specific eligibility criteria. Around 50 sites currently meet these criteria and it is anticipated that the VCF will provide support to up to 30 of these sites over the 6 year project period. To access funds from the VCF, SUF management boards must submit proposals. Activities included in these proposals must address the priority issues defined in Operational Management Plans (OMPs) and budgets. However, during the first year of operation, grant proposals will be accepted from eligible SUFs providing that there is a clear agreement to prepare an OMP. The VCF can provide grant and technical support to prepare OMPs. Screening tools will be applied to ensure funds are focused only on (a) sites supporting biodiversity of international importance and (b) priority conservation activities. Grant selection will be on a competitive basis – only those representing good value for money in terms of conservation impact will be selected and past performance of management boards in grant management will also be an important consideration. All OMPs, budgets and proposals will be reviewed by an independent Technical Review Group, to ensure that funds are used for eligible sites and activities consistent with the objectives of the VCF. A VCF Secretariat within the Nature Conservation Division of the FPD of MARD will be responsible for the day-to-day management of the funds. The VCF Secretariat will ensure that approved grant funds reach SUF management boards in a timely and efficient manner. The VCF Management Committee will provide formal approval of the grant packages. Overall the FSDP Steering Committee will supervise operations of the VCF. At central level, the VCF Secretariat will be assisted by a Technical Advisor. Three Regional TA Teams will assist the SUF management boards, building the capacity needed within the management boards to access VCF funds, and the capacity required to use these grants effectively. Continued operation of the VCF after the first 6 years will depend on its ability to raise additional money from donors, GoV and other sources. This draft Operational Manual guides the operations of the VCF and describes the procedures for grant proposal review, approval, disbursement of funds, and reporting.

**(2) BACKGROUND TO THE VIETNAM CONSERVATION FUND**

## **2.1 Purpose and Focus**

### **2.1.1 Objectives**

The conservation component of the Forest Sector Development Project (FSDP) seeks to: (a) establish the Vietnam Conservation Fund, a new financing mechanism that will provide small grants to initiate and improve management of special use forests of high biodiversity value on a competitive basis; and (b) mobilize international and local technical assistance to build the capacity of the Special Use Forest Management Boards and local communities at sites which receive grant support. Technical assistance will also build capacity at central level to establish and manage the VCF and support the integration of the VCF as a long-term national conservation financing mechanism.

### **2.1.2 Priorities**

GEF funds can only be used to support conservation of internationally important biodiversity and support priority conservation activities. Therefore, the VCF will only be able to support priority conservation activities at Special Use Forests that support biodiversity of international importance. Eligibility criteria for sites and activities have been designed for use as screening tools to help ensure that funds are used only for these purposes, and OMPs will rank conservation activities in order of priority to ensure VCF grant support is used to support priority conservation needs. Figure 1 provides a summary of the overall process for accessing grants from the VCF.

### **2.1.3 Scope**

Grants from the VCF can be used to support a wide range of conservation-related activities, including engaging with local communities, developing co-management agreements, environmental education and awareness, habitat and species management, strengthening the implementation of laws and regulations for SUF management, capacity-building and management planning.

## **2.2 Key Features of VCF Design**

### **2.2.1 Incremental costs**

The VCF will provide grants to complement GoV's support for the national and provincial network of SUFs. Grant eligibility is restricted to the *incremental costs*<sup>1</sup> of effective conservation in cases where there is insufficient GoV or provincial resources to design and implement conservation management strategies. This concept is one of "additionality" rather than substitution.

### **2.2.2 Performance-based awards**

Past performance will play an important role in determining whether SUFs are successful in attracting further support from the VCF. Grant recipients that demonstrate effective use of VCF grant support will be prioritised for future support. Conversely, grant recipients that have not used grants effectively for the purposes for which they were granted will find it much harder to attract further support from the VCF. Grant recipients that are found to have misused VCF funding will become ineligible for future support from the VCF.

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<sup>1</sup> *Incremental costs* are those expenditures associated with complementing and supplementing existing government efforts towards sustainable development so as to secure global environmental benefits.

**2.2.3 Competitive-based awards**

The VCF is designed to foster competition for grant support between management boards. Grants will be awarded to proposals that demonstrate a likelihood of good value for money (to be measured in terms of conservation impacts), and strong commitment from other partners (for example, central government, provinces or other organizations).

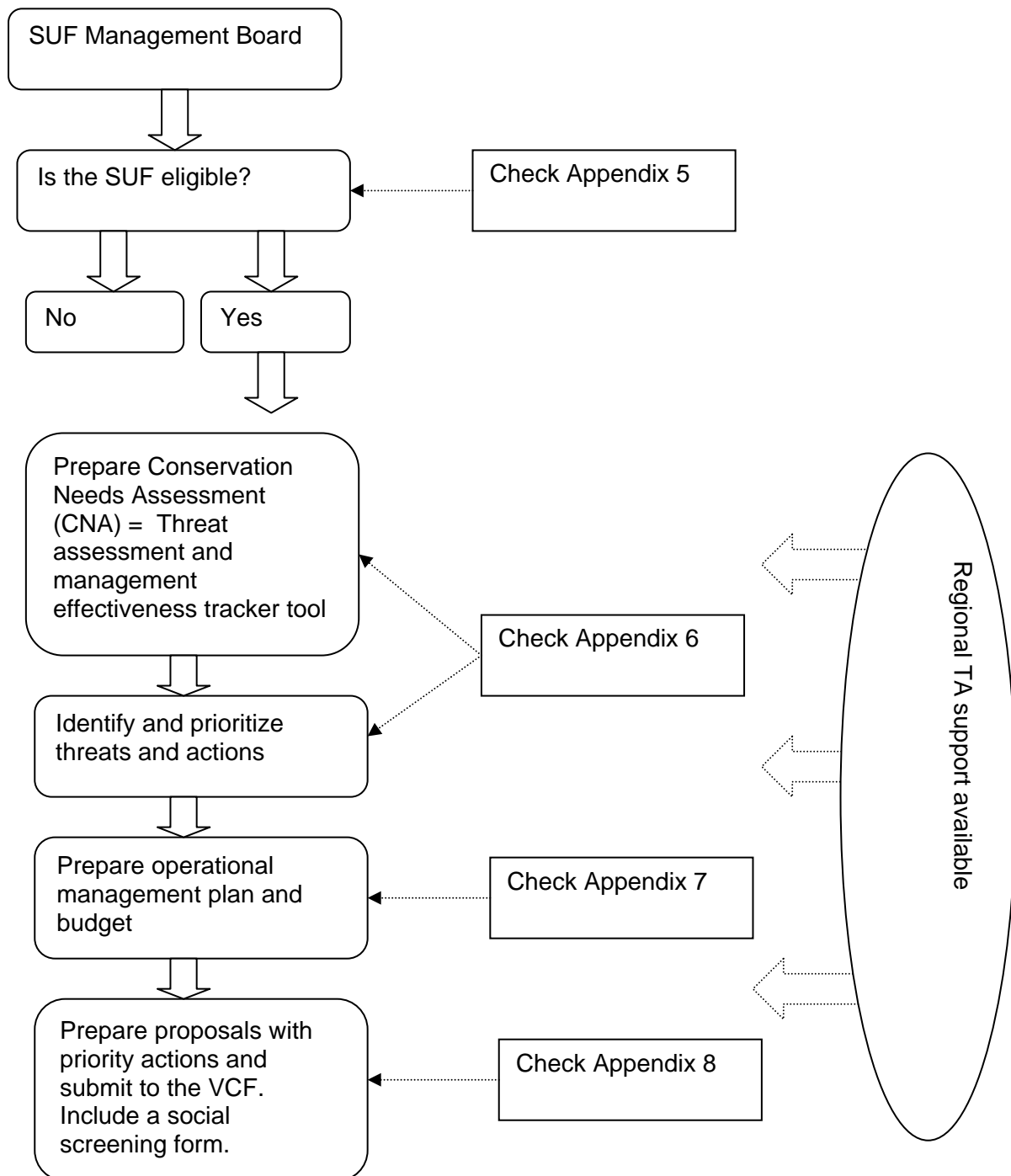
**2.2.4 Provincially- and centrally-managed SUFs**

Both provincially- and centrally-managed SUFs are eligible for support from the VCF. However, the focus of the VCF is to provide a source of funding support for provincially managed SUFs, and these SUFs will be prioritized for support. Centrally managed SUFs<sup>2</sup> have access to considerable levels of funding, not only by national standards, but also by regional and international standards. Centrally managed SUFs will only be eligible for support from the VCF where the Investment Plans and Operational Management Plans demonstrate that a high proportion of government support to the SUF is directed towards supporting conservation activities. In these cases, proposals from centrally managed SUFs will be welcomed. The Technical Review Group will be responsible for careful review of all OMPs and proposals from centrally managed SUFs.

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<sup>2</sup> There are currently eight SUFs under the central management of MARD: Ba Vi, Bach Ma, Ben En, Cat Ba, Cat Tien, Cuc Phuong, Tam Dao and Yok Don.



**Figure 1: Accessing VCF Support – Step-by-Step**

### **(3) VCF ORGANIZATION**

The National Project Steering Committee (NPSC) has overall responsibility for the effective operation of the VCF. Proposal review and grant selection will be the responsibility of an independent Technical Review Group (TRG). The TRG advises the VCF Management Committee of grant proposals eligible for support from the VCF. The Management Committee provides formal endorsement. The VCF Secretariat disburses funds to the SUF management boards. The organizational chart for the VCF is given in Figure 2.

#### **3.1 National Project Steering Committee**

The National 5MHRP Steering Committee (or a sub-committee thereof) will be the National Project Steering Committee (NPSC) for the FSDP. The Committee was established in accordance with Decision No 07/1998-QD-TTG of the Prime Minister, dated 16/1/98.

##### **3.1.1 Tasks**

The terms of reference of the NPSC are:

- To provide broad policy guidance and direction.
- To monitor project implementation.
- To review and approve the annual work plan and annual budget.

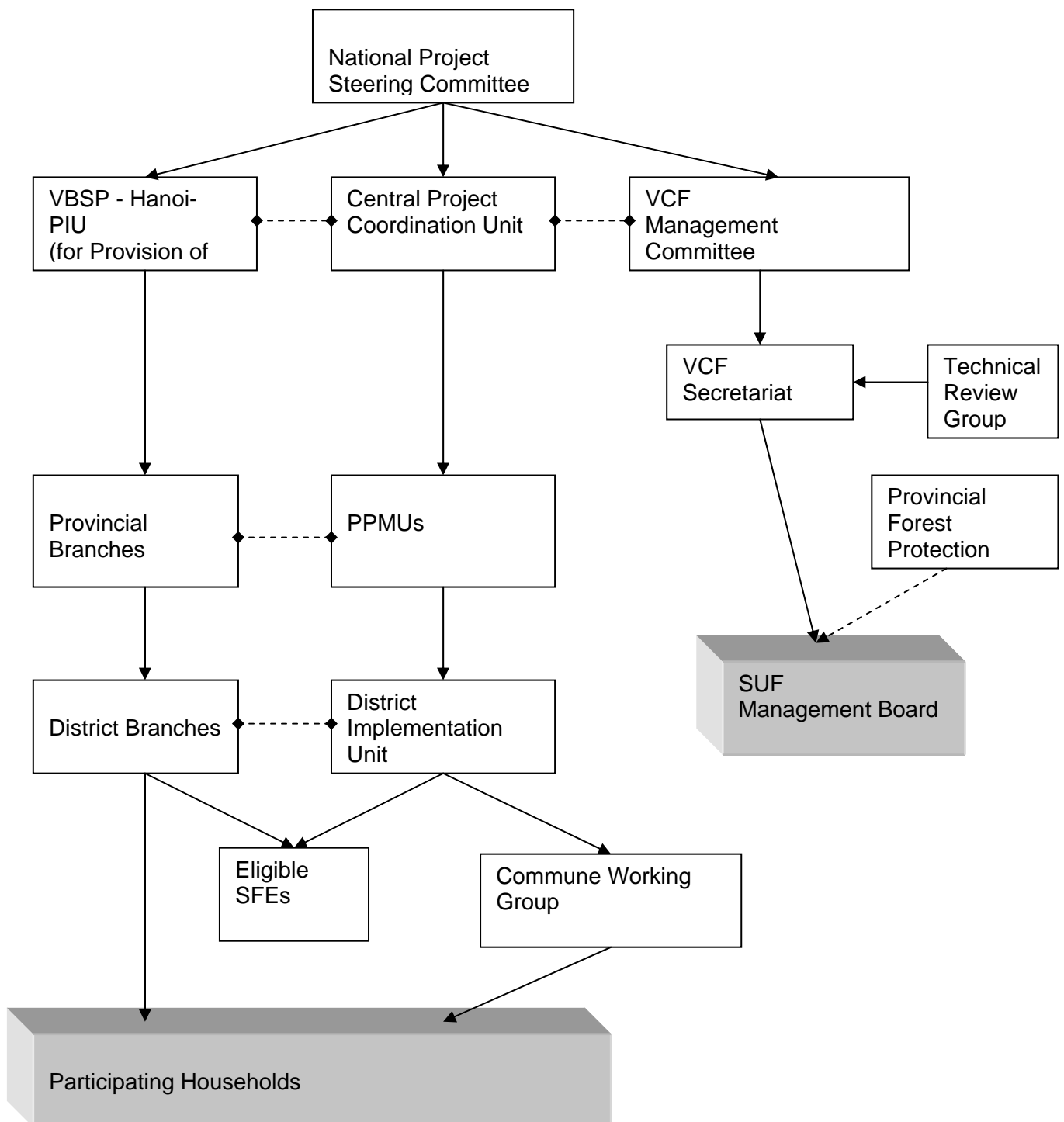
To ensure effective liaison with relevant agencies and stakeholders and resolve problems that may arise in project implementation especially those involving agencies outside the ambit of project management units.

##### **3.1.2 Composition**

The NPSC consists of representatives from:

- Ministry of Agriculture and Rural Development.
- Ministry of Planning and Investment (MPI),
- State Bank of Vietnam,
- Ethnic and Mountainous Committee,
- General Department of Land Administration, Ministry of Science-Technology and Environment (both the latter now the Ministry of Natural Resources and Environment),
- Vietnam Farmers Association.

It is proposed that the National 5MHRP Steering Committee would invite additional participants such as the VCF Director, VCF Manager and Technical Advisor to its meetings when dealing with VCF-related matters.

**Figure 2: Organizational structure of the FSDP**

## **3.2 VCF Management Committee**

### **3.2.1 Tasks**

The VCF Management Committee will have the following tasks:

- Oversee the operations of the VCF so that it meets its objectives and provides an effective financing mechanism for SUFs. This includes ensuring that funds from the VCF and other donors are allocated according to established eligibility criteria.
- Review and approve the annual work plan, budgets, progress and financial reports and annual reporting documents of the VCF Secretariat and the TRG.
- Oversee the operations of the VCF Secretariat, including the commissioning of annual audits of the accounts of the Fund at the central and provincial levels, and ensure follow up on recommendations made by the VCF Secretariat. The detailed financial responsibilities are described in Section 8.
- Provide formal endorsement of OMPs submitted to the VCF, following review by the Technical Review Group (TRG).
- Provide formal approval of grant packages, following endorsement from the TRG.
- Authorize fund disbursement to grant applicants.
- Ensure that policy and institutional issues are addressed effectively as part of the Institutional Component of the FSDP.
- Approve modifications to the Operational Manual as necessary, on the recommendation of the TRG.
- Monitor the utilisation of funds from the VCF and other sources and provide fund management guidance to the VCF Secretariat.

### **3.2.2 Composition**

The VCF Management Committee consists of 8 members:

- Director, FPD, MARD – Chairperson
- Representative of GEF Focal Point of the Ministry of Natural Resources and Environment (MONRE)
- Representative of FSSP/TFF CO
- Representative of an international conservation NGO (by rotation, among signatories to the MoA of the FSSP, on an annual basis)
- A donor representative from contributors to the Multi-Donor Trust Fund for Forests (rotating by agreement amongst donors).
- Representative of Department of Planning of MARD
- Representative of Ministry of Planning and Investment (MPI)
- Director of the Forest Sector Development Project (CPCU Director)

In addition, the VCF Manager and the Technical Advisor participate in VCF Management Committee meetings (status as observers).

### **3.2.3 Meetings**

The VCF Management Committee will meet at least twice per annum, in April and October. The Committee may also hold other meetings as needed. The Committee may establish sub-committees for specific purposes related to the management of the VCF.

## **3.3 The VCF Secretariat**

The establishment of the VCF Secretariat will be facilitated by an international Technical Advisor (ToR in Appendix 1).

### **3.3.1 Tasks**

The VCF Secretariat is the executive body of the management committee and will have the following tasks:

- Responsible for the effective administration of the VCF, including development and day-to-day implementation and monitoring.
- Screen all proposals submitted for funding, and submit these to the members of the Technical Review Group (TRG) and prepare grant summary evaluation sheets to facilitate review by the VCF Management Committee.
- Provide technical review comments on all Operational Management Plans submitted for endorsement of the VCF Management Committee, maintain close working linkages with the TRG, and ensure review procedures are streamlined and efficient.
- Coordinate and work closely with the Regional TA Providers to ensure delivery of appropriate and effective TA in support of grant-funded activities with emphasis on simple and cost-effective approaches that can be sustained with the locally available staff and resources.
- The VCF Secretariat will regularly review the performance of TA providers to ensure compliance with their mandates and to ensure that they satisfy the SUFs in terms of their service delivery. The VCF Secretariat will report on a 6 monthly basis to the VCF Management Committee on the performance of the regional TA teams.
- Liaise with donors and guide the development and implementation of a fundraising strategy to replenish the VCF and explore and identify additional sources of funding.
- Facilitate strengthening of institutions and policies for SUF management where institutional and legal aspects are constraining effective implementation of the VCF, e.g. aligning GOV budgets to conservation priorities, and improving the legal arrangement for the engagement of local stakeholders in SUF management.
- Promote the active involvement of NGOs, community groups and the private sector in programs and projects relating to the SUFs.
- Liaise with relevant institutions and organizations within Government and the conservation community to ensure that the program is responsive to stakeholders' needs, while ensuring its continued high level of professionalism.
- Develop and maintain a database to ensure all key documents are managed effectively (e.g. contacts, grant proposals, contracts, CNAs, OMPs) and develop and disseminate simple guidance and lessons learned publications
- Facilitate provision of information from monitoring that could be included in national reporting (e.g. National Environment Report).

- Maintain a website that provides information on the grant process, listing deadlines for proposal submission and approval, as well as all proposals, and grants approved and funded in a given year. Website management will also ensure that the Sourcebook of Protected Areas is updated on an ongoing basis as one of the key working tools of the VCF.
- Conduct periodic evaluations of VCF activities, evaluating the performance of both SUF grant holders as well as the Regional TA Providers. Prepare mid-year and final reports on Fund activities for review and endorsement by the VCF Management Committee.

### **3.3.2 Location**

The Secretariat will be located within the Nature Conservation Division (NCD) of the Forest Protection Department (FPD) of MARD. It will be a specialized unit with responsibility for grant management and conservation financing.

### **3.3.3 Staffing**

The VCF Secretariat has the following national staff:

**VCF Manager:** The Manager reports to the VCF Management Committee and is responsible for the day-to-day management of the VCF (ToR in Appendix 1). Specific duties in relation to VCF include:

- Responsibility for hiring and supervising staff, preparing workplans and overseeing their execution, budget review, directing and monitoring program activities, and overseeing administrative functions,
- Strategic planning and coordination with the VCF Management Committee and the TRG,
- Participation in NPSC meetings when invited; encouraging orientation of future GoV spending towards further meeting priority conservation needs of SUFs, and facilitating further consideration of biodiversity conservation concerns inside and outside of SUFs in GoV planning.

**VCF Program Officer:** The VCF program officer provides support to the VCF manager with a focus on liaison with SUF management boards and regional TA teams (ToR in Appendix 1).

**Accountant:** Responsible for the management of all accounts of the VCF Secretariat and for producing monthly and annual financial reports. The detailed duties are described in Section 8.

**Interpreter:** Responsible for interpretation work at meetings and workshops, and supporting the work of the information officer and other VCF Secretariat staff as necessary.

**Secretary/Information Officer:** Provides secretarial services and office support to the VCF Secretariat staff as well as some translation services. The Secretary will also be responsible for maintaining the Secretariat's website, posting all information related to VCF operations and the grant program.

**Consultant support:** The VCF Secretariat can call on support from national and international consultants to support participatory planning, monitoring and evaluation, and biodiversity/conservation planning.

### **3.4 The Technical Review Group**

The Technical Review Group (TRG) is the main technical advisory body of the VCF. The Technical Advisor and VCF Manager will coordinate with the Chairperson of the TRG to ensure objective, non-partisan review of proposals and OMPs. Each proposal and OMP should be reviewed by at least two TRG members. The review process should ensure that no reviewer has any special personal interest in any particular application. All reviewers should make known any potential conflicts of interest to the Chairperson of the TRG. The Chairperson could also co-opt other reviewers outside the TRG for inputs into specific proposals, as and when required, in consultation with the VCF Secretariat.

#### **3.4.1 Tasks**

The TRG will have the following tasks:

- Provide ongoing technical guidance to the VCF Management Committee and VCF Secretariat.
- Technical review and endorsement of all proposals submitted to the VCF. The TRG must ensure that all grant proposals are (a) fully consistent with agreed eligibility criteria, (b) address conservation priorities as determined in the Conservation Needs Assessment and Operational Management Plans (OMP), and (c) use VCF resources in a cost-effective manner that can be sustained with the locally available financial and professional resources.
- Technical review and endorsement of all OMPs submitted for support. Technical review of OMPs will include a review of compatibility with investment plans and budgets.
- Review past performance of SUF management boards in using external assistance and/or VCF funds and ensure that approval of all grants are performance-based and contingent upon the SUF meeting the established benchmarks. In so doing, the TRG will review semi-annual and activity final reports and other reports associated with implementation of previous VCF grants.
- Make written recommendations to the VCF Management Committee for approval/ rejection/ referral of proposals.
- Annually review and endorse VCF Secretariat proposals for amendments of the list of sites eligible for support from VCF.
- Make other recommendations, as considered appropriate, that are consistent with the objectives of the VCF.

#### **3.4.2 Composition**

The TRG will consist of 7 members:

- A reputed national conservation specialist – Chairperson,
- Representative of a national or regional government conservation institution having experience of working with SUFs and/or communities in/adjacent to SUFs,
- Representative of a national or regional academic and/or research institution having experience of working with SUFs and/or communities in/adjacent to SUFs,
- Two representatives of a national NGOs having experience of working with SUFs and/or communities in/adjacent to SUFs,
- A representative of an international NGO based in Vietnam and having experience of working with SUFs and/or communities in/adjacent to SUFs.

- A donor representative with relevant technical expertise and signatory to the MOA of the FSSP.

Membership of TRG will be for a maximum of two years at a time, after which the members will either be replaced or re-nominated. The TRG members will function in an honorary capacity and will not receive any remuneration from the VCF, except a sitting fee for attending meetings and a token, annual honorarium for reviewing grant proposals. To avoid conflict of interest, membership of the TRG and participation of the organisation in the regional TA teams is mutually exclusive. The TRG may invite additional specialists to the body or draw upon their expertise when needed.

#### **(4) TECHNICAL ASSISTANCE**

Technical Assistance (TA) will support VCF establishment and implementation at central and field levels (Figure 3).

##### **4.1 Technical Assistance Support to the VCF Secretariat**

At central level, TA positions include the international TA adviser reporting to the VCF manager, a national VCF manager, a VCF programme officer, an accountant, an interpreter and a secretary/information officer and shorter-term support from national and international consultants. Terms of reference for these positions are included in Appendix 1. These positions will be contracted to the VCF Secretariat. In addition to supporting the work of the VCF Secretariat in general, TA inputs will assist in developing the VCF into a viable long-term conservation financing institution and formulating a fundraising strategy for replenishment of the VCF.

##### **4.2 Regional Technical Assistance Teams**

TOR for the regional TA teams is provided in Appendix 2. At regional level, three TA teams (north, south and central) will provide support to SUF management boards to assist in the preparation of Conservation Needs Assessments, Operational Management Plans and grant applications to the VCF, as well as implementation of grants. Regional teams will include both national and international expertise.

Regional teams will also:

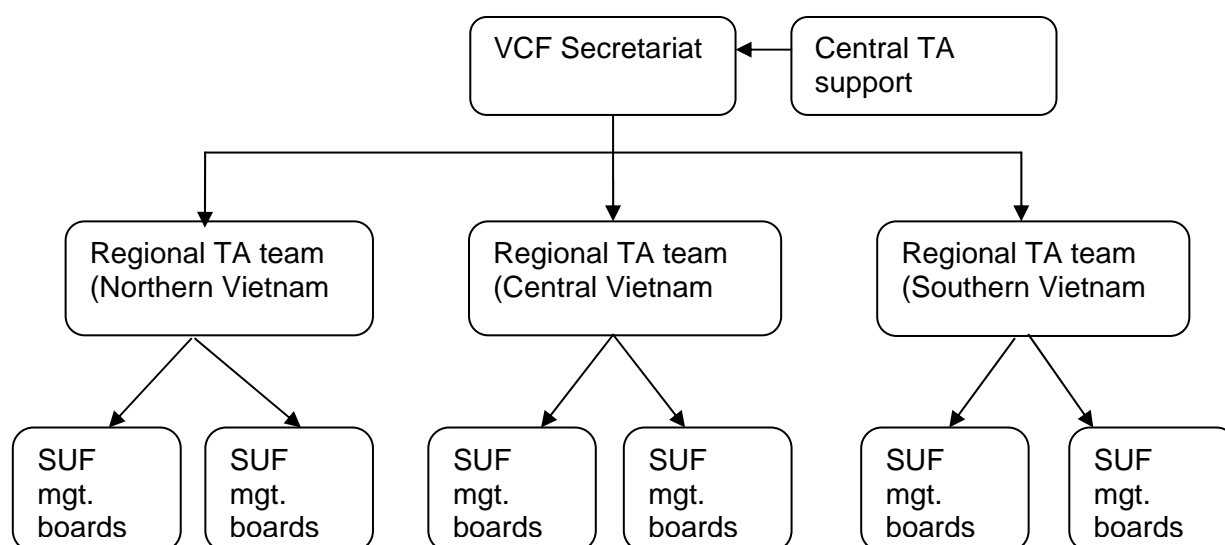
- Build capacity of management boards in key skills areas, for example in protected areas planning and management, working with local communities, accounting, project management;
- Ensuring quality control of CNAs and OMP processes and outputs;
- Monitoring grant and OMP implementation, progress in strengthening management effectiveness of management boards and progress in reducing threats at each site receiving VCF support;
- Identifying areas of conflict between SUFs and local communities and assisting management boards to address these in OMPs.

Each grant application must specify the role of technical assistance (TA) to be provided by the regional TA teams. It is anticipated that most, but not all grants will require some level of TA support. In all cases, TA support will have an important role in overseeing the use of VCF funds and reporting on this to the VCF Secretariat. TA provided by regional TA teams will be concentrated on simple and cost-effective approaches to SUF management that can be sustained with the locally available staff and resources. In addition, capacity building in



SUF management will be focussed on GoV staff and other stakeholders at the local level where most decisions on resource management are taken.

**Figure 3: Organization of technical assistance at central and regional levels**



## (5) ELIGIBILITY

### 5.1 Eligible sites

Sites proposed for support during the first year of the project are listed in Appendix 3. SUFs can receive support from VCF if they meet criteria A, B, and C (Table 1). An explanation of why these criteria have been used is found in Appendix 4. Before applying for support to the VCF, proponents must ensure that the SUF is included in Part A of Appendix 5. Sites not listed in Part A of Appendix 5 are not eligible to apply to the VCF for support. In some cases, for example sites where there is ongoing conservation projects, sites included in Part A of Appendix 5 may not be eligible for VCF support.

Table 1: Eligibility criteria for SUFs  
(Further information in Appendix 4)

Criterion	Notes
A. The SUF must support terrestrial biodiversity of international importance	Only SUFs that support biodiversity of 'international importance' can be considered for GEF (and therefore VCF) support. Two peer-reviewed sources have been used to define sites supporting internationally important biodiversity. Baltzer <i>et al.</i> (2001) describes priority landscapes for biodiversity conservation; and Tordoff (2002) lists and describes Important Bird Area (IBAs). Only sites that fall within priority landscapes or qualify as IBAs have been included in Appendix 5. Sites which fall within priority landscapes, but which do not support biodiversity of international importance have been identified and excluded from the list of eligible sites.
B. The SUF must be an existing or proposed National Park, Nature Conservation Area, or Species/ Habitat Conservation Area	<p>1. Management categories follow Prime Ministerial Decision 08-QĐ-TTg 2001 (<i>vuon quoc gia, khu bao ton thien nhien, khu bao ton loai/sinh canh</i>).</p> <p>2. Proposed SUFs are only eligible if MARD has received a proposal from the province. Proposals to support feasibility studies or other activities to support conservation of forest areas which would promote connectivity between SUFs and other high biodiversity value forest areas are eligible for support (e.g. to establish extensions to existing SUFs)</p> <p>3. Provincially-managed SUFs are prioritized. Centrally managed SUFs can only receive VCF support if OMPs demonstrate a high proportion of GoV support and commitment for conservation.</p> <p>4. Cultural, historical and environmental sites do not fulfil the criterion, as their principal management objective is not biodiversity conservation (<i>khu bao ve van hoa, lich su, moi truong</i>; sometimes termed landscape conservation area <i>khu bao ve canh quan</i> or national forest <i>rung quoc gia</i>).</p>
C. The SUF must be under 'appropriate management'	<p>1. Appropriate management' means that the SUFs are managed by a SUF management board, or designated as a SUF in GoV forest plans and strategies, and managed by a FPD sub-unit (district FPD office <i>Hat Kiem Lam</i>, or forest guard station <i>Tram Kiem Lam</i>), with technical support provided by the provincial FPD.</p> <p>2. SUFs under the management of a protection forest or state forest enterprise do not fulfil the criterion.</p>

## 5.2 Ineligible sites

In some cases, SUFs listed in Part A of Appendix 5 will not be eligible for support from the VCF. Criteria that will render SUFs 'ineligible' are:

- SUFs at which major infrastructure or other development (planned, under implementation or completed), and where this development is inconsistent with the conservation objectives of the VCF or the SUF concerned.
- SUFs that have a substantive level of international support for conservation management at the time of proposal submission to the VCF. In the case of sites where conservation projects are planned, eligibility will be reviewed on a case-by-case basis by the TRG. The VCF Secretariat will review Appendix 5 on an ongoing basis, and will make proposals for amendments for endorsement by the Technical Review Group and VCF Management Committee on a 6 monthly basis. Thus, SUFs that have a high current level of conservation support may have access to the VCF after such support terminates.
- SUFs that benefit from a high level of support from central GoV or ODA funds, and where the OMP and budget indicates insufficient focussing on priority conservation activities.

## 5.3 Eligible activities

VCF funds can only be used to support top priority conservation activities. Priorities will be defined in the Operational Management Plans (OMPs). All OMPs are subject to review, prior to endorsement by the Technical Review Group and VCF Management Committee. Funds cannot be used to substitute for funds committed from GoV or other sources; and VCF funds cannot be used for infrastructure.

VCF can provide support to activities that meet criteria I and II in Table 2. Among eligible activities, preference will be given to those that meet one or more of points under criterion III. It is a priority of the VCF to promote and support local stakeholder engagement in SUF management, e.g., through piloting co-management agreements and participatory planning of SUF management. Support for rural/community development will not be eligible for VCF support. Surveys of biodiversity can only be funded if this activity is a high priority in the Operational Management Plan and only if the surveys are designed as a basis improving the management of the SUF.

The VCF Secretariat, the VCF Management Committee and the Technical Review Group have responsibility to the steering committee for ensuring funds are targeted effectively to address top conservation priorities agreed in Operational Management Plans. Examples of activities that can be supported by VCF are listed in Table 3.

Table 2: Eligibility criteria for activities  
(Rationale in Appendix 5)

Criterion	Conditions
I. Activities which will address threats to biodiversity	I. Activities can be supported if they are prioritized in a SUF Operational Management Plan, or Conservation Needs Assessment
II. Activities not included on the negative list	<p>II. The following activities are <b>NOT</b> eligible for support:</p> <ul style="list-style-type: none"> <li>• Activities already budgeted for in an international donor-funded project.</li> <li>• Significant infrastructure, inc. buildings, guesthouses, roads and dams. Only eligible infrastructure is: (a) boundary markers as part of a boundary demarcation program, and (b) cementing of masts to secure communication tower as part of a wireless communication program for patrolling.</li> <li>• Purchase of major equipment such as vehicles, generators, air conditioners, furniture and furnishings. Small items can be supported (e.g. GPS units, binoculars) if their total value is less than 20% of the VCF grant and they are clearly needed for addressing threats to biodiversity of international importance</li> <li>• Basic staff salaries and office running costs, inc. fuel and vehicle maintenance.</li> <li>• Forestry activities already funded under the 5MHR Program.</li> <li>• Rural development activities. Activities that leverage existing development funds towards initiatives consistent with biodiversity conservation are eligible.</li> <li>• Human resettlement.</li> <li>• Academic study and overseas study tours - except for the case of going to neighboring countries to undertake activities for strengthening trans-boundary conservation adjacent to specific SUFs.</li> <li>• Activities that involve modification to natural habitat, other than habitat management for conservation purposes.</li> <li>• EIA or mitigation measures for major development projects.</li> <li>• Activities beyond the mandate of SUF management authorities.</li> </ul>
III. Activities consistent with the objectives of VCF	<p>III. Preference will be given to activities:</p> <ul style="list-style-type: none"> <li>• With a significant commitment of co-financing from GoV budgets</li> <li>• With a significant and demonstrable commitment to involving local communities in conservation.</li> <li>• With a high likelihood of implementation success.</li> <li>• That form part of a multi-year Operational Management Plan and whose implementation will further the objectives of that plan.</li> <li>• With high potential for replication elsewhere.</li> <li>• At SUFs that received a grant in a previous funding round that was used effectively and properly accounted for.</li> </ul>

Table 3: Indicative list of activities eligible for funding from the VCF.

Category	Example activities
Capacity building for SUF staff	Training programmes Exchange visits, study tours to other SUFs in Vietnam Site-specific transboundary study visits
Engagement of local stakeholders	Negotiation of household conservation agreements Establishment of community co-management mechanisms Joint patrolling with local community members Establishment and operation of SUF support groups Networking and exchange visits on conservation between communities Development of regulations and local agreements Support local authorities and social society organizations to develop proposals on community development to approach to other financial resources, for instance, proposals on restoration of traditional handicraft villages, etc
Conservation planning and management	Preparation of CNA work as part of the Operational Management Plan (OMP) preparation process; OMPs with local stakeholder involvement Boundary delineation and demarcation (stakeholder workshops; participatory mapping exercises; installation of boundary pillars and signboards) Habitat and species management (e.g. habitat management, control invasive species) Facilitating community access to funds/advice from other sources so as to make use of buffer zones sustainable Enhancing connectivity of SUFs e.g. supporting survey and gazettement of forests adjacent to or between existing SUFs.
Conservation awareness raising	Awareness campaigns at local level (e.g. village meetings) Use of local media (radio, television, etc) Fire prevention awareness and training activities Preparation and dissemination of awareness materials School-based environmental education campaigns Activities to encourage environment-friendly land-use planning in the buffer zones
Hunting/wildlife trade control	Planning and implementing anti-hunting patrols Training in wildlife law for staff from enforcement agencies (FPD, police, customs etc). Provision of radio communications and related patrolling equipment
Sustainable tourism	Training local people as tourist guides Development of ecologically sensitive visitor regulations
Surveys and research	Status assessments of globally-threatened species in order to develop recommendations for management Gathering of baseline data on threats, resource use and biodiversity in sites where this is seriously needed in order to develop recommendations for management Review options for expanding SUF boundaries to include adjacent 'protection' forests Assessment of options for developing corridors between two closely SUFs
Monitoring	Establishment of ecological/threats-based monitoring systems Training in data collection, analysis, monitoring Community-based systems for monitoring

## **(6) GRANTS**

The VCF is a competitive fund. On an annual basis, the Fund will determine the amount of money available to support SUFs and will provide funding up to that amount, assuming a sufficient number of quality proposals.

### **6.1 Competition for grants**

During the pre-implementation phase, it is anticipated that operational management plans will have been put in place for 15-20 eligible SUFs. These sites will therefore be eligible to compete for the first tranche of grants during Year 1. During Years 1 and 2, the regional TA teams will focus on building the capacity of the various SUFs, facilitating the development of Conservation Needs Assessments and Operational Management Plans, as well as strengthening the SUF management boards. All eligible SUFs can submit their first grant proposals providing the SUFs agree to prepare CNAs, as part of the OMP process, and OMPs, and providing these grants address priority conservation needs. In Year 2, it is envisaged that competition for the second tranche of grants will increase. By Year 3, when a large number of SUFs will have completed Operational Management Plans, the VCF will become more competitive and an increasing number of SUFs requesting funding will not receive support. In those cases where SUFs have not prepared competitive proposals, the VCF may decide to work with the Regional TA teams to direct TA to them in order to further build their capacity and assist the non-competitive SUFs to become more competitive.

Cooperation is also encouraged, for example in cases where a number of SUFs are facing a similar conservation planning and management problem; or where cooperation is needed to establish a conservation corridor between two eligible SUFs. In such cases, management boards may combine and submit a joint grant proposal. One Management Board shall be responsible (take the lead) for the proposal, implementation and management of the grant. A joint grant application does not necessarily preclude an individual MB to from making an application, but the MB must be able to show that it has the capacity to manage more than one grant.

### **6.2 Grant duration**

Grants awarded during Years 1 and 2 of the VCF will have a maximum duration of 2 years. From the end of Year 2, and pending approval during the mid term review process, SUFs with OMPs in place may be able to apply for multiple year funding, based on budgets included in the OMPs.

SUFs may apply for a further grant after 12 months of operation and achieving progress, so that the grants may overlap, and provided that the SUF have sufficient capacity to implement a further a grant.

### **6.3 Grant sizes**

Grants awarded during Years 1 and 2 of the VCF will have a maximum grant size of US\$50,000. The annual tranches are divided approximately equally and second tranche of the disbursement would be slightly lower or higher depending on the first disbursement. Maximum grant size may be increased (to a maximum of US\$50,000 per grant per year) pending approval by the mid term review at the end of Year 2.

The normal duration of the grant may be reduced or extended, by mutual agreement, through an amendment to the existing contract between the VCF and the SUF Management Board. The SUF MB is required to provide written explanation for amendment eg over-run of the duration of the grant, and provide justification for the change.

Where a new or follow on grant overlaps with an existing grant, and where the SUF has the capacity to implement overlapping grant, then the combination of the two grants will be greater.

#### 6.4 Grant selection processes

An important feature of VCF design is the separation of responsibilities for grant selection and administration. Day-to-day responsibility for grant selection lies with the Technical Review Group (TRG), with formal endorsement from the VCF management committee. Grant administration is the responsibility of the VCF Secretariat.

The SUF can gain access to a VCF grant by following the following Steps and options:

##### **Step 1.**

**For SUFs without CNAs and OMPs:** The SUF commits to undertaking a CNA and preparing an OMP following the VCF Manual. Requests for financial support to help prepare CNAs and OMPs can be included as part of the first grant application (together with proposals for support for priority conservation initiatives) if necessary. All proposals for grants must be accompanied by a Social Screening Report.

**For SUFs with existing CNAs and OMPs:** CNAs and OMPs should be submitted for review and endorsement by the TRG and management committee to ensure they comply with the standards set-out in this manual. It is important that OMPs are screened for social issues using the SSR format prior to review by the VCF Secretariat.

Support from the regional TA teams will be available to guide and facilitate these processes. Methodologies and formats for CNAs and OMPs are included in Appendices 6 and 7 respectively. Operational Management Plans and Investment Plans should be integrated to the extent possible and OMP budgets should show clearly the different sources of funds available to the SUF, for example, funds approved by provinces or central government in the investment plans, 661 funds and other donor funds.

**Step 2. The SUF develops a proposal on the basis of the OMP.** Proposals must address the highest priorities identified in the OMPs. The SUF can develop the proposal on its own or with support from one of the regional TA teams. Proposals must be presented in standard format (Appendix 8). A Social Screening Report must always be enclosed with the grant proposal (Appendix 9). The SUF will submit the proposal to the Provincial People's Committee (or, for centrally-managed national parks, with MARD) for their approval.

**Step 3. The SUF submits the proposal to the VCF Secretariat.** To ensure a transparent process, the VCF Secretariat then places all proposals on its web site.

**Step 4. The VCF Secretariat initiates screening of SUF proposals.** The VCF Secretariat screens proposals for eligibility. There are three possible outcomes:

- The proposal forwarded to the Technical Review Group (TRG) for review. The Secretariat will coordinate the distribution of the proposal to the appropriate TRG members with the Chairperson of the TRG;

**OR**

- The proposal is returned to the SUF to clarify outstanding issues prior to forwarding to the TRG once satisfactory responses received. The VCF Secretariat will inform the proponent of this decision, and the reasons for ineligibility;

**OR**

- The proposal is considered not to meet the established criteria and is rejected on the basis of screening. The VCF Secretariat will inform the proponent of this outcome.

**Step 5: Review by the Technical Review Group (TRG):** Proposals can only be funded by the VCF if there is a strong endorsement for approval from the TRG following their review. Where possible a CNA should be completed and identified, but where this is not possible the TRG may consider the application without the CNA provided that the application includes a request to fund the development of a CNA. The following indicative checklist will be used and developed further by the TRG to guide review.

#### Ownership

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1. Endorsement from provincial authorities
2. Level of co-financing from district, provincial or national budgets
3. Proposal developed in consultation with local communities.
4. Social screening form completed and positive

#### Eligibility Criteria

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1. Conservation Needs Assessment is completed or the application includes a request to develop the CNA as part of the OMP process and priorities identified
2. Proposed activities are established as priorities in the CNA/OMP.

#### Conservation Management

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1. Design is realistic, technically feasible and within the capability of SUF management board.
2. Strong commitment to involving local communities in the conservation process
3. The proposed project has a high likelihood of implementation success
4. The proposed project demonstrates a high potential for replication elsewhere
5. The SUF authority has managed effectively previous conservation funds, including VCF grant(s)
6. The proposed project on OMP has an adequate monitoring framework established
7. The proposed budget is reasonable for the proposed task

The options for the outcome of TRG review are as follows:

- Endorsed for immediate approval (with possible minor changes to the budget or activity)

**OR**

- Provisional endorsement, requesting that the VCF Secretariat obtain additional information prior to a final endorsement;

**OR**

- Rejection.

The VCF will provide written feedback to all proponents to justify decisions and action taken.

**Step 6. The VCF Secretariat submits endorsed proposals to the VCF Management Committee.** The package will include a summary of the proposals, amounts requested, and an overall recommendation from the TRG and the Secretariat. The Management Committee



will consider this package of proposals and provide final approval. The timing coincides with the SUFs' existing financial year planning (Table 4), ensuring (a) that the grants are approved by October, the time when the GoV sets the budgets for the SUFs; and (b) that the SUFs will have access to the funds early in the new financial year.

Table 4. Schedule for Grant Approval

Action	Completion Date
The SUFs submit proposals	June 30th
The VCF Secretariat carry out initial screening of proposals	July 31st
The Technical Review Group reviews proposals	August 31
The Secretariat seeks additional information from applicants if necessary and begins preparing TA packages to support approved grant activities	September 30
The Secretariat submit proposals to the Management Committee for decision	First week of October
After approval, the VCF Secretariat advises SUFs/provinces of grant approvals and informs TA providers for planning of TA support	October 15
TA providers provide work plans/budgets linked to approved SUF proposals	November 15
VCF signs grant agreement with the SUFs and begins disbursing funds	December 31

**Step 7. The VCF Secretariat coordinates with the Regional TA Providers** to agree the TA needs for each SUF with an approved grant activity. The Secretariat will meet with the appropriate regional TA team in order to develop the annual program for each region. This program may include (a) Facilitation of Conservation Needs Assessments (b). Development of Operational Management Plans; or (c) Directed TA to support approved grant activities.

**Step 8. Contracting:** A contract in standard format will be signed between the VCF and the SUF (format in Appendix 10)

**Step 9. Disbursement:** The VCF Secretariat makes arrangements to disburse funds. Once the contract has been signed, the VCF Secretariat will arrange for funds to be disbursed directly to the dedicated account opened to receive the grant (see below).

**Step 10 Additional Grants:** SUF may apply for a follow up or overlapping grant after 12 months of successful operation of the existing grant. Prior to the acceptance of the application for the second overlapping grant the VCF Secretariat, in consultation with the RTA, shall conduct a review of the implementation of the existing grant and screen the SUF MB by undertaking an assessment of the capacity of the Management Board to ensure that it is able to undertake the implementation of an additional VCF grant.

## **(7) SOCIAL SAFEGUARDS**

### **7.1 Ethnic Minority Development Strategy**

In accordance with World Bank's Operational Directive 4.20, MARD has prepared a draft Ethnic Minority Development Strategy (EMDS) (see Operational Manual for the Smallholder Plantation Component of the FSDP). The EMDS identified the ethnic minority people who live in the proposed project areas of the FSDP, and analysed the development issues that they face, especially those that relate directly to the management of special use forests. Consultations were carried out with representatives of ethnic groups in selected SUFs. The ethnic minority development strategy directly builds on the suggestions and ideas provided through consultation. The main features of the Ethnic Minority Development Strategy, as it relates to the SUF component, are summarized below:

It is estimated that about 30 of the 50 eligible SUFs pre-identified during project preparation have a population living in and around the protected areas that mostly comprise of ethnic minority people. The improved management of the protected areas may create opportunities for local people but may also impact their use of natural resources. Special measures need to be taken to ensure that project activities are culturally appropriate to the needs of local communities. The overall design of the project needs to take into account the special needs of ethnic minority people. This has been done in two ways: (i) social screening criteria have been designed for the review of applications from special use forests to benefit from the Conservation fund in order to ensure compatibility with OD 4.20 (Appendix 9); and (ii) a Process Framework has been prepared to address the eventuality that reduced natural resource use is warranted for conservation of important biodiversity. It sets the rules of engagement between the SUF management authorities and local communities in negotiating acceptable Benefit Sharing Mechanisms. This framework is laid out in the Resettlement Policy Framework included in Appendix 11.

### **7.2 Restriction of access to natural resource use in SUFs by local communities**

#### **7.2.1 *Resettlement Policy Framework***

The Government is implementing its Fixed Cultivation and Sedentarization program. This program sometimes involves some resettlement of small communities of forest dwellers. Such resettlement is not eligible for project funding. However, improved management of special use forests may necessitate or result in restrictions of access by local people to forest products and land. The resettlement policy framework (included as part of the Resettlement Policy Framework in Appendix 11) applies in cases where restriction of access leads directly to curtailed options of resource use and limiting access to forest resources. MARD has prepared a Process Framework, included in the draft Resettlement Policy Framework, in accordance with OP 4.12. The Process Framework addresses the eventuality that the project objective of conserving important biodiversity, as documented in the prescribed Conservation Needs Assessments and Operational Management Plans, necessitates reduction of present uses of natural resources in a given Special Use Forest.

The purpose of the Process Framework is to establish a process by which communities potentially affected by restricted resource access and the management authority of an SUF engage in a process of informed and meaningful consultations and negotiations to identify and implement means of reducing or mitigating the impact of restricted resource access. It further describes the planning and documentation requirements for such activities under the project.

### **7.2.2 Implementation Responsibilities**

At the time of applications to the VCF, the regional TA teams will have responsibility for informing the Special use Forest management boards about the Process Framework and will work to ensure that CNAs and OMPs for these areas are fully compatible with this framework. Where necessary, this may require the appointment of specialist advisory support to assist the preparation of relevant components of the CNAs and OMPs through consultation with the SUF management boards, local governments and local communities. Once a grant has been approved, regional TA managers must ensure that the management has appointed an appropriate staff member to ensure full compliance with the framework.

The VCF Secretariat and regional TA teams will be responsible for overseeing that any potential relocation of individuals or communities occurring during the project, regardless of source of funding, complies with the Resettlement Policy Framework (Appendix 11). The VCF Secretariat must also report on all such occurrences during annual reporting to the GEF.

### **7.2.3 Supervision and Monitoring**

The regional TA teams will undertake independent monitoring of the implementation of the Social Screening Reports of the Conservation Needs Assessments. They will monitor the implementation of Process Framework by visiting all (or a representative sample of) communities that are experiencing restrictions of access to natural resource use at the end of each year from the second year of project implementation. They will also be responsible for supervising any relocation of people that may take place from SUFs concurrently with the period for which grants are given, and ensure that this is done in accordance with the Resettlement Policy Framework. In addition, the IDA will periodically supervise the implementation of the Process Framework.

## **(8) VCF MANAGEMENT**

### **8.1 Role of the VCF Secretariat**

### **8.2 VCF Management**

These include day-to-day management of the VCF during the FSD project period, strengthening the capacity of the Nature Conservation Division of FPD to manage the VCF effectively over the longer-term, screening proposals for grant support, reviewing operational management plans, co-coordinating and supervising the work of the regional TA teams and liaison within government and with international organizations, including donors.

### **8.3 Communications**

The goals of the VCF communication activities are to:

- Market VCF, raise money to replenish the Fund and establish it as a permanent conservation financing mechanism,
- Ensure that conservation lessons learned are shared between SUF management boards, provincial FPDs and other stakeholders,
- Strengthen coordination with other GoV institutions to enhance conservation of SUFs and encourage mainstreaming of biodiversity considerations in the wider landscapes, beyond the SUFs,
- Provide information and feedback to the FSSP, other GoV departments, donors, etc.

Specific communication activities will be identified on a needs basis, but will include the following core activities:

- Web site establishment and maintenance,
- Meetings with the news media, including local, national and international newspapers, radio and TV,
- Preparation and distribution of fact sheets, newsletters, handouts and training CDs on lessons learned and procedures for improved SUF management,
- Creation of linkages with national organizations to increase national reporting on conservation and the status of biodiversity

### **8.4 Fundraising**

Fundraising will be necessary to replenish the VCF towards the end of the pilot phase to ensure continuation beyond the lifetime of the FSDP. Consultancy support will be mobilised by the VCF Secretariat to assist the development of funding strategy for the VCF.

Fundraising may focus on:

- Options for future support from the Multi Donor Trust Fund for Forests and/or other international donors operating in Vietnam.
- International and corporate donors with specific programs to support biodiversity conservation,
- The Vietnam Environmental Protection Fund and other GoV sources,
- Other conservation financing sources, e.g. payments for environmental services, such as carbon offset payments.

## **8.5 Information management**

The VCF Secretariat will maintain complete records of all grant applications and contracts, together with hard and electronic copies of all key documents, such as completed tracker tool forms, conservation needs assessments and operational management plans. The VCF will also have lead responsibility for ensuring that the online version of the Sourcebook of Protected Areas is updated on an ongoing basis to ensure that all key stakeholders of the VCF (e.g. management boards, other government departments, NGOs, donors etc) have access to up-to-date information on the protected areas system, priorities for conservation support, and easy access to grant proposals, conservation needs assessments and operational management plans. The VCF Secretariat will be expected to work closely with BirdLife International on Sourcebook update activities.

## **(9) FINANCIAL MANAGEMENT**

### **9.1 Funds Flow**

The fund management procedures are consistent with those currently in use within MARD and endorsed by the Ministry of Finance. The VCF will undertake direct payments to SUF management boards when these have separate legal status and a seal denoting authorization to hold and manage funds. Payments will be in tranches specified in the contract for each grant:

- The SUF opens a separate account at a commercial bank at District level, specifically for funds from VCF, once a grant has been approved.
- For grants of one year duration, the first tranche will be advanced as 50% of the fiscal year plan into the special account. The further payments of the remaining fund shall be made into the special account based on :
  - Approved annual financial plan
  - Actual progress of completion of the project
  - Results of checking expenditure of the Treasury, and
  - Results of evaluation of the project progress done by VCF

For grants of two years duration, the first tranche will be 50% of total approved amount, the second for 40%, with the remaining 10% payable on successful completion.

- District Treasury must endorse the effective use of funds and sign-off prior to payment of next tranche. Regional TA teams will have responsibility for advising the VCF secretariat of funds use in terms of output achieved. District Treasuries will be responsible to check the supporting documentation of funds disbursed to ensure that funds have been used for the purposes for which they were granted.
- Funds unspent at the end of the grant period must be paid back to the VCF. Grant recipients which misuse funds will be debarred ('blacklisted') from further support from the VCF.
- Where two overlapping grants are in operation in the same SUF the two grants shall have separate bank account numbers and be treated as separate grants for implementation and accounting purposes.

The grant disbursement steps are:

- The SUF reports to VCF that the account is open and forwards the account information (bank, number, place) to VCF.
- VCF arranges a wire transfer of money from the VCF account in Hanoi to the SUF account. The most expeditious and cost-effective money transfer will be used.
- VCF sends a payment advice to the SUF as well as other relevant institutions (FPD and Financial Department of MARD, FPU in the province and district where SUF is located, and to the supervisor of the SUF, the SUF management board).
- The local bank will advise the SUF of the availability of the funds. The SUF management board withdraws the money from the bank for approved grant activities.
- SUF management board reports to VCF and the provincial FPU on fund withdrawals for activity implementation.

- The SUF accountant enters the money withdrawn into the books for accounting purposes and begins to disburse funds for approved grant activities.
- All expenditure will be documented with receipts that must be made available to District Treasuries and regional TA teams if requested.
- SUF management board will provide a financial report to VCF and other institutions on the progress of activities and extent of expenditures on a semi-annual basis (format in Appendix 12).
- VCF and District Treasuries will monitor funds use and disbursement, including a review of the books related to the VCF separate account.

The SUF will maintain receipts and financial records for each grant received from the VCF for a period of three years. The account information and receipts must be available for auditing purposes. Each year, VCF arrange to have an external independent auditor to audit the accounts of SUFs that have received grants.

## **9.2 Accounts and Records**

### **9.2.1 Accounts**

The bank account of the VCF will be maintained at a bank in Hanoi, both in US Dollars (US\$) and Vietnamese Dong (VND). The jointly authorized signatories for operating the bank account will be the Chairperson of VCF Management Committee and the Manager of the VCF Secretariat. Payments will be made in accordance with the annual budget, as approved by the VCF Management Committee. All transactions have to be supported by bills and vouchers in original and accounts will be maintained in appropriate ledger forms and accounting software in accordance with the GoV regulations and procedures for managing ODA funds<sup>3</sup>. The periodicity and form of financial reports will be governed by GoV regulations as currently being used in MARD but the VCF Secretariat will also maintain and provide up-to-date information on the status of finances and accounts to the VCF Management Committee whenever required.

### **9.2.2 Records**

The VCF Secretariat will maintain the following records:

- Cash Books: A Cash Book for each operational account will be kept at each VCF management unit (central, local).
- Petty Cash book: This will be operated for recording of Petty Cash expenses (with value lower than US \$10). The system for petty cash will be the "Impress System". This is a system whereby a fixed float is established and only reimbursed when depleted. The reimbursement will only be made against properly authorized documents, and must be in conformity with approved budgets.
- Receipts: This will be used to record all cash disbursements received from special accounts. The funds will be transferred directly from the special account to the Fund's bank accounts in Hanoi and targeted provinces.

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<sup>3</sup> Decree No. 17/2001/ND-CP of 4 May 2001 Issuing the Regulation on the Management and Use of Official Development Aid

- Payments transaction: All payments in cash and transaction to other accounts will be recorded and maintained by the VCF Secretariat. Local funds will be transferred to the Fund's Vietnamese Dong (VND) account. A US dollar account will receive dollar payments. Conversions from US dollar to VND will also be recorded in the accounts books.
- Monthly reconciliations: Bank reconciliations will be prepared for all bank accounts on a monthly basis and kept by the VCF Secretariat. It is requested that the Bank provide monthly account balance sheets in detail to the Secretariat.
- The Journal: The journal will be used by the accountant for making any corrections that may be required or for bringing into the accounting system any items not dealt with in the cash books, such as provisions and accruals at the end of an accounting period. The VCF Accountant will authorize these.
- A Nominal Ledger: This will be used for the posting of all entries from the cashbooks and journals of the Board, from which a trial balance and accounts will be prepared monthly.

The VCF Secretariat should ensure that all accounting procedures are fully automated and computerized.

### 9.3 Internal Financial Controls

The internal financial controls comprise:

- Bank Signatories: All bank accounts must have at least two signatories. All checks will be signed by the Chairperson of VCF Management Committee and countersigned by the VCF Manager or the Accountant to cover salaries, recurrent costs, etc. The VCF Management Committee through the approval of annual, monthly or other budgets and plans will authorize expenditure.
- Budgets: The VCF Accountant will be responsible for budget preparation. Budgets will be submitted to the Manager for review and approval and then submitted to the VCF Management Committee for discussion and final approval. These budgets will form the basis for authorization of all the Fund's expenditure.
- Receipts: All receipts shall have two signatures, that of the recipient and VCF accountant.
- Payment Transactions: All payment transactions shall have attached to them the authorized /approved decision of the VCF Director.

### 9.4 Financial Management Duties

The VCF Manager, with the assistance of the VCF Manager and Accountant, will be responsible for all financial management functions of the VCF and will be accountable to the VCF Management Committee.

#### 9.4.1 The VCF Manager

The VCF Manager will be a signatory to the Fund's bank accounts in Hanoi for financing activities and recurrent costs as described in plans and budgets agreed by the VCF Management Committee. The Manager will have ultimate responsibility for ensuring the VCF Secretariat maintains good records of the status of all activities supported by VCF. He/she will be responsible for checking and monitoring the disbursement of VCF funds, and for financial reporting to the VCF Management Committee and the NPSC. The Manager will also sign the payment requisitions/vouchers to authenticate validity of payments. Terms of reference for the VCF Manager are included in Appendix 1.



#### **9.4.2 The VCF Accountant**

The VCF Accountant will maintain the books and financial records for all activities and operations of the Fund. He/she will ensure all payments are valid and genuine, and fit with agreed budgets, plans and programs. He/she will also ensure the proper tracking of all payment receipts and disbursements for activities funded by VCF.

A "Payment Requisition" Voucher to request funds will be completed by a relevant party, endorsed by the Manager and submitted, with any supporting documents, to the Accountant. The Accountant will review these documents and, if satisfied that the expenditure is in accordance with approved expenditure in the fiscal annual plan and with agreed norms for salaries, utilities, etc., he/she will approve the voucher for payment. The Accountant will sign the voucher as evidence for approval before passing the same to the Manager for final approval. A check will then be made out by the Accountant and, together with the supporting documents, be forwarded to the Manager for signing.

#### **9.4.3 Regional Technical Assistance Teams**

Regional TA teams have responsibility for advising the VCF secretariat of funds use in terms of output achieved. Regional TA teams must also check and verify reports on funds use prior to disbursement from the VCF Secretariat of each tranche of grant support.

### **9.5 Financial Reports and Accounts**

The VCF accountant will prepare detailed financial reports, statements and project accounts with support from the regional TA teams. The regular financial and accounting reports and statements to be produced by the VCF Secretariat, and presented to the VCF Management Committee, include:

- VCF bank statements,
- Project accounts,
- Cash flows,
- Budgets,
- Fixed Assets Schedule,
- Grant activity status sheets.

#### **9.5.1 Financial Statements**

The VCF Accountant will prepare accounts at the end of each month. The cashbooks will be closed after bank reconciliation has been completed and agreed upon. The ledger will be closed and a "trial balance" extracted. A trial balance should ensure accuracy of the accounting records. From the trial balance, a statement of Income and Expenditure will be prepared together with a Balance Sheet. These will be provided to the VCF Manager, who will present them to the VCF Management Committee and to MARD.

After the monthly accounts have been prepared, they will be compared with the total quarterly budget. Any material variances will be explained before the accounts are presented to the VCF Management Committee. The accounts will also be compared with last period's accounts and again, any material variances will be explained.

Where two grants are in operation separate account balance and financial statement shall be prepared for each grant.

#### **9.5.2 Computerization**

All VCF Secretariat records, accounts, statements, budgets and other financial transactions, and relevant documents, will be computerized using simple, state-of-the-art, off-the-shelf

computer applications. Any computerized system should correspond directly to manual entry and recording. An accounting computer package similar to the one currently being used in MARD should be used.

### **9.5.3 Audits**

The VCF Management Committee will select an independent international auditing firm to conduct an annual audit of the Fund's activities, both at central and provincial levels, within the first quarter of each financial year (January - March). The VCF Manager will be responsible for engaging the auditors and supporting their work. Audited reports will be presented to the VCF Management Committee and to any other parties as needed (e.g. major donors, partners, interested Ministries).

The external auditors, as well as performing the normal statutory audits, will be expected to review the internal control systems of both the overall Fund and the Secretariat. Complete records of each grant should be maintained at VCF Secretariat offices to facilitate audits. The external auditors will audit a sample of grants each year and these audits will address both the investment and management of the grant fund, and the use and management of the income stream.

### **9.5.4 Reporting Requirements**

The VCF will prepare (a) Annual Fund Reports for the public, describing VCF activities, budgets, expenditure, balances and audit results; and (b) grant summary evaluation sheets for the VCF Management Committee, outlining the status of financing, summary of grant activity progress and areas of concern. In addition, the VCF Secretariat will maintain a file on each grant-funded activity. This will include the application, the funding citation (i.e. funding allocation), other relevant financial information (e.g. record of disbursements, receipts, etc.), and, as a minimum, a final report.

## **(10) MONITORING**

Monitoring will guide the VCF in meeting its objectives and keeping track of progress. The monitoring should:

- Be simple
- Be sustainable within existing capacities and resources
- Seek to integrate with, and strengthen, GoV and FSSP monitoring procedures
- Lead to management improvements and not detract from conservation efforts
- Involve local communities in supported SUFs
- Provide the basis for sharing of experience and replication.

TA will build the necessary capacity and encourage practical and realistic approaches to monitoring in line with these principles.

The Monitoring Plan comprises four components:

1. Monitoring performance of the VCF
2. Monitoring performance of individual grants
3. Monitoring management effectiveness of SUF management boards
4. Nationwide SUF monitoring system

Components 1 and 2 assess whether the VCF and its grant program have carried out the agreed activities. This is straightforward and similar to monitoring the performance of any government program. The GoV and its funding partners need to know that their directions are being carried out according to the agreed program and budget.

Components 3 and 4 are concerned with the impact those activities have on SUFs and on the well being of the national SUF system overall. This is more challenging but essential because it relates to the effectiveness of conservation management and the status and use of biodiversity. The Monitoring Plan is consistent with the approach to monitoring in the FSSP MoA.

The VCF Secretariat should keep in mind that it is managing a pilot scheme for enhancing biodiversity conservation in the SUF system and for promoting sustainable financing of those areas. The emphasis of monitoring and reporting at central and SUF levels should be to integrate with, and strengthen, existing systems. The aim is to help GoV draw on the pilot experience to make permanent improvements to the way SUFs are managed, financed and monitored. The VCF Secretariat will organise:

- Exchange field visits on the part of grant recipients.
- Lessons learned and experience-exchange meetings involving all grant recipients.
- Lessons learned and experience-exchange meetings between small grant programs in Vietnam.

### **10.1 Support for monitoring and reporting**

#### **10.1.1 Staffing**

Monitoring and reporting will feature as part of the responsibilities of all staff of the VCF Secretariat. The VCF Secretariat will also be supported by a national consultant on

monitoring activities, contracted on a part time basis by the Secretariat and by international consultant support as required. The Monitoring consultant will work closely with other VCF staff in reporting and disseminating the results of these activities. Duties will include:

- Making regular visits to the grant SUFs and supporting their reporting on grant-financed activities.
- Regularly reviewing the performance of the TA providers on the basis of their task reports, ensuring their assistance is focussed on simple and cost-effective approaches that can be sustained at SUF level with the locally available staff and resources.
- Progressively integrating the VCF monitoring activities into a GoV nationwide SUF M&R system.
- Ensuring social safeguard mechanisms are being applied effectively and consistently throughout VCF implementation;
- Building close working links with the FSSP and its M&R program.
- Facilitating a process of learning lessons from grant program experience and promoting dissemination and replication of those lessons.
- Working with FPD and the Vietnam Environment Protection Agency to prepare the SUF section of the national State of Environment Report.

#### **10.1.2 Training**

TA staff of VCF will develop capacities and procedures to ensure a flow of monitoring information from each SUF through the provincial FPDs and then to FPD. This flow of information should provide a clear picture to the government of SUF status and the management responses needed at national level to address undesirable trends and developments. To achieve this, training will be needed, particularly for staff of the SUF management boards. Table 5 outlines priority training needs to be supported by the VCF.

Table 5. Training needs for the VCF Monitoring Plan

Training Target	Timing	Type	Main Topics
SUF management authority staff and associated provincial staff	During the initial Conservation Needs Assessment and management planning process	On-the-job training	Developing VCF grant proposal, and participatory SUF management planning and filling-in of score cards
SUF management authorities receiving grants from the VCF	At commencement of their grant activities	On-the-job training, supplemented with regional or national workshops	Implementation of the specific grant activity and development of simple monitoring plans
Optional: SUF management staff and provincial staff	During the refinement of SUF and FPD monitoring systems (Project Years 2-3)	On-the-job training	Improving SUF and FPD monthly M&R system if requested by the SUF authority
Optional: SUF staff and representatives of local communities in community-based monitoring of biodiversity and resource use	In selected SUFs from Project Year 2, based on requests from the individual SUFs	On the job training, supplemented with regional or national workshops, if appropriate	Community-based monitoring of biodiversity and resource use if requested by the SUF authority

The VCF Secretariat will work with FPD in focusing TA on:

- Review and revision of the monthly reporting form to take advantage of VCF's experience on the ground in monitoring of SUFs.
- Improving the flow of SUF information between SUF grant recipients, provincial FPDs and national FPD.
- Capacity building in relevant agencies on the monitoring methods tested through the VCF program.
- Integrating the VCF and FPD system of monitoring with the monitoring framework being developed through the FSSP.

The VCF intends to link conservation needs and priorities to the national and provincial budgeting cycle by developing a monitoring system based on conservation needs and promoting this throughout the SUF system.

## 10.2 Performance Monitoring

### 10.2.1 Performance Monitoring of the VCF

The VCF Secretariat will regularly review the effectiveness of the VCF program with a view to improving grant disbursement and performance. The log frame defines the VCF program. VCF performance monitoring is carried out against the log frame indicators at programme, impact, output and activity level (Table 6 and 7).

Performance monitoring is an internal process but includes regular external reviews to bring in fresh perspectives and ideas. Internal monitoring will be an ongoing process involving all secretariat staff in order to guide and inform their work, to communicate effectively with partners and to promote a productive relationship with the VCF Management Committee. A key source of information for the VCF Secretariat in conducting assessments of progress will be the progress reports produced by grant recipients. The VCF Secretariat will add the summary information from these as an annex to the annual VCF progress report.

The VCF will track its overall social impacts by utilizing the indicators in Table 8.

Table 6. Log frame indicators for VCF at programme, impact and output level

Level	Indicators
Programme level	1. Ratio of budget spent on capital investment versus operational management
	2. Improvement of management effectiveness on-the-ground based on the Protected Areas Management Effectiveness scorecard
Impact level	1. Biodiversity in 30 SUFs maintained, based on: (a) changes in number of sightings of designated species and scale of local resource uses; (b) changes in size of vegetation size blocks and in land use of priority sites within the SUFs and between the SUFs and other mature natural forest areas; and (c) changes in perceived harvest volume of non-timber forest products per effort.
	2. Threats to biodiversity of international importance in 30 SUFs reduced
	3. Management effectiveness in up to 30 SUFs enhanced
	4. Effective models developed and disseminated for involving local communities in co-management of forest resources by both harnessing their knowledge and supporting their sustainable use of biodiversity to promote conservation
Output level	1. Initial Conservation Needs Assessment and Protected Areas Management Effectiveness scorecards are completed in up to 30 SUFs by end of year 2
	2. Standardized OMPs prepared and implemented in at least 30 SUFs
	3. Monitoring used as a management tool and leading to management actions on the ground in majority of the SUFs receiving funds from VCF
	4. VCF Secretariat established and functioning effectively
	5. VCF funds disbursed according to approved proposals
	6. Commitments from other sources to contribute to the VCF received
	7. 10% increase in GoV financial support from SUF management operations

Table 7. Log frame indicators for VCF at activity level

Activity		Indicator
Institutional development	Review existing regulations, guidelines, and incentives for sustained conservation management of SUFs	Reviews undertaken
	Collate and assess the lessons learnt and best practice from SUFs	Lessons learnt have been compiled and assessed
	Plan and organize inter-provincial study tours to best practice examples	Study tours undertaken; number of participants
	Identify/assess constraints and potentials for sustainable conservation management of SUFs	Constraints and potentials for sustainable conservation management of SUFs assessed
	Plan and organize high-level national meetings to present the findings and recommendations	Number of high-level national meetings/workshops
	Advise on how to disseminate findings to individual SUF managers	Advise provided on dissemination strategy
Establishment and operation of the VCF	VCF Management Committee, Secretariat, and Technical Review Group established and procedures defined in the Operations Manual	VCF Secretariat in operation; Management Committee and Technical Review Group meets regularly
	Review and funding of conservation proposals from priority SUF management authorities	Number of proposals received, reviewed and funded; total amount of grant funds disbursed.
	Monitoring and reporting of VCF-funded conservation activities, and regular reviews of fund effectiveness to improve grant disbursement and implementation performance	Monitoring and review reports prepared
	Dissemination and promotion of the VCF	VCF communication materials disseminated
SUF conservation supported by VCF	CNAs undertaken in up to 30 global priority Special Use Forests	Number of SUFs where CNAs are conducted; number of SUFs with completed management effectiveness scorecards
	OMPs developed for up to 30 SUFs	Number of SUFs with OMPs
	Priority conservation activities in eligible SUFs undertaken	Number of grants implemented in accordance with agreements
	A system for management-oriented monitoring of SUFs' performance, conservation and resource use, integrated with existing monitoring systems, tested and adopted.	Simple management-oriented monitoring system tested, incorporated into job descriptions of GoV staff and supported by appropriate GoV policies
Project management	Management structures established and staff in place	VCF Secretariat in operation, VCF staff in place
	Training of project staff	Number of staff trained
	Monitoring and M&E monitoring developed and implemented	Monitoring reports prepared
	Training on M&E data analysis and reporting	Number of staff trained

Table 8. Indicators for overall social impact

No.	Indicator
1	Consultation of local communities in assessing conservation needs and planning activities developed as standard practice in sites eligible for VCF grants, based on number of satisfactory Social Screening Reports submitted with VCF applications.
2	Sites beginning to develop workable co-management arrangements with local communities, based on increases in overall scores for questions 20, 21 and 22 of the Protected Area Management Effectiveness scorecard
3	Sites beginning to develop negotiation with local communities over resource use in SUF, based on increases in overall scores for question 28 of the Protected Area Management Effectiveness score card.
4	No human resettlement financed by VCF grants at any site

### **Semi-annual reporting**

The VCF will prepare annual work plans and progress reports. The work plans will describe: (a) what will be done over the coming 12 months, (b) who will do it, and (c) the resources required. The progress reports will describe: (a) what was achieved; (b) obstacles to progress, proposed mitigating actions, and persons/institutions responsible and completion dates; (c) how the period contributed to meeting the log frame and social impact indicators. The work plans and progress reports will form the basis of discussion within the VCF Secretariat and for meetings of the VCF Management Committee. All reports will be shared with the FSSP Co-ordinating Office.

### **Supervision Missions**

Semi-annual supervision missions of the donors will assess progress and recommend changes in the overall project procedures and activities if appropriate.

### **Mid-term review**

Two mid-term reviews will be undertaken. The first after 2 years of operation, and will focus on identifying specific adjustments that may be needed to enable the VCF to operate more effectively. The second MTR will be undertaken after year 4 of VCF operation, and will focus on issues concerning the sustainability of the fund, including institutional arrangements and financing options.

### **10.2.2 Performance monitoring of grants**

Each grant from VCF is based on a brief proposal and accompanied by a contract specifying the reporting requirements. If the grant covers 2 years, the recipient will produce an annual progress report at the end of Year 1, and a final report at the close of the initiative. Regional TA teams will review and endorse the Year 1 reports before 2<sup>nd</sup> tranche payments are made. The report format is provided in Appendix 12. Initially the reporting obligations of grant recipients will be modest. One or two specific indicators will be tailored to each grant on a case-by-case basis. For monitoring of social safeguards, all grant recipients will need to report against social indicators (Table 9).

Where two overlapping grants are in operation in the same SUF the Management Board shall produce a separate report on each grant.



Table 9: Indicators for social impact at individual grant level

No.	Indicator
1	Consultation of local communities in assessing conservation needs and planning activities, based on satisfactory Social Screening Report
2	Site beginning to develop workable co-management arrangements with local communities, based on (a) increases in score for question 20, 21 and 22 of the PA Management Effectiveness score card; and (b) local communities and SUF authorities both asked, through independent reporting process in sites where VCF has financed co-management activities: "Has the activity been successful? Why/why not? Could it be replicated elsewhere?"
3	Site beginning to develop negotiation with local communities over resource use in SUF, based on (a) increase in score for question 28 of the PA Management Effectiveness score card; and (b) local communities asked, through independent reporting process in sites where VCF has financed agreements on resource-use negotiation activities: "What access rights have been agreed? Are you happy with this arrangement?" and SUF management authorities asked, "Are local access agreements working effectively?"

### **10.2.3 Performance monitoring of management effectiveness**

The VCF will facilitate assessment of management effectiveness and threats in SUFs targeted for possible VCF support as part of Conservation Needs Assessments. These assessments will help each SUF identify issues influencing the conservation of each site and develop priorities for addressing threats and improving overall management effectiveness. Monitoring will involve tracking progress and trends over time.

The Conservation Needs Assessment will involve the completion, by the SUF management authority, of two complementary score cards<sup>4</sup> assessing a) management effectiveness and b) threat reduction. The regional TA teams will facilitate the completion of the two score cards with the involvement of key SUF staff and representatives of local communities, as part of the initial Conservation Needs Assessment for the area. SUFs wishing to access VCF funds will complete these scorecards every two years to enable the VCF Secretariat to assess change. The CNA would also include discussion and the selection of one or two simple indicators for monitoring performance of the envisaged first grant.

### **10.2.4 Performance monitoring of Operational Management Plans**

Each Operational Management Plan will include basic indicators, which should provide the basis for simple, site-based monitoring and reporting of implementation progress and impacts. Over time, the monitoring and reporting program would need to be harmonized with the provincial and nationwide monitoring and reporting system managed through the provincial FPDs and central FPD in MARD. Currently, provincial FPDs are required to complete monthly reports on a wide range of threats and violations in forest areas including fire, encroachment, wildlife hunting and use of non-timber forest products and extraction of timber. FPD has set up an information division to receive and process the reports from the

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<sup>4</sup> The threat reduction assessment scorecard: The scorecard identifies threats, ranking them according to area, intensity and urgency, and assessing progress in reducing each of them (BSP/USAID, 2002). Protected Area Management Effectiveness scorecard: Scores performance associated with planning, law enforcement, local community interaction, management interventions, etc., in individual protected areas. (WWF/World Bank, 2003)

Provincial FPDs in 61 provinces. Currently, the provincial FPDs are inconsistent in completing and submitting the forms. FPD analysis and use of the information received could be more effective and linked to decision-making and the VCF Secretariat will seek to strengthen these systems of monitoring and reporting.

Table 10. Detailed outline of log frame indicators for VCF at impact level

(Note: The first indicator is only used in sites where VCF has financed establishment of biodiversity monitoring)

Log frame key performance indicators	Field methods	Dataset	Compilers	Equipment	Frequency	Data storage	Reports
1. Biodiversity in up to 30 SUFs maintained, based on: (a) changes in number of sightings of designated species and scale of local resource uses; (b) changes in size of vegetation size blocks and in land use of priority sites within the SUFs and between the SUFs and other mature natural forest areas; and (c) changes in perceived harvest volume of non-timber forest products per effort.	(a) Standardised recording of routine observations on resource use and wildlife during regular patrols (b) On-the-ground fixed point photographing of selected hillsides in priority forest blocks at regular intervals (c) Focus group discussions with volunteer community monitoring groups	(a) Field data sheet with date, name of observer, location, species, number, etc. (b) Colour photo, with date, location, etc. (c) Amount of resource harvested in a defined area as recorded by a community	(a) All SUF staff (b) SUF staff with working knowledge of the operations of a camera (c) SUF staff who are not involved in enforcement activities.	(a) Notebook, pen, field guide, binoculars (b) Camera with battery, compass, films, forms. (c) Field guide. large sheets of paper, markers, food.	(a) SUF staff keep a field diary whenever they are in the field (b) SUF staff take quarterly photos (c) A discussion meeting of 2 hours is undertaken quarterly with the community monitoring group.		Project progress report nos. 1, 3, 5, 7 and 9 and project completion report
Threats to biodiversity of international importance in up to 30 SUFs reduced	Threat reduction assessment index. Identification and ranking of key threats, intensity and scale, and location (Margoluis & Salafsky, 2002)	Completed TRA score card	SUF staff and representatives of local communities facilitated by VCFS M&E Officer and technical assistance	TRA work sheets in Vietnamese, pens, booklets, etc.	A discussion meeting is undertaken annually with the SUF staff and representatives of local communities	The original completed work sheets are stored in a ring-binder in the SUF Office. A copy is stored in FPD-MARD and VCFS	Project progress report nos. 1, 3, 5, 7 and 9 and project completion report

Management effectiveness in up to 30 SUFs enhanced	Management effectiveness scorecard. Twenty-six questions on legal aspects, boundary demarcation, protection, communication. (WB and WWF tracking tool, 2001)	Completed questionnaire	Staff of the SUF Management Authority and representatives of local communities facilitated by FPD staff or VCFS M&E Officer and technical assistance	Questionnaire in Vietnamese, pens, booklets, etc.	A discussion meeting is undertaken annually with the SUF staff and representatives of local communities	The original completed questionnaire is stored in a ring-binder in the SUF Office. A copy is stored in FPD-MARD and VCFS	Project progress report nos. 1, 3, 5, 7 and 9 and project completion report
Effective models developed and disseminated for involving local communities in co-management of forest resources by both harnessing their knowledge and supporting their sustainable use of biodiversity to promote biodiversity conservation	FPD staff keep track of the number, quality and type of trials  Management effectiveness scorecard nos. 20, 21, 22 and 28.	List with number and type of trials	VCFS M&E Officer, based on TA back-to-office reports and discussions with SUF management authorities				

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**APPENDIX 1. TERMS OF REFERENCE FOR KEY VCF STAFF****International Technical Advisor**

The Technical Advisor will ensure that appropriate technical assistance is provided to enhance the overall objectives of the VCF. In so doing he/she will further the objectives of the FSSP by contributing to the results areas related to sustainable forest management, sustainable use and conservation, and research, extension, education and training. The Technical Advisor will also provide support to the VCF Management Committee, the staff of the VCF Secretariat, Technical Review Group and donors contributing to the VCF. The Technical Advisor reports to the VCF manager.

***Duties***

1. Provide assistance to MARD in launching the VCF, including working with MARD to establish the VCF Secretariat and recruit VCF staff, and to establish and designate members of the Technical Review Group (TRG).
2. Work with the VCF Secretariat to establish the process for screening of SUF grant proposals. With the VCF Manager, coordinate the work of the Technical Review Group (e.g., organize meetings and establish process for distributing proposals to reviewers).
3. Facilitate the identification of technical assistance needs at central and regional level, and develop terms of reference for specific assistance. Assist in developing mechanisms to ensure that TA requests are cost-effective and focused on capacity-building in simple approaches to SUF management that can be sustained with the locally available financial and professional resources. In addition, monitor the performance of TA providers (at central and regional level).
4. Oversee the effective implementation of social safeguard mechanisms, including the preparation of social screening reports and, where appropriate, compliance with the Resettlement Policy Framework agreed for the FSDP.
5. Facilitate development of annual work plans for VCF with VCF Secretariat staff for submission and approval to the VCF Manager and the Management Committee. This will include playing a key role in the review and approval of the workprogrammes and budgets of the regional TA providers
6. Supervise the work of the monitoring experts.
7. Facilitate performance assessments for the technical staff of the VCF Secretariat.
8. Identify institutional development and training needs for the VCF staff.
9. Assess VCF operations and make recommendations for improving its operations.
10. Work with the VCF to facilitate the development of a fundraising strategy to support VCFs future operations.
11. Liaise with donors to explore expanding donor participation and funding to the VCF, either for grant support or technical assistance via the Multi-Donor Trust Fund.
12. By the end of year three, identify with the VCF Manager potential sustainable institutional financing arrangements that can support future VCF operations.
13. Participate in meetings of the NPSC and Project Coordinating Unit when requested. Work with GoV agencies to ensure that investment plans are linked to the OMPs and CNAs such that GoV and VCF funds are eventually integrated and directed toward meeting conservation priorities.

**Qualifications**

- MSc in management, economics, business and/or a conservation-related field
- Demonstrated experience in conservation finance
- At least 10 years' project management experience, some of which should be related to the management of protected areas
- Extensive experience in institutional development
- Experience in grants management and coordinating technical assistance teams
- Previous working experience in Vietnam is desirable

**Duty Station**

The Technical Advisor will be located within the VCF Secretariat in Hanoi with frequent travels to the field. He/she will initially be hired for a four-year period with a possibility of a 2-year extension. The Technical Advisor will be contracted directly by the project.

**VCF Manager**

The Manager reports to the Chairperson of Management committee and provides day-to-day management oversight for the VCF as indicated by Chairperson of Management committee.

**Duties**

1. Responsible for the day-to-day operations of the VCF under the supervision and guidance of the management committee, and supervision of the staff of the VCF Secretariat.
2. Responsible for the overall management of the grants program, including implementation of the proposal process, initial proposal screening, submission of proposals to the Technical Review Group, and preparation of project briefs and summary packets for funding decisions by the VCF Management Committee.
3. Work closely with the Technical Advisor to develop strong linkages between the VCF and donors.
4. Coordinate efforts between the VCF, MARD and provincial authorities to ensure the completion of Conservation Needs Assessments (CNA) and Operational Management Plans (OMP).
5. Undertake technical reviews of OMPs.
6. Coordinate and work closely with the central level and regional TA providers to ensure delivery of appropriate and effective TA in support of grant-funded activities with emphasis on simple and cost-effective approaches that can be sustained with the locally available staff and resources.
7. Oversee monitoring and communication activities, including the establishment and management of the VCF website.
8. Work with GoV agencies to facilitate the integration of investment plans and OMPs such that GoV and VCF funds are directed toward meeting conservation priorities.
9. Maintain a close working relationship with other MARD departments, provincial authorities and SUF management authorities.
10. Liaise with donors and guide the development and implementation of a fundraising

strategy to replenish the VCF. Explore long-term financing opportunities in order to develop the Fund as a sustainable financing institution for SUFs.

11. Participate in NPSC and Project Coordinating Unit (PCU) meetings when invited.
12. Facilitate strengthening of institutions and policies for SUF management where institutional and legal aspects are constraining effective implementation of the VCF, e.g. supporting the introduction of a multiple use zoning amendment to Decision 08 to enable SUFs to develop co-management agreement; aligning budgets to conservation priorities.
13. Prepare mid-year and final reports on Fund activities.
14. Develop strong links with NGOs, government agencies, national and international conservation agencies, and other concerned groups

### **Qualifications**

- Vietnamese national with MSc in social science, management, environmental studies or environmental management, or equivalent practical experience
- At least 5 years' experience working in management or project management
- Strong interdisciplinary, interpersonal, management, writing, presentation, computer, accounting and finance skills
- Good generalist background but ability to call upon a wide variety of specialized skills

### **Duty Station**

The VCF Manager will be located within the VCF Secretariat in Hanoi with frequent travels to the field. He/she will initially be hired for a four-year period with a possibility of a 2-year extension. The VCF Manager will be contracted directly by the project.

### **VCF Program Officer**

The VCF program officer provides support to the VCF manager with a focus on liaison with SUF management boards and regional TA teams.

### **Duties**

- (1) Assist the VCF Manager in the running of the VCF Secretariat
- (2) Responsible for communicating with grant holders
- (3) Coordinate the technical assistance to the Fund's activities to ensure that VCF-supported activities are operating effectively and that the TA is focused on simple and cost-effective approaches to SUF management that can be sustained with the locally available staff and resources.
- (4) Responsible for the day-to-day monitoring functions of the Secretariat, working in close collaboration with the monitoring expert.
- (5) Facilitate development of training materials, and dissemination of information on VCF impact
- (6) Assist in SUF proposal review

### **Qualifications**

- Vietnamese national with MSc in conservation, environmental studies or natural resources management, or equivalent practical experience



- At least 3 years' professional experience, preferably working in protected area management or a related environmental field
- Excellent analytical, organisational, writing and computer skills
- Experience in program monitoring and evaluation

#### VCF Accountant

The VCF accountant must be appointed prior to project negotiation.

#### ***Duties***

The VCF accountant has responsibility for all aspects of VCF financial management including:

1. Designing the financial management system;
2. Working closely with the relevant staff of the Nature Conservation Division of FPD to ensure that FPD is able to assume full responsibility for financial management of the VCF at the end of the project.
3. Monitoring of performance of the implementation of the VCF financial management system and introducing refinements based on experience;
4. Reviewing budgets of proposals submitted to the VCF for support, and reviewing financial reports on grant implementation;
5. Commissioning external audits as and when required;
6. Ensuring that clear and concise financial records are maintained and updated throughout implementation of the VCF;
7. Providing guidance and support to the regional TA teams on financial oversight and management;
8. Preparation of consolidated Financial Monitoring Reports for submission to the Project Co-ordinating Unit, and as required to MARD, MOF, the World Bank, GEF and other donors. Those for submission to GOV ministries must be in the appropriate Vietnamese format;
9. Ensuring the VCF complies fully with GOV and World Bank financial management requirements.
10. Other duties as assigned by the VCF Manager.

#### ***Qualifications***

The VCF accountant should combine professional qualifications in accounting and a strong record of senior-level experience in financial management, preferably including experience of ODA projects, with a good knowledge of international auditing standards, proven management and leadership skills, and the personal qualities to work as part of a team within the Nature Conservation Division of FPD.

#### ***Duty Station***

The Vietnam Conservation Fund Secretariat, situated within the Nature Conservation Division of the Forest Protection Department, Ministry of Agriculture and Rural Development, Hanoi.



**APPENDIX 2: TERMS OF REFERENCE FOR THE REGIONAL TECHNICAL ASSISTANCE TEAMS**

The three technical assistance teams (north, south and central) will work closely with the VCF Secretariat/FDP to provide operational support at field level in support of VCF implementation and SUF management. The regional teams will comprise national and international specialists with backgrounds in conservation planning/ecology and participatory resource management/rural sociology. Initially, the regional teams will provide support to the SUF management boards to assist in the preparation of Conservation Needs Assessments, Operational Management Plans and grant applications to the VCF. Later, the regional teams will strengthen the capacity of SUF management boards and local stakeholders to implement conservation activities funded by VCF and GoV. The regional teams will also have an important role in strengthening the monitoring and reporting on grant use by SUF authorities.

**Duties**

Regional teams report to the VCF Secretariat. Regional TA teams will be required to keep in close contact with the VCF Secretariat/FPD and coordinate closely with them. Regional TA teams will also be required to report on a 6 monthly basis to the VCF Secretariat.

- Develop close and supportive working relationships with each of the management boards assigned to them by the VCF Secretariat;
- Increase awareness of the VCF and administrative procedures amongst management boards, especially those in Parts A and B of Appendix 5;
- Within the context of the VCF, develop the capacity of management boards in key skills areas, for example in protected areas planning and management, working with local communities, accounting, project management. It is expected that this will be achieved through on-the-job training, supervision and regular training workshops which bring together key staff from the Special Use Forests concerned;
- Negotiating appropriate levels of TA support required for each VCF grant, in close coordination with the VCF Secretariat. It is anticipated that most, but not all grants will require some level of TA support;
- Provide operational support and training to the management boards in procurement of goods and services related to grant implementation;
- Ensure quality control of CNAs and OMP processes and outputs through close working relationships with management boards, and review and support services where required;
- Provide quality technical assistance which should be focused on capacity-building in simple approaches to SUF management that can be sustained with the locally available financial and professional resources. Whenever possible, encourage that SUF investment plans are linked to the OMPs and CNAs such that GoV and VCF funds are eventually integrated and directed toward meeting conservation priorities.
- Monitor implementation of grants, OMPs and social safeguard mechanisms, including social screening reports. They will also be responsible for supervising any relocation of people from SUFs which receive grant support, even if relocation is not funded by the VCF, but happening concurrently with the period for which grants are given. The regional teams will ensure that this is done in accordance with the Resettlement

**Policy Framework;**

- Monitor changes in management effectiveness of SUF management boards; changes in threat levels at SUFs receiving support from the VCF;
- Identify potential areas of conflict between SUF stakeholders and management boards and assist in conflict resolution, e.g., by encouraging management boards to address the conflicting interests in the OMPs;
- Oversee the use of VCF grants and report back to the VCF Secretariat on issues and VCF performance at regional and site level. This will include endorsing payment requests for second and third tranche payments for all multiple year grants;
- Preparing annual workplans and budgets for timely submission to the VCF Secretariat.

**Team composition and Qualifications:**

Team composition will vary, as it is likely that tendering organisations will adopt different approaches to regional TA delivery. The following team composition and qualifications have been included for guidance only, and outlines what a 'typical' regional TA team might comprise.

***National Conservation Planning Specialist:***

Vietnamese national with BSc in natural science with specialisation in biodiversity/ecology. At least 5 years' experience with protected area management, including monitoring. Extensive experience with applied conservation work. Exposure to participatory aspects of PA management an advantage. Proven personal skills in team-work.

***National Social Specialist:***

Vietnamese national with BSc in social science and with specialisation related to community participation, socio-economy and community based resource management, including monitoring. At least 5 years' experience with community based resource management. Proven personal skills in team-work. Knowledge of Vietnamese indigenous languages would be an advantage.

***International Conservation Planning Specialist:***

MSc (or equivalent) in natural science with specialisation in biodiversity/ecology. At least 10 years' experience with protected area management, including monitoring. Working experience from Vietnam or South East Asia. Extensive experience with applied conservation work. Exposure to participatory aspects of PA management an advantage. Proven personal skills in team-work. Ability to work effectively in multi-cultural situations and show sensitivity to local cultural values.

***International Social Specialist:***

MSc (or equivalent) in social science and with specialisation related to community participation, socio-economy and community based resource management, including monitoring. At least 10 years' experience with participatory protected area management and with community based resource management. Working experience from Vietnam or South East Asia. Proven personal skills in team-work. Ability to work effectively in multi-cultural situations and to show sensitivity to local cultural values. Knowledge of Vietnamese languages would be an advantage.

**APPENDIX 3: LIST OF SITES EXPECTED TO HAVE OPERATIONAL MANAGEMENT PLANS IN PLACE BY START OF YEAR 1**

<b>Special Use Forest</b>	<b>Support Organisation</b>
1. Ba Be National Park, Bac Can Province	UNDP-GEF PARC Project
2. Bi Dup-Nui Ba, Lam Dong Province	BirdLife International/CTNP Conservation Project
3. Bu Gia Map National Park, Binh Phuoc Province	BirdLife International/CTNP Conservation Project
4. Cat Tien National Park (MARD)	WWF CTNP Conservation project
5. Chu Mom Ray National Park, Kon Tum Province	WB Forest Protection and Rural Development Project
6. Dakrong Nature Reserve, Quang Tri Province	SNV
7. Ea So Nature Reserve, Dak Lak Province	ADB PPTA
8. Krong Trai Nature Reserve, Phu Yen Province	ADB PPTA
9. Lo Go Sa Mat National Park, Tay Ninh Province	BirdLife International/CTNP Conservation Project
10. Nahang Nature Reserve, Tuyen Quang Province	UNDP-GEF PARC Project
11. Ngoc Linh Nature Reserve, Kon Tum Province	ADB PPTA
12. Phong Dien Nature Reserve, Thua Thien Hue Province	MARD/WWF
13. Pu Hu Nature Reserve, Thanh Hoa Province	SNV
14. Pu Huong Nature Reserve, Nghe An Province	SNV
15. Pu Luong Nature Reserve, Thanh Hoa Province	WB-GEF Pu Luong – Cuc Phuong Conservation Project
16. Pu Mat National Park, Nghe An Province	EC Social Forestry in Nghe An Province project (SFNC)
17. Song Thanh Nature Reserve, Quang Nam Province	Quang Nam FPD/WWF MOSAIC Project
18. Yok Don National Park, MARD	UNDP-GEF PARC Project
19. Van Long Nature Reserve, Ninh Binh Province	WB-GEF Pu Luong – Cuc Phuong Conservation Project

## APPENDIX 4: RATIONALE FOR ELIGIBILITY CRITERIA

### Site Eligibility Criteria

#### ***Rationale for Criterion A - the SUF must support terrestrial biodiversity<sup>5</sup> of international importance***

The goal for the VCF is that *biodiversity of international importance* is conserved at highest priority sites. Given biodiversity data availability and quality limitations at individual SUFs, and the need for objective and consistent criteria, the most appropriate basis for identifying SUFs of international biodiversity importance is the priority landscapes for biodiversity conservation<sup>6</sup> in the Forests of the Lower Mekong Eco-region Complex<sup>7</sup>.

The features of priority landscapes that make them an appropriate basis for identifying SUFs of international biodiversity importance are: (i) they were defined by a group of over 80 national and international experts, on the basis of the most thorough review of available data on terrestrial biodiversity in Indochina to date; (ii) they are based on up-to-date information, having been defined in 2000; and (iii) they are spatially delineated, and can, therefore, be applied objectively and consistently.

One shortcoming of priority landscapes is that SUFs located within a priority landscape are not necessarily of international importance for biodiversity. This is because, due to limitations of time and data during the definition process, priority landscapes were defined on a broad scale, with limited attention given to excluding areas of marginal international biodiversity importance. In some cases, subsequent analyses of individual priority landscapes have identified SUFs that are not of international importance for biodiversity conservation<sup>8</sup>; these SUFs are not eligible for VCF support. In other cases, a cautionary approach is adopted, and all SUFs within a priority landscape are considered to be potentially of international importance for biodiversity conservation, pending the results of individual analyses.

Another shortcoming of priority landscapes is that the region of analysis did not cover all SUFs of potential international biodiversity importance. Specifically, it excluded marine and estuarine areas and the Northern Highlands. To address this issue, additional priority landscapes were provisionally defined in the Northern Highlands by the VCF design team in consultation with the WWF Eco-region-based Conservation Programme<sup>9</sup>.

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<sup>5</sup> Terrestrial biodiversity comprises elements of biodiversity represented in all terrestrial ecosystems, including mangrove forest ecosystems and *Melaleuca* forest ecosystems but excluding marine ecosystems.

<sup>6</sup> The conservation of the network of priority landscapes ensures the conservation of all the globally significant elements of biodiversity represented in the Forests of the Lower Mekong Ecoregion Complex.

<sup>7</sup> The Forests of the Lower Mekong Ecoregion Complex comprises all non-marine, non-estuarine parts of Laos, Cambodia and Vietnam, excluding the Northern Highland areas of Laos and Vietnam.

<sup>8</sup> To date, individual analyses have been conducted of the Central Annamites and Eastern Plains Dry Forests Priority Landscapes; these analyses identified Ban Dao Son Tra, Dak Mang, Nui Thanh, Phu Ninh and Vuon Cam Nguyen Hue SUFs as not being of international importance for biodiversity conservation.

<sup>9</sup> The provisional priority landscapes defined in the Northern Highlands of Vietnam were NH1 - Hoang Lien Mountains, NH2 - Northern Highlands Limestone, NH3 - Tam Dao and NH4 - Cat Ba.

Regarding SUFs in mangrove forest ecosystems, which were not covered by the region of analysis for the priority landscapes, Important Bird Areas (IBAs) were used to identify SUFs of international importance, at least for terrestrial elements of biodiversity.

The features of IBAs that make them an appropriate basis for identifying SUFs of international biodiversity importance are: (i) given the limitations in quality and availability of data on other taxonomic groups, birds are the most appropriate indicator for selecting SUFs of international importance for terrestrial elements of biodiversity in coastal areas; (ii) they are based on up-to-date information, having been identified in 2002, as a result of the most comprehensive assessment of bird conservation priorities in Vietnam to date; and (iii) they are spatially delineated and based upon standard, internationally recognised criteria, and can, therefore, be applied objectively and consistently.

***Rationale for Criterion B (The SUF must be an existing or proposed National Park, Nature Conservation Area, or Species/Habitat Conservation Area)***

Biodiversity conservation objectives can be achieved in a wide range of land-use categories, including SUF, protection forest, production forest, agricultural and aquacultural land. During the project, the effectiveness of the VCF will be optimised by restricting support to national parks and nature conservation areas (including species/habitat conservation areas), the only land-use categories in Vietnam with the principle management objective of conservation of biodiversity in forest ecosystems.

A significant number of proposed SUFs have been placed under appropriate conservation management at provincial level. These include a number of SUFs of international biodiversity importance, such as Na Hang, Dakrong and Song Thanh. Both decreed and proposed SUFs can therefore be eligible for support.

One of the issues the VCF is designed to address is the inefficient distribution of state funding to the SUF network. Most of the eight national parks managed directly by MARD receive high levels of state funding: on an area basis, funding levels are comparable to those found in developed countries. Although it is clear that provincially-managed SUFs suffer from an acute shortage of financial resources, it is difficult to argue that MARD-managed national parks receive inadequate funds. The primary focus is therefore on the provincially-managed SUFs.

***Rationale for Criterion C (The SUF must be under 'appropriate management'):***

The existence of an established management board demonstrates a level of commitment to the conservation of the SUF by the provincial authorities, provides a focus through which funding and technical support to the SUF can be channelled, and represents a baseline of government support to the SUF, to which the incremental support from the VCF can be added.

There are currently many SUFs, both decreed and proposed, for which management boards have not yet been established. Many of these SUFs are of international biodiversity importance. The absence of a management board at a SUF does not necessarily demonstrate a lack of commitment to conservation by the provincial authorities as, in many cases, this is due to constraints imposed by the *Public Administration Reform Programme*. In addition, for certain SUFs, establishment of a management board may not be the most appropriate form of conservation management. Consequently, forests designated as SUFs by the province and managed by the provincial FPD and its sub-offices at the district level can also be eligible for support.

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In order to prioritize support to those SUFs and activities that make the biggest contribution to conservation of biodiversity of international importance, level of threat must be considered in addition to biodiversity importance. SUFs supporting biodiversity of international importance are only priorities for conservation action if this biodiversity is threatened. Although there are threats to biodiversity at all SUFs in Vietnam, only some of these are significant threats to internationally important elements of biodiversity. SUF Operational Management Plans and Conservation Needs Assessments identify major threats to internationally important elements of biodiversity, and formulate and prioritize activities likely to mitigate them.

Operational Management Plans are a relatively new concept in Vietnam<sup>10</sup>. As most SUFs eligible for support from VCF are unlikely to have prepared Operational Management Plans by the start of the project, Conservation Needs Assessments will be prepared at each SUF during the first year of the project, to enable them to identify and obtain support for priority activities<sup>11</sup>.

To ensure that activities supported by VCF have no negative impacts on the livelihoods of local communities, SUF management authorities applying to VCF must prepare Conservation Needs Assessments and Operational Management Plans in consultation with local communities (Social Screening). See Appendices 6 and 11 for the CNA; Appendix 9 for the Social Screening Report.

The VCF will support activities where there is a demonstrated need but only where this does not encourage substitution or duplication of funding. Support will therefore be provided for those activities identified in Operational Management Plans and Conservation Needs Assessments for which a SUF does not have existing or planned support from the state budget or international donor assistance.

Infrastructure development, major items of equipment, basic staff salaries, office running costs, fuel and vehicle maintenance form the baseline investment of the GoV to the SUFs. The expectation is for the GoV to cover such expenditure while the VCF will provide additional funds to support operational costs for conservation.

In many SUFs, budgets have been used for construction and large infrastructure, not for investment in conservation management. To address this imbalance in funding, the VCF will concentrate on providing support for operational costs, with some support being made available for essential items of minor equipment not provided for by existing sources of funding.

Significant resources are available through the 5MHR program for social forestry activities within SUFs and buffer zones. The VCF should not substitute or duplicate these resources, but can support activities aimed at maximizing the biodiversity conservation benefits of the 5MHR program investments, e.g. activities to extend the conditions attached to forest

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<sup>10</sup> The standard format was piloted at Ba Be, Na Hang and Yok Don SUFs and approved for piloting by the Vice-Minister of MARD.

<sup>11</sup> Any SUF that has not prepared an Operational Management Plan must include an activity to prepare one in the first proposal it submits to VCF.



protection contracts to include exploitation of wildlife, or activities to target forest protection contracts on biodiversity 'hot-spots' at greatest threat from over-exploitation or conversion.

While EIAs are not eligible for VCF support, advocacy activities to propose environment-friendly alterations to planned major development projects will be applicable.

As the goal of the VCF is to conserve biodiversity of international importance at sites of highest priority through sustainable financing of SUFs, only activities within the mandate of SUF management authorities will be eligible for support. Activities beyond the mandate of SUF management authorities<sup>12</sup>, whether management boards or other appropriate SUF management authorities, will not be eligible for support. Such activities exclude rural development activities in the buffer zone or core zone of a SUF, which are the responsibility of other government institutions. While it is recognized that many of these activities are genuine priorities for support, making them eligible for support from VCF would dilute its effectiveness at delivering support to SUF management authorities.

Given the variations among SUFs in terms of socio-economic conditions, nature of threats, conservation management capacity and constraints on conservation, it is not appropriate to restrict eligibility to a predetermined list of activities. Rather, it is preferable for SUF management authorities to be allowed a considerable degree of flexibility in identifying appropriate activities to address threats prevalent at their SUFs.

Giving preference to projects with a significant commitment of cofinancing from the provincial or district budget is intended to create an incentive for local authorities to provide sustainable financial support to SUFs. In addition, this principle is intended to mitigate the risk that provincial authorities will use VCF as a substitute for existing financial support to SUFs and reduce funding accordingly. Funding to SUF management boards from national programs, such as the 5MHR program, channeled through the provincial budget, does not count towards co-financing, except where it is clearly demonstrated that these are appropriate sources of funding for conservation activities.

Giving preference to SUFs that received grants in the previous funding round supports the objective of providing sustainable financing of SUFs: VCF will provide a continuous, reliable source of financing to SUFs, providing them with the resources to maintain successful conservation initiatives as part of completed Operational Management Plans, endorsed by the Technical Review Group of the VCF.

Giving preference to SUFs that used previous funds effectively and accounted for them properly introduces a performance-based criterion into the selection process. This is intended to create an incentive for SUF management boards to use resources effectively and accountably.

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No criterion has been formulated in relation to whether or not preference should be given to projects with co-financing from international donors. On the one hand, giving preference to

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<sup>12</sup> The mandate of SUF management boards is laid out in Article 12 of the Regulations on Management of Special-use Forest, Protection Forest and Production Forest, attached to Decision No. 08/2001/QĐ-TTg of the Prime Minister, dated 11 January 2001.

SUFs with existing support from international donors would discriminate against SUFs most in need of support from VCF, while, on the other, giving preference to SUFs without existing support from international donors would create a disincentive for SUFs to seek international donor support for small projects, as this would reduce their chances of support from the VCF. In addition, SUFs with existing support from international donors arguably have greater capacity to effectively use additional support. This should therefore be determined on a case-by-case basis and based on the overall level of financial support received from international sources.

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As the VCF may not have sufficient resources to support all eligible activities at eligible SUFs, there will be a need to prioritize activities for support. Rather than following strict criteria, selection of which eligible activities will receive funding will be on a case-by-case basis.

**APPENDIX 5: ELIGIBILITY MATRIX****UPDATED APPENDIX 5**

Date of official release: 19 January 2009

No.	Name of NR, NP & SHCA	Category	Province	Eligible criteria		
				A	B	C
	<b>North</b>					
1	Hoang Lien	NP	Lao Cai	x	x	x
2	Hoang Lien Van Ban	NR	Lao Cai	x	x	x
3	Mu Cang Cha	SHPA	Yen Bai	x	x	x
4	Na Hau	NR	Yen Bai	x	x	x
5	Sop Cop	NR	Son La	x	x	x
6	Ta Xua	NR	Son La	x	x	x
7	Xuan Nha	NR	Son La	x	x	x
8	Bac Me	NR	Ha Giang	x	x	x
9	Du Gia	NR	Ha Giang	x	x	x
10	Phong Quang	NR	Ha Giang	x	x	x
11	Bat Dai Son	NR	Ha Giang	x	x	x
12	Tay Con Linh	NR	Ha Giang	x	x	x
13	Na Hang	NR	Tuyen Quang	x	x	x
14	Cham Chu	NR	Tuyen Quang	x	x	x
15	Trung Khanh	SHPA	Cao Bang	x	x	x
16	Ba Be	NP	Bac Kan	x	x	x
17	Kim Hy	NR	Bac Kan	x	x	x
18	Nam Xuan Lac	SHPA	Bac Kan	x	x	x
19	Xuan Son	NP	Phu Tho	x	x	x
20	Bai Tu Long	NP	Quang Ninh	x	x	x
21	Dong Son-Ky Thuong	NR	Quang Ninh	x	x	x
22	Cat Ba	NP	Hai Phong	x	x	x
23	Tien Hai	NR	Thai Binh	x	x	x
24	Cuc Phuong	NP	Ninh Binh	x	x	x
25	Van Long	NR	Ninh Binh	x	x	x
26	Ben En	NP	Thanh Hoa	x	x	x

27	Pu Hu	NR	Thanh Hoa	x	x	x
28	Pu Luong	NR	Thanh Hoa	x	x	x
29	Xuan Lien	NR	Thanh Hoa	x	x	x
30	Xuan Thuy	NP	Nam Dinh	x	x	x
	<b>Central</b>					
1	Pu Huong	NR	Nghe An	x	x	x
2	Pu Mat	NP	Nghe An	x	x	x
3	Vu Quang	NP	Ha Tinh	x	x	x
4	Ke Go	NR	Ha Tinh	x	x	x
5	Khe Net	NR	Quang Binh	x	x	x
6	Bach ma	NP	Hue	x	x	x
7	Phong Dien	NR	Hue	x	x	x
8	Ba Na-Nui Chua	NR	Da Nang	x	x	x
9	Ban Dao Son Tra	NR	Da Nang			
10	Song Thanh	NR	Quang Nam	x	x	x
11	krong Trai	NR	Phu Yen	x	x	x
12	Hon Ba	NR	Khanh Hoa	x	x	x
13	Dak Krong	NR	Quang Tri	x	x	x
14	Ea So	NR	Dak Lak	x	x	x
15	Yok Don	NP	Dak Lak	x	x	x
16	Nam Ca	NR	Dak Lak	x	x	x
17	Kon Ka Kinh	NP	Gia Lai	x	x	x
18	Chu Mong Ray	NP	Kon Tum	x	x	x
19	Ngoc Linh	NR	Kon Tum	x	x	x
	<b>South</b>					
1	Bi doup- Nui Ba	NP	Lam Dong	x	x	x
2	Nam Nung	NR	Dak Nong	x	x	x
3	Ta Dung	NR	Dak Nong	x	x	x
4	Nui Chua	NP	Ninh Thuan	x	x	x
5	Phuoc Binh	NP	Ninh Thuan	x	x	x
6	Nui Ong	NR	Binh Thuan	x	x	x
7	Ta Kou	NR	Binh Thuan	x	x	x
8	Binh Chau-Phuoc Buu	NR	Ba Ria-Vung Tay	x	x	x
9	Cat Tien	NP	Dong Nai	x	x	x

10	Vinh Cuu	NR	Dong Nai	x	x	x
11	Bu Gia Map	NP	Binh Phuoc	x	x	x
12	Lo Go Xa Mat	NP	Tay Ninh	x	x	x
13	San Chim Bac Lieu	NR	Bac Lieu	x	x	x
14	Tram Chim	NP	Dong Thap	x	x	x
15	Lang Sen	NR	Long An	x	x	x
16	Kien Ha Hai	SUF and Protection Forest	Kien Giang	x	x	x
17	U Minh Thuong	NP	Kien Giang	x	x	x
18	Phu Quoc	NP	Kien Giang	x	x	x
19	Mui Ca Mau	NP	Ca Mau	x	x	x
20	U Minh Ha/Vo Doi	NP	Ca Mau	x	x	x
<b>TOTAL ELIGIBLE SUFS OF THE THREE REGIONS: 69</b>						

**Note**

NP: National Park

NR: Nature Reserve

SHPA: Species and Habitat Protected Area

## **APPENDIX 6: FORMAT AND GUIDANCE FOR THE PREPARATION OF CONSERVATION NEEDS ASSESSMENTS**

### **Background**

A Conservation Needs Assessment (CNA) is a rapid assessment of threats to the biodiversity of the SUF and opportunities for conservation. SUF management authorities that have not prepared an Operational Management Plan and wish to get support from VCF must first conduct a CNA. All needs assessments, which will include management effectiveness reviews and threat assessments, will be included in the online version of the Sourcebook of Protected Areas. Examples of completed Conservation Needs Assessments can be downloaded from this site for reference purposes.

### **Objectives**

The objectives of CNAs are to:

- Identify threats to the conservation of internationally important biodiversity and their location
- Identify activities likely to address those threats in a long-term manner.
- Establish a baseline for monitoring the impact of activities supported by the VCF.

### **Personnel**

CNAs should be conducted by SUF management authorities (2-4 key persons), with TA as necessary, either through VCF or other sources. Technical assistance will typically comprise 2 TA staff, a biologist and a social scientist. In addition, 2-3 local people would be engaged to work with the CNA team (see Appendix 9). The TA staff will also be responsible for on-the-job training in and facilitating the development of the first grant proposals to the VCF, including selection of 1-2 simple indicators for output/outcome of the proposed grant activity in the SUF (e.g., kms of boundary demarcated).

### **Duration**

It takes one week to conduct a CNA, depending on the size of the SUF and number of communes in the buffer zone.

### **Involvement of local stakeholders**

Representatives of local people from all communes and all sections of the community in the buffer zone and core areas should be involved in the CNA process, particularly communities living near areas of high conservation value and communities with a relatively high dependence on forest/wetland products for their livelihood and subsistence. Guidelines for ensuring local participation are provided in Appendix 6.

## **METHODOLOGY**

Conservation Needs Assessments comprise:

- Assessment of SUF management effectiveness.
- Threat assessment.
- Training of SUF staff in assessment of management effectiveness and threats, and in formulation of VCF proposals.

If appropriate:

- Formulation of first VCF grant proposal, including selection of grant indicator.

### **Assessment of Management Effectiveness**

SUF management effectiveness should be assessed by means of the World Bank/WWF Management Effectiveness Tracking Tool<sup>13</sup>. This provides a quick overview of the effectiveness of management of an individual SUF. The tracker tool has now been translated into Vietnamese, piloted and adjusted. Reference should be made to the piloted version of the tracker tool. This is made available in the technical support document.

The tracker tool requires the completion of tracker tool forms by a small group of SUF staff, including the SUF director and/or vice-director and 2-3 representatives of local communities. Completion of the forms should be facilitated by staff of the regional TA teams.

The first page details key information on the SUF, its characteristics and management objectives. The next pages comprise 29 questions that can be answered by assigning a simple score ranging between 0 (poor) to 3 (excellent). Four alternative answers are provided for each question. Questions that are not relevant to a particular SUF should be omitted, with a reason given in the comments section (e.g., questions about use and visitors will not be relevant to all SUFs).

A box next to each question allows for the qualitative judgements to be justified by explaining why they were made (e.g., personal opinion, reference document, monitoring results, external assessments). The point is to give anyone reading the report an idea of why the assessment was made.

A final total score can be calculated as a percentage of scores from those questions that were relevant to a particular SUF. For example, if 5 questions were believed to be irrelevant then the final score would be multiplied by 29/24 to offset the fact that some questions were not applied.

### ***Threat Assessment***

The threat assessment identifies internationally important elements of biodiversity at an SUF, evaluates threats, and suggest activities likely to address them.<sup>14</sup> The threat assessment should be conducted by a small team (two to four) of SUF staff, facilitated by the TA staff. Examples of threat assessments can be found in the online version of the Sourcebook of Protected Areas.

Threat assessment comprises 5 steps:

1. Listing of internationally important elements of biodiversity at the SUF, based on published and unpublished literature and consultations with scientists and SUF staff (worksheet 1, section I).
2. Consultations with representatives of local communities. All relevant issues should be discussed in order to collect information on natural resource use patterns (see also Appendix 6).

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<sup>13</sup> Stolton, et al. in prep..

<sup>14</sup> Margoluis & Salafsky, 2002; Tordoff *et al.*, 2002.

3. Evaluation of threats to internationally important elements of biodiversity and formulation of proposed activities to address these threats. In section II of worksheet 1, the team lists the direct threats (column 1), provides a description of them (column 2), and indicates the goal of 100% reduction (column 3).

4. Formulation of proposed activities to identify threats, and prioritisation of activities eligible for support from the VCF (worksheet 2).

5. Village meetings in all affected communes to feedback the results of the Conservation Needs Assessment, incorporate their comments, and seek their approval for the list of prioritised activities. Priority areas for village meetings are communities living near areas of high conservation value, and communities with a relatively high dependence on forest/wetland products for their livelihood and subsistence.

The method will be used at each SUF to assess progress in reducing threats over time. In this manner VCF and SUF can determine the impact of the combined VCF and GoV funding in support of conservation at the particular site.



**APPENDIX 7: FORMAT AND GUIDANCE FOR THE PREPARATION OF OPERATIONAL MANAGEMENT PLANS<sup>15</sup>**

**Title page** (Name and legal status of SUF)

Contents

*Background (2-3 pages):* Use existing documents e.g. sourcebook of SUFs, SUF investment plan, etc., to provide a summary of values of the SUF and justification for the selection of the site as a priority area for conservation. This section should also include the socio-economic context, including relevant buffer zone and local and regional economic development issues.

*Issues and threats (3-5 pages):* List and briefly outline in order of threat level the five most serious threats to biodiversity at the SUF. This should be based on the Conservation Needs Assessment. It should include a realistic appraisal of the pressures on the biodiversity of international importance, including an ordering of these into relative importance and urgency.

*Management objectives (2-3 pages):* A clear statement of the goals and objectives that can be realistically achieved during the plan period (5-10 years), consistent with the SUF's values, identified threats and feasible management interventions. If possible, it would be desirable to include different sets of management objectives for different management zones.

*Management actions (5-7 pages):* For each threat, or group of threats, distinct actions should be identified and ranked (available from the CNA) in order to tell why and how some activities might have funding priority over others. Outline participatory and co-management strategies. Describe management activities in relation to the management zones delineated in the SUF and correspond to the zone-specific objectives. Outline site and species-specific management activities.

*Implementation Plan (2 pages):* Link this section directly to section 6 above, providing a chart outlining proposed activities and the time frame for achieving them. In addition, this should include a brief write-up on any issues or constraints.

*Monitoring & Evaluation (2 pages):* Provide a summary of simple indicators to be used in monitoring for assessing the effectiveness of management activities, based on the management effectiveness tracking tool and the threat reduction scorecard. Outline the specific steps to be taken and the schedule.

*Budget (1 page):* Provide the total budget needs, based on realistic estimates of the required management inputs, their timing and expected sources. Government commitment to finance counterpart contribution (e.g. through investment plans, the 661 programme, or from recurrent budgets) must be clearly expressed. The budget should cover all categories of

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<sup>15</sup> The process for development of the OMP must be participatory and include consultation with representatives of all relevant stakeholders, including local communities and ethnic minorities; it should fully comply with the Social Screening criteria, Appendix 6.

management expenditure (including conservation management operations, staff development and equipment), not just capital development or infrastructure.

**APPENDIX 8: STANDARD FORMAT FOR PROPOSALS TO THE VCF**

Date of Application	Grant Number (Secretariat Use)
Project Title	Project Objective
Name of SUF	Name, qualification and title of person preparing the application from the SUF
Province	
District	
Justification and Rationale for the Proposal (indicate the relationship to the Conservation Needs Assessment or Operational Management Plan and how the proposal furthers these conservation objectives). Note: if this is a first proposal to the VCF, please attach a copy of the Conservation Needs Assessment and provide the names of those involved in the preparation of the assessment.	
Social Issues of Importance to Project Implementation: (Attach Social Screening Report)	
Brief Project Description	
Status of the Proposed Activity (e.g., has work already commenced, is the Proposed Activity being continued, or is it building upon previous work?)	
Total Cost of the Activity/Project (attach full budget)	Other Sources of Funding, including Government Funding
Amount Requested from the VCF	
Time, Duration and Implementation Schedule/Plan (include all proposed activities and attached sheet)	
Comments and Recommendations regarding proposal by Chairperson of the Provincial People's Committee	

Signature  
SUF representative \_\_\_\_\_ Date \_\_\_\_\_

Signature  
Chairperson People's Committee \_\_\_\_\_ Date \_\_\_\_\_

Attachments:

Conservation Needs Assessment/Operational Management Plan

## Social Screening Report

<b>Objective 1</b>				
<b>Result 1</b>				
<b>Activities</b>	<b>When</b>	<b>Where</b>	<b>By whom</b>	<b>Remarks</b>
<b>Objective 2</b>				
<b>Result 2</b>				
<b>Activities</b>	<b>When</b>	<b>Where</b>	<b>By whom</b>	<b>Remarks</b>

Total Budget for the Project (with breakdown into components):

<b>Component A.</b>					
<b>Item</b>	<b>Unit Cost</b>	<b>Total Cost</b>	<b>Amount Requested Conservation Fund</b>	<b>Government Contribution</b>	<b>Other Sources of Funding *</b>
<b>Component A.</b>					
<b>Item</b>	<b>Unit Cost</b>	<b>Total Cost</b>	<b>Amount Requested Conservation Fund</b>	<b>Government Contribution</b>	<b>Other Sources of Funding *</b>

\* Ensure you identify the amount of financing from other sources, including the amount and source of funding.

## APPENDIX 9: STANDARD FORMAT FOR A SOCIAL SCREENING REPORT

Special Use Forest (SUF) management authorities applying for grants from VCF must have prepared a Conservation Needs Assessment<sup>16</sup> that prioritizes activities for support (Appendix 7). The involvement of local communities in the preparation of CNAs is one of the standards of good practice that SUF management authorities should be aiming for. It is also a precondition for support from the VCF. This is in line with the view, widely expressed by SUF managers, that there exists a pressing need to increase local community involvement in conservation and to identify practical and effective means of doing so.

As part of the proposal for a VCF grant, the SUF management board will be required to submit a brief Social Screening Report describing how local communities were involved in the development of the CNA in which the proposed activities were prioritized. The Social Screening Report will be reviewed by the VCF Secretariat and the VCF Technical Review Group, to ensure that the proposal meets with the requirements.

The purpose of the Social Screening Report is:

1. To guide SUF management authorities in carrying out good quality, participatory Conservation Needs Assessments; and
2. To promote good working relationships between SUF management authorities and local communities on conservation and resource use issues.

To this end, the Social Screening Report submitted with each proposal must demonstrate that:

1. *Information in the Conservation Needs Assessment on use of natural resources in the SUF was derived from consultation with local communities whose lives are affected by the SUF<sup>17</sup>;*
2. *The Conservation Needs Assessment has been reviewed and revised with input from these local communities and their representatives; and*
3. *For any activities that restrict local communities' access to resources that are integral to their cultural practices or that they rely on for their subsistence, SUF management authorities have negotiated and reached agreement with local communities on acceptable levels of local use of specified resources.*

A standard format for the Social Screening Report (to be filled in and submitted by the SUF management authority) appears below. The procedure will be tested for effectiveness in the first year of the VCF while VCF support is provided to the first SUFs.

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<sup>16</sup> A small number of SUFs have existing Operational Management Plans (OMP). In these cases, the SUF management authority should check to ensure that the OMP was developed in a way that meets the social screening requirements. If it falls short of these requirements, the OMP must be revised on the basis of local consultations, and a Social Screening Report developed.

<sup>17</sup> This includes people continuing to live within the core area (if any) and people living in all communes abutting the SUF (buffer zones).

## Social Screening Report for proposals to VCF

This form must be completed by the SUF management authority and submitted as part of the grant proposal to VCF.

Please ensure that the CNA in which the proposed activities were identified meets all four of the following criteria:

A	Select one of the following criteria A1 or A2	
A1.	The People's Committee chairpersons of all communes located in the buffer zone and core area of the SUF were consulted in the preparation of the Conservation Needs Assessment.	
A2	Chairpersons of People's Committee of communes, where direct impacts are likely to take place.	
B.	People living in the buffer zone and core area, and all sections of these communities, were consulted during the preparation of the Conservation Needs Assessment	
C.	Draft results of the Conservation Needs Assessment were fed back to all the local communities and their comments were taken into account in the final Conservation Needs Assessment	
D.	Where activities are proposed that restrict local communities' access to resources that are integral to their cultural practices or that they rely on for their subsistence, SUF management authorities have negotiated and reached agreement with local communities on acceptable levels of local use of specified resources.	

To demonstrate criterion A has been met:

The Conservation Needs Assessment enclosed with this proposal has been endorsed by signatures of the People's Committee chairpersons of all buffer zone communes and of any communes in the core zone where people continue to live.	Yes/ No
--	---------

To demonstrate criterion B has been met, please report the following:

State whether any local persons were engaged as part of the Conservation Needs Assessment and describe the work they carried out.	
Describe the different types of social groups identified for consultations, and how each group was consulted.	

Describe the different ethnic groups in the buffer zone communes and how they were each consulted.	
Describe how women were consulted during the Conservation Needs Assessment.	

To demonstrate criterion C has been met, please report the following:

Describe how the draft results of the Conservation Needs Assessment were fed back to the local communities and how local people's comments were taken into account.	
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To demonstrate criterion D has been met:

A resource use agreement (example below) is attached and endorsed by signatures of the People's Committee chairpersons of the communes affected.	
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Sample resource use agreement:

Please specify which of the proposed activities have been identified by local communities' as activities that restrict their access to resources within the SUF integral to their cultural practices and/or livelihoods.	
--	--

Please describe the agreements reached:

Resource used	Current uses	Agreement reached (i.e. please describe permissible level of harvesting agreed, or level or restriction as appropriate)	Signatures of relevant Commune People's Committee


Please describe any other mitigating measures agreed (if any) for the loss of access to resources.

Please provide the population breakdown by ethnicity of people living in all communes abutting the site (buffer zone communes) (sample format below):

Commune	Village	Total population	Population breakdown by ethnic group				
			Kinh	Etc.	Etc.		

Are any people currently living inside the SUF? If yes, please provide the following information:

Commune	Village	Total population	Population breakdown by ethnic group				
			Kinh	Etc.	Etc.		

Will any activities identified in the Conservation Needs Assessment/Operational Management Plan result in the resettlement of households from within the SUF within the next 6 years?

Yes / No

If yes, please:

Specify which activities these are and measures to be taken for compensation to households concerned.

Provide the following information, if available, at time of submission:

Village	Commune	Area of land to be acquired by the SUF	No of households to be relocated




### Guidelines for the Social Screening Report

Engaging local people to work with the Conservation Needs Assessment team.

SUF management authorities are advised to engage 2-3 local people to work with the assessment team. These people should be selected on the basis of their language skills and good reputation within the communities. Their involvement as organizers and interpreters for household interviews and group meetings can be of great benefit in ensuring that people are approached in an appropriate way, by lessening language barriers and creating good working relationships.

**Social groups.** This means any part of the local population that can be grouped together because they share the same interests, such as similar livelihood strategies, socio-economic levels or social status. There are usually two or three obvious social divisions in any community. Sometimes the social divisions will be the same as ethnic divisions, but in some circumstances they may be different. Social groups can be quickly and easily identified when planning the assessment by sitting down with commune leaders and asking some key questions: What types of activities are people engaged in? Do different groups of people do different things, and if so why? Who are the wealthier/poorer people in the commune and why? Are there recent migrants to the commune? Are they involved in different activities from people who have lived there for a long time?

**Ethnic groups.** Care should be taken to note the names of all ethnic groups living in the buffer zones and core area and to ensure that every group is consulted. In order to get an idea of key resource-use issues for different ethnic groups, ask the commune leaders a few key questions before beginning to meet with households: What types of activities do the different ethnic groups engage in? How are they different from one another? Do different ethnic groups use different resources from the forest? Are there any resources (plants, wildlife) that are particularly important to some ethnic groups and why are these important? These questions can also be helpful when interviewing households or groups of people. Be sure to seek out and interview village elders (*gia lang*) and local experts in the use of traditional medicines as these people will have specialized knowledge of natural resource use that other, younger people may not know. Their views and opinions will be important to other people in the villages.

**Consultation with women** should aim to produce a meaningful understanding of how men and women may be involved in different activities within the forest. The Conservation Needs Assessment should demonstrate how this may influence choices in the selection of activities. (I.e. do not simply note the number of men and women interviewed. Are there differences in the ways in which men and women gather, hunt, protect or use natural resources and should this logically result in activities that address these differences?).

**Results of the draft Conservation Needs Assessment** can be fed back to communities by soliciting the assistance of commune leaders in organizing commune meetings (to inform village leaders) and village meetings (to inform households – both men and women should be invited and encouraged to attend). It is very helpful for strengthening ties between the SUF management board and local communities if a representative of the SUF management board could attend at least some of the village meetings. Feedback from the village meetings should then be compiled by village and commune leaders. Commune leaders then meet with the SUF management authority to discuss the communities' response to the draft plans and to negotiate the inclusion of any further community input into these plans.

### Conflict Resolution and Grievance Mechanisms

The early involvement of local people in consultation to develop the Conservation Needs Assessment aims to:

- Reduce tensions between local people and SUF management authorities; and
- Ensure negotiated agreements on resource use are developed that recognize both conservation needs and the needs of local people.

However, natural resource use is likely to be a sensitive issue at every site. There may be instances when local communities and SUF management authorities cannot reach agreement, or when conflicts arise over resource use between these parties. TA staff are expected to play an important role as third party mediators in identifying areas of conflict and working with the two parties to negotiate a settlement.

There may also be cases when the parties concerned feel that entitlements promised or agreements already negotiated are not being properly honored. In these cases, parties should defer to the grievance procedures provided by the existing legal instrument in Vietnam<sup>18</sup>. This instrument provides for grievances by citizens to be heard by the People's Committee at commune or district level, and for conflicts to be resolved by the same authorities at the appropriate level. To summarize the provisions of this law:

- District and commune-level People's Committees have one day free per week when they can receive complaints from the community;
- District/commune People's Committee chairpersons are responsible for settling complaints or denunciations of their own activities or illegal actions, as well as those of people and agencies under their jurisdiction;
- The Fatherland Front and citizens are responsible for supervising this process.
- If faced with inaction or an impasse, the disputing parties are entitled to take the dispute to a higher level of government authority.

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<sup>18</sup> Government of Vietnam. Law on Complaints and Denunciations (No. 09/1998/QH of December 2, 1998).

**APPENDIX 10: STANDARD FORMAT FOR VCF MANAGEMENT BOARD CONTRACTS**

Letter of Agreement between the Vietnam Conservation Fund and \_\_\_\_\_

Whereas,  
the Special Use Forest Management Authority for.....(name of SUF)..... (hereinafter called "the Recipient") intends to undertake ..... project (hereinafter called "the project");

**and**

the Vietnam Conservation Fund (hereinafter called "the Fund" has approved a request from the Recipient to partly finance the project,

1. The following is the Agreement between the two parties

#### General Provisions

##### 1.1 Definitions

The following terms have the following meanings

**"Applicable Law"** mean the law of the Republic of Vietnam;

**"the Fund"** means Vietnam Conservation Fund;

**"Secretariat"** means the Secretariat of the Vietnam Conservation Fund;

**"Party"** means the beneficiaries or the Fund, as the case may be;

**"Project"** is the investment and related activities to be undertaken by the recipient;

**"Grant"** is the funds made available by the Fund to the Recipient.

**"Beneficiary"/Recipient** is the persons or group receiving benefits from the project.

##### 1.2 Notice

Any notice request or consent under this agreement shall be in writing to the following address:

**For the Recipient:** .....

**For the Vietnam Conservation Fund** .....  
(Manager)

##### 2.0 Objective of Agreement

GRANT AMOUNT: the Fund agrees to grant to the Beneficiary/Recipient the amount of ..... under the terms and conditions explained below. The Fund will make the grant money available in accordance with the agreed disbursement schedule. Funds will be provided under this agreement for expenditure made in respect of the reasonable cost of works, goods and services required for carrying out the project, and to be financed out of the grant.

The Fund will disburse the grant according to the following schedule. The VCF can make one disbursement in one instalment or multiple instalments, depending on the amount and the project's nature and time frame:

Instalments	Date	Amount Disbursed	% of total amount	Remarks
1 <sup>st</sup>				Upon signing the project contract
2 <sup>nd</sup>				Upon report of expenditure of 80% of funds disbursed at first instalment.
3 <sup>rd</sup>				Upon report of completion of the project.

**The final financial report on expenditure is due one month (30 days) after the date of completion of the project.**

Modifications or variations: Any modifications or variation of the terms and conditions including any modification to the duration of the grant may only be made by written agreement between the Recipient and the VCF

### 3.0 Obligations of the Recipient

**Execution of the Project: the Recipient declares that she/he will undertake and implement the project in accordance with the implementation plan as described in the attached proposal document (“Project Description”).**

Recipient Contribution: the Recipient will perform the following tasks (or purchase the following goods) as described in more detail in the proposal document.

- (a)
- (b)
- (c)

Bank Account: the Recipient will use (or open) a bank account in ...(name of Bank)..... to receive the grant funds from the Fund.

Accounting Records: the Recipient will keep records of all expenditure involved in undertaking the project. She/he shall keep for a period of three years after completion of the project all invoices and other evidence of expenditure, written in chronological order.

**Procurement: the Recipient will ensure that, unless otherwise agreed in writing prior to initiating the purchase of goods and services, at least three quotes are obtained from vendors and/or service providers to ensure the acquisition of quality products and services at a reasonable price. Any selection of a provider that does not provide the lowest cost should be explained in writing.**

Audit: the Recipient will allow the above accounting records and works to be verified by a Fund representative or auditors appointed by the Fund and answer all questions asked by such representatives or auditors.

Overlapping grants: Where two grants are overlapping or being implemented simultaneously the Recipient is responsible to keep separate account records of expenditure for each grant.

#### 4.0 Obligations of the Vietnam Conservation Fund

**Payments: The Fund will make the grant funds available in a timely manner and under the conditions of this grant agreement.**

**Upon the request of the Recipient, the Fund will make payments to a third party for works carried out or services or goods delivered for the undertaking of the project.**

#### 5.0 Termination

**The Project is expected to be completed by .....20.....**

The Recipient may terminate this Agreement at any time during the execution of the project. In such a case, the Recipient will reimburse all funds advanced by the Fund that have not yet been spent.

The Fund may terminate the Agreement for the following reasons.

The Recipient does not fulfil his/her obligations noted under paragraph 3.1 to 3.5.;  
Procurement of goods, services and works are not carried out according to the established guidelines (to be provided by the Fund and according to donor regulations);  
The funds of the Agreement are misused or used for purposes other than the objective noted under para. 3.1 and described in the project proposal.  
The Project or part of the Project is delayed in such a way that the grant amount becomes insufficient to fully realize the Project and/or the Recipient is considered unable to implement the Project.  
The Fund has insufficient funds.  
For other reasons, not mentioned above, but considered important enough to cast doubts on the ability to continue this agreement.

Termination Procedures: The party terminating the agreement has to notify the other party in writing, providing the reasons for termination, which is effective immediately upon receipt of the notification by the other party. Termination can be cancelled by an amendment to this agreement or a separate letter of agreement, which may include a modification in the contributions of both parties. Upon termination, the Recipient will reimburse all unspent advances received from the Fund.

#### 6.0 Effectiveness

**This agreement will become effective upon its signature by both parties.**

IN WITNESS WHEREOF, the parties hereto, acting through their duly authorized representatives, have caused this agreement to be signed in their respective names in

....., on ....., 20.....

.....

For the Beneficiary

.....

**For the Vietnam Conservation Fund**

## **APPENDIX 11: RESETTLEMENT POLICY FRAMEWORK**

The following text is an extract from the FSDP projects Resettlement Policy Framework. This section of the framework applies to the VCF component of the FSDP. The complete document is available from the Central Project Coordination Unit.

### **Section 4: Process Framework for the Conservation Fund**

#### **4.1. Overview**

##### ***Purpose and Principles***

The Process Framework addresses the eventuality that the project objective of conserving important biodiversity, as documented in the prescribed Conservation Needs Assessment, necessitates reduction of present uses of natural resources in a given Special Use Forest.

The purpose of the Process Framework is to establish a process by which communities potentially affected by restricted resource access and the management authority of an SUF engage in a process of informed and meaningful consultations and negotiations to identify and implement means of reducing or mitigating the impact of restricted resource access.

##### ***Benefit Sharing Mechanisms***

In many SUFs, informal local-level agreements exist on what communities can and cannot collect from the protected areas, although this is not encouraged by the current legislation. This provides opportunities to develop improved methods to protect the important biodiversity resources that are the target of GEF support, while fostering participation and sustainable resource use instead of prohibiting traditional forest uses.

Since the fund will provide grants of a limited amount to individual special use forests, the project will not be in a position to fund alternative income generation activities out of these small grants. The Process Framework therefore focuses on alternative mitigation means. The primary mitigation measure will derive from formal Benefit Sharing Mechanisms regarding permissible levels of resource use within the SUF. These agreements are a minimum requirement under the Process Framework. If an agreement on acceptable levels of resource use cannot be reached by Year 5 of the project in one of the SUF supported by VCF, restrictions will not be supported by the project and a Resettlement Plan will have to be prepared by VCF for this SUF in order to compensate for the loss of access to resources.

Restrictions on resource use will not be enforced prior to the finalization of Benefit Sharing Mechanisms.

##### ***Other Participatory Resource Management Activities***

The project encourages the development of participatory approaches to natural resource management. This includes, but is not limited to, permissible levels of resource use. The Process Framework ensures that such a participatory approach is fostered under the project by setting up a set of steps and conditions that apply to each SUF taking part in the project.

##### ***Definition of Target Group***

The individuals and communities targeted by the Process Framework are those who utilize natural resources in/from a special use forest that receives assistance from the VCF and may be adversely impacted by improved conservation measures supported by the fund. They live (i) within a special use forest and are affected by the improved management measures, or (ii) in the vicinity of the special use forest, and are users of forest resources inside the special use forest affected by the improved management measures.

These communities and individuals are also defined as “displaced persons” under OP 4.12 on involuntary resettlement (Note: the residence of these persons is generally not displaced, but their access to some natural resources may be restricted).

Individuals and communities considered as illegal occupiers in a special use forest are eligible under this Process Framework as mentioned in section 1.3 of this Resettlement Policy Framework.

The provisions of OD 4.20 (Indigenous People) have also been taken into consideration while preparing the Process Framework.

### ***Duration and Adjustments***

The Process Framework starts when the management authorities of a special use forest and/or its partner (such as an NGO) prepare to apply for funding from the Conservation Fund with the preparation of the conservation needs assessments. It continues for special use forests that receive funding throughout implementation of the Forest Sector Development Project.

Any application to the Conservation fund implies that the applicant and the Management of the special use forest(s) where the Conservation fund grant would be used have received information about this Process Framework and recognize that conservation activities will be prepared and implemented under the Process Framework.

This process consists of a series of four steps (preparation and application, activity launch, implementation, and monitoring and dissemination of lessons learnt) with a number of conditions to be fulfilled at each stage. These steps and conditions can be adjusted during project implementation as new problems and opportunities arise, but any adjustment must be agreed upon in advance by the International Development Association (IDA).

## **4.2. Restrictions on Resource Use**

### ***Step 1: Applying to the Vietnam Conservation Fund***

a). The Conservation Needs Assessment that forms the basis of an application to the Vietnam Conservation Fund must fulfill the social criteria of the project. These criteria are:



- **Information in the Conservation Needs Assessment on uses of natural resources in the SUF was derived from consultation with the local communities whose lives are affected by the SUF<sup>19</sup>;**
- **The Conservation Needs Assessment has been reviewed and revised with input from these local communities and their representatives; and**
- **For any activities that restrict local communities' access to resources that are integral to their cultural practices or that they rely on for their subsistence, SUF management authorities negotiate and reach agreement with local communities on acceptable levels of local use of specified resources.**

A Benefit Sharing Mechanism can have been developed prior to applying for funding by the VCF, or can be part of the project activities if the Conservation Needs Assessment identifies that as a priority need.

A Social Screening Report is filled in and submitted with the grant proposal by the SUF management authority. A standard format is provided in Annex 1. The Chairmen of the all the involved Communes' People Committees endorse the social information of the assessment.

**b). The needs for restrictions on local resource use are precisely identified. They are limited to those types of restrictions identified in the initial Conservation Needs Assessment or subsequent updates approved by the Vietnam Conservation Fund. The Conservation Needs Assessment provides biological justification for each of these proposed restrictions with a reasonable degree of detail.**

c). Special use forest managers pay particular attention to land tenure issues, including traditional land rights and obligations and use of natural resources by ethnic minorities. Specifically, NTFP collection and shifting cultivation, whereby land officially classified as "forest land" or "unused land" could in fact be kept fallow under the traditional farming system practiced by farming households, will not be prohibited unless this is necessary for the conservation of important biodiversity. Likewise, access to sacred sites, if any, should not be restricted.

### ***Step 2: Launching participatory activities***

When a Benefit Sharing Mechanism already exists, participatory activities are undertaken to implement and monitor this agreement. When no such Benefit Sharing Mechanism exists yet, consultations and negotiations are undertaken to reach such an agreement. These activities must start no later than 6 months after the VCF application has been declared successful.

Whether a Benefit Sharing Mechanism already exists or not, a baseline survey must be undertaken to identify people who reside within areas of improved management and who are affected by them. This survey is to be completed no later than 12 months after the application has been declared successful. The objective of this exercise is to identify the

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<sup>19</sup> This includes people continuing to live within the core area (if any) and people living in all communes abutting the SUF (buffer zones).

differential impacts on the restrictions on local people, and to be able to monitor its implementation.

### ***Step 3a: General implementation***

**In cases where restrictions of access to natural resource use has been or will be planned by the SUF Management authority, the following provisions shall apply:**

- Participatory natural resource management and other activities provide compensation in accordance with Section 3 of the Resettlement Policy Framework.
- 
- Complaints and grievances are addressed in accordance with section 5.3 of the Resettlement Policy Framework.
- 
- At least one person in the special use forest management board and/or in the supporting NGO is responsible for consultation and participatory activities.
- 
- The project's Technical Assistance staff provide support to the special use forests to build capacity in participatory resource management.

### ***Step 3b: Implementation in Ethnic Minority Communities***

**In cases where ethnic minorities are users of natural resources from the SUF, the additional provisions will apply:**

- Representatives of the relevant ethnic groups and communities will participate in local management boards and in consultation and participatory activities.
- 
- The baseline survey identifies with care the ethnicity, population numbers and location of all ethnic communities in and around the special use forest. Land use inside the SUF should also be described in relation to customary rights, sacred sites, and specific areas for non-timber forest product harvesting.
- 
- The traditional knowledge of native ethnic minority communities is analyzed and is used wherever relevant as a basis for improved natural resource management.
- 
- It is required that improved management initiatives of the special use forest does not create risks of reduced food security among native communities.
- 
- Information and training activities as well as consultation and participatory activities are carried out using the communication guidelines recommended in section 4 of the Ethnic Minority Development Strategy.
- 
- In areas with both native communities and recent migrants, participatory activities aim to ensure that native communities will achieve at least the same level of participation as recent migrants.
- 
- Problems caused by recent migrants of ethnic minority origin are resolved on a case-by-case basis.

### ***Step 4: Monitoring and Dissemination of Lessons Learnt***

Supervision is carried out by the project's Technical Assistance staff in accordance with Section 5.4 of the Resettlement Policy Framework.

Lessons learnt are disseminated among special use forests through the first component of the project.

Each SUF receiving VCF funds reports on activities planned under the Process framework and their implementation in its annual planning and implementation reports. This section is entitled: Special Use Forest Process Plan.

#### 4.3. Potential Relocation

**Efforts are generally made by local authorities in the special use forests of Vietnam to avoid resettlement wherever possible, and local people are allowed to remain inside the protected areas unless they themselves decide to leave. The VCF does not fund any relocation. However, in the event that special use forest managers have already planned for relocation of people residing inside SUFs, based on conservation justification, this Resettlement Policy Framework will apply in case the SUF receives grants from the VCF. This will require the following steps:**

##### Step 1: Applying to the Conservation Fund

Plans for potential relocation are mentioned in the Social Screening Report if they were made prior to the application.

##### Step 2: Launching participatory activities

The baseline survey identifies areas of residence with sufficient detail. A sketch map showing areas of residence is produced.

##### Step 3a: General implementation

No portion of the grant provided by the VCF will be used for activities directly or indirectly used for relocation.

Plans for relocation are transmitted by Management of the special use forest to the VCF secretariat and the central PMU if they are made after the application.

Relocation taking place throughout the duration of the project is documented and reported to the VCF secretariat. Reports mention the location of existing settlements, proposed relocation sites, numbers of households and people affected by ethnicity, and reason for resettlement.

Relocated individuals or communities are entitled to compensation in accordance with Section 3 of the Resettlement Policy Framework (in addition to compensation for relocation provided through the Vietnamese legal framework). They can forward complaints and grievances in accordance with Section 5.3 of that framework.

Proposed relocation is subject to approval and supervision by internal monitoring by IDA.

##### Step 3b: Implementation in Ethnic Minority Communities

Representatives of the relevant ethnic groups and communities participate in the preparation of any relocation.

Food security in the new settlement is ensured at a minimum to the degree of the previous settlement.

Information is provided using the communication guidelines recommended in section 4 of the Ethnic Minority Development Strategy.

Relocation is handled on a case-by-case basis. Appropriate solutions are worked out for native communities and for recent migrants of ethnic minority origin.

**APPENDIX 12: STANDARD REPORTING FORMAT FOR GRANT RECIPIENTS.**

The following provides guidance to the VCF to assist in the development of reporting formats for grants. The VCF Secretariat will have responsibility of developing this format further for use by the VCF.

**GENERAL INFORMATION**

Project code		
Name of project		
Name of implementing SUF		
Total budget		
Progress report covering the period	From	To

**ACTIVITY REPORTING****2.1 Progress over this period (status of grant indicators)**

Result 1		
Activity planned	Progress achieved	Not Achieved (explain)
A		
B		
C		
Result 2		

**2.2 Major Constraints/Problems Encountered**

List the major constraints/problems encountered during the reporting period

Type of problems encountered in implementation	Action taken to overcome problems	Lessons learned

Please note any pending issues:

### 2.3 Work Plan for the Coming Period

Result 1		
Activities	To be achieved	When
A		
B		
C		
Result 2		

## FINANCIAL REPORTING

### 3.1 Information on fund releases

Instalment	Amount received	Date

### 3.2 Expenditure report

Description of activities	Approved budget	Actual expenses this reporting period	Accumulated expenditure including this reporting period	Balance of Funds
Result 1				
A				
B				
C				
Result 2				
Totals				

	Prepared by	Approved by
Signature		
Name		
Designation		
Date		