1. General Description:

ID:CN-24028
Project resulting from this CN: N/A
Note: CNs are developed into project proposals following consultation with donor(s).

1.1 Project Title:

Establishing a Pilot Plantation Forest Information Sharing and Wood Supply Chain Traceability System in Vietnam

1.2 Submitting Country/ies:

Viet Nam

1.3 Specific Location & Country/ies/regions/areas benefitting from the project:

The forestry sector throughout the country; and the 11 piloting provinces locating from the North to the South of Vietnam: Hoa Binh, Son La, Bac Giang, Lang Son, Tuyen Quang, Yen Bai, Thanh Hoa, Nghe An, Ha Tinh, Quang Nam, and Ca Mau.

1.4 Endorsement from ITTO Focal Point:

Endorsement from ITTO Focal Point_Vietnam_01_12_2023.pdf

1.5 Intended Project Duration (in months):

30

1.6 Indicative Budget (in US$):

ITTO	386,280
Counterpart	10,000
Total	396,280

1.7 Programme Line Focus

Emerging Issues and Innovation

1.8 Project Type

Pilot/demonstration project, Innovation, Other

Project Type - Other (please explain):

Legality and sustainability of timber and timber product/Forest industry.

1.9 Proposal Summary:

Up to the 31st of December, 2022, planted forest accounted for 4.656 million hectares out of approximately 14.790 million hectares of the total forest area in Vietnam. The area of planted forest has been growing year on year (especially from 1998 to 2022) thanks to the country's reforestation efforts. Every year, the plantation forest provides about 45 million cubic meters of round timber (estimated) occupied for almost 75% of the total yearly round timber used in the country. In addition to important production of wood and non-wood products, planted forests provide several other very important ecosystem services for the public. The effective and efficient management of the country's plantation forest resources requires accurate, up-to-date, and fully shared information system which is very important for making sustainable management decisions and developing the plantation forest based on the market base. In addition, the EU Deforestation Regulation (EUDR) will become applicable as of 30 December 2024. As a result, EUDR requires the establishment of a sustainable Wood Supply Chain Traceability System in related countries including Vietnam. However, there is no plantation forest information sharing and or wood supply chain traceability system in Vietnam yet. Therefore, the main purpose of this project is to establish a pilot plantation forest information sharing and wood supply chain traceability system for both the state and the private sectors in Vietnam. The pilot system of this project is very important for developing a full plantation forest information sharing and wood supply chain traceability system for Vietnam in the coming years by mobilizing our national resources. The project's outcomes will directly benefit our Forestry Development Strategy to 2030, the Glasgow Leaders' Declaration on Forests and Land Use, and the net zero emission goal to 2050 while directly promote the sustainable forest management for the socio-economic development in Vietnam.

2. Proponent Information:

2.1 Executing Agency Information:

Name of Agency/Organization/Institution:

Vietnam National University of Forestry (VNUF).

Name of main Contact Person:

Assoc. Prof. Dr. Phung Van Khoa, Vice President of Vietnam National University of Forestry (VNUF).

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2.2 Type of Organization:

University/Research Institute

Type of Organization- other case:

Vietnam National University of Forestry (VNUF) was established in 1964 by the Vietnamese government and has been also currently under the management of the Ministry of Agriculture and Rural Development (MARD).

2.3 Collaborating Agency/ies:

Name of Agency/Organization/Institution:

Department of Forest Protection, Ministry of Agriculture and Rural Development (MARD); Department of Forestry (MARD); and Vietnam Timber and Forest Products Association (VIFOREST)

Name of main Contact Person:

Dr. Bui Chinh Nghia - Director of Department of Forest Protection, Dr. Vu Thanh Nam - ITTO Vietnam Focal Point - Ministry of Agriculture and Rural Development; and Mr. Ngo Sy Hoai (Vice President and Secretary General of VIFOREST)

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2.4 Relevant experience of EA:

VNUF, a leading forestry institution in Vietnam, has almost 60 years of outstanding experiences in forestry and related sectors. VNUF has been conducted/participated in many national and international projects related to spatial analysis, GIS, remote sensing, Forest Management Information System, Web-GIS based software, PFES software, automated near real time deforestation detection/forest fire warning systems, forest plant and wild bird identification software, Chain of Custody management, etc.

3. Relevance:

3.1 Conformity with ITTO objectives (ITTA, 2006) and priorities (current SAP):

ITTA, 2006: h. Improving market intelligence and encouraging information sharing on the international timber market with a view to ensuring greater transparency and better information on markets and market trends, including the gathering, compilation and dissemination of trade related data, including data related to species being traded; j. Encouraging members to support and develop tropical timber reforestation, as well as rehabilitation and restoration of degraded forest land…; k. Improving marketing and distribution of tropical timber and timber product exports…, promoting consumer awareness; l. Strengthening the capacity of members for the collection, processing and dissemination of statistics on their trade in timber and information …; o. Encouraging information sharing for a better understanding of voluntary mechanisms…; q. Promoting better understanding of the contribution of non-timber forest products and environmental services…; s. Identifying and addressing relevant new and emerging issues. ITTO Strategic Action Plan (2022-2026): Strategic Priority (SP): Statistics and information — Improve the quality, availability and timeliness of information on tropical forest product markets, supply chains and international trade, including challenges and opportunities related to market access, expansion and diversification. * Targets to be achieved by 2026, by SP: 1. Governance and investment: 3) Develop and promote tools to monitor and increase transparency and provide traceability in supply chains; 5) Promote actions to combat illegal trade in tropical timber species and reinforce collaboration with CITES... * Targets to be achieved by 2026, by SP: 1. Capacity building in member countries: 22) Upscale best practices, tools, scientific/research applications and innovation; 23) Enhance training, education and extension, …; 25) Support initiatives to promote cross-sectoral coordination at the national and local levels.

3.2 Relevance to the ITTO Programme Lines:

This project is completely in line with the ITTO's Programmatic Lines as below: Programmatic Line #1: Legal & Sustainable Supply Chains (LSSC): Goal: To enhance capacity in tropical timber supply chains to meet the increasing demand for sustainability and assurance that products are from legal sources. Programmatic Line #4: Emerging Issues and Innovation: Goal: To address emerging/urgent issues and innovation focused on achieving ITTA objectives that are not covered under the other programmatic lines.

3.3 Relevance to the Sustainable Development Goals (SDGs) and the Global Forest Goals (GFGs) and other forest related global agenda:

For Sustainable Development Goals (SDG): This project is completely in line with the following SDGs: SDG 1: No Poverty (because this project will help small-scale forest owners/famers to increase their income from increasing the wood and forest products once all information is shared to the public); SDG 8: Decent Work and Economic Growth; SDG 9: Industry, Innovation and Infrastructure; SDG 13: Climate Action; SDG 15: Life on Land; SDG 17: Partnerships to achieve the Goals. For the Global Forest Goals (GFG): This project is completely in line with the following GFGs: Global Forest Goal 1: Reverse the loss of forest cover worldwide through sustainable forest management, including protection, restoration, afforestation and reforestation, and increase efforts to prevent forest degradation and contribute to the global effort of addressing climate change. Global Forest Goal 4: Mobilize significantly increased, new and additional financial resources from all sources for the implementation of sustainable forest management and strengthen scientific and technical cooperation and partnerships (4.5: The collection, availability and accessibility of forest-related information is improved through, for example, multidisciplinary scientific assessments). Global Forest Goal 5: Promote governance frameworks to implement sustainable forest management, including through the United Nations Forest instrument, and enhance the contribution of forests to the 2030 Agenda for Sustainable Development (5.4 Forest-related issues and the forest sector are fully integrated into decision-making processes concerning land use planning and development). Global Forest Goal 6: Enhance cooperation, coordination, coherence and synergies on forest-related issues at all levels, including within the UN System and across Collaborative Partnership on Forests member organizations, as well as across sectors and relevant stakeholders.

3.4 Relevance to submitting country's policies:

This project is relevant to the following policies in Vietnam: The Forestry Law: Law No: 16/2017/QH14: Article 36. Forest database; Article 102. Responsibilities for state management of forestry by People's Committees at all levels; The Ministry of Science has issued Decision 2979/QD-BKHCN – on promulgating the Plan of the Ministry of Science and Technology to implement the "Project on implementation, application and management of traceability system" to perform the tasks of "Project on implementation, application and management of traceability system" was approved at Decision No. 100/QD-TTg dated January 19, 2019 of the Prime Minister; Viet Nam Forestry Development Strategy in the 2021-2030 period, with a vision to 2050: III. DIRECTION FOR THE FUTURE DEVELOPMENT: 1. Future direction for development in specific fields: To strengthen capacity on forest governance of forest owners through establishing a forest resource monitoring and evaluation system, promote the application of remote sensing and geographical information system (GIS), information technology in information management in the forestry system; inventory, assessment of the country's forest resource; development of community-based forestry, ..., application of people-oriented approach. To improve capacity for forest owners so that they are capable enough to effectively monitor, manage forest, to have 100% of forest owners being organization capable enough to monitor, manage forest resources and prevent, fight forest fires; Decree No. 47/2020/ND-CP, dated on the 9th of April, 2020 on Prescribing the management, connection and sharing of digital data of state agencies; On December 30, 2022, the Ministry of Agriculture and Rural Development issued Circular No. 26/2022/TT-BNNPTNT stipulating the management of traceability of forest products; The Glasgow Leaders' Declaration on Forests and Land Use including the Vietnamese government, the Net zero emission. to 2050.

3.5 Linkages to previous/ongoing ITTO and other projects/activities (if any):

Project 1: Strengthening and consolidating the national process for addressing illigal logging and associated trade in Cameroon; ID: CN-21009; Project 2: Development and Testing of National Forest Stock Monitoring System (FSMS) with Improved Governance Capabilities at All Levels of the Forest Administration. ITTO Project PD 599/11 Rev.1 (M); Project 3: Traceability of Timber Produced by Forest Concessions and Native Communities in Madre De Dios and Ucayali; PD 621/11 Rev.3 (M); Project 4: Promotion of sustainable domestic consumption of wood products in Vietnam. ID:CN-21001; CN: PD922/21 Rev.1 (I).

4. Project synopsis:

4.1 Objectives (reflecting reference to elements within all ITTO Guidelines as applicable):

The overall objective of this project is to promote the sustainable management of the plantation forest and trade in plantation forest resources/products including improved market intelligence in Vietnam through improving forest governance, institutional law enforcement capacity, stakeholder coordination and forest sector competitiveness based on an innovative and transparent information sharing mechanism. The specific objectives are the establishment and testing of an integrated, real-time, multi-tiered, online plantation forest information sharing and plantation forest wood/timber traceability system for improving the governance capabilities at all levels in the forestry sector and instantly for the forest administration in the 11 provinces in the piloting stage. The pilot system of this project is very important for developing a full plantation forest information sharing and wood supply chain traceability system for Vietnam in the coming years by mobilizing our national resources. The project's outcomes will directly benefit our Forestry Development Strategy to 2030, the Glasgow Leaders' Declaration on Forests and Land Use, and the net zero emission goal to 2050 and the other related national policies while directly promote the sustainable forest management for the socio-economic development and environmental protection in Vietnam.

4.2 Key problem(s) to be addressed:

There are 4 main problems this project to be addressed as below: 1. No plantation forest information sharing system available in the country; 2. No wood/timber supply chain traceability system available in the country; 3. The database of the plantation forest is incomplete, inconsistent, not regularly updated; 4. The forest monitoring technicians are not well trained, updated with the current spatial technologies; and all the other issues related to the above-mentioned problems will be also addressed directly/indirectly throughout the implementation of this project: 1. Non registered logging/timber harvest. 2. Forged Certificate of Timber introducing illegal timber into the supply chain; 3. Lack of market information and access for the forest owners; 4. The forest product buyers do not know the forest product sellers and vice versa; 5. Falsification of species declaration to circumvent controls on high value tropical trees as well as to lower tax and forest charges levied on production; 6. Lack of accurate statistical timber species and volume/quantity harvested yearly; 7. Private Forest owners and local farmers do not know where to advertise/publish their forest information and forest products; 8. Falsification of timber origin and transshipments in order to infringe on logging bans and restrictions in certain areas; 9. Forest product price is not transparent; 10. License holders harvesting in excess of authorized annual allowable cut; 11. Impossible to monitor the plantation forest management activities; 12. Limit market information and access for the related traders such as plantation forest materials, forest products processing companies, fertilizers and or seedlings sellers, forest carbon credits buyers, etc.

4.3 Main stakeholders and beneficiaries:

- The Department of Forestry and the Department of Forest Protection in the Ministry of Agriculture and Rural Development, and the VIFOREST; - The local forest agencies, especially in the 11 piloting provinces of Vietnam; - The national and local policy makers; - Timber, carbon credits, non-timber forest products processing and trading enterprises; - The forest owners/timber growers (wood producers/suppliers), especially, the private sectors, small-scale forest owners/famers; - Forest/forestry related research institutes/university faculties and students, technical schools and vocational training centers (training institutions); - The EU communities and markets since this project contributes to implement the the EU Deforestation Regulation (EUDR); - The system will be available online to all stakeholders, the public, and the ITTO.

4.4 Key activities:

To meet the objectives, it is necessary to implement the following key activities: 1. Conduct a literature review of Establishing a Plantation Forest Information Sharing and Wood Supply Chain Traceability System; 2. Collect all related data, documents, maps of the plantation forest in the pilot provinces; 3. Conduct field surveys using the Participatory rural appraisal (PRA), remote sensing and expert methods for field checking, to verify the collected data/maps; using the questionnaires and interviews to collect feedbacks for establishing a Plantation Forest Information Sharing and Wood Supply Chain Traceability System recommendations; use seminars/group/farmers discussions to raise awareness about the project objectives and activities, etc.; 4. Organize technical workshops for getting recommendations for establishing a Plantation Forest Information Sharing and Wood Supply Chain Traceability System in Vietnam; 5. Normalize all maps, update all data based on the current standards, create a database for next steps; 6. Design and develop the Plantation Forest Information Sharing module and the Wood/Timber Supply Chain Traceability modules. All modules should be integrated in one complete and consistent system for the public access via Web-GIS based development: 6.1. Plantation Forest Information Sharing module; 6.2. Develop a Wood/Timber Supply Chain Traceability module ensures 100% "Back to Stump" traceability for wood/timber production (adapted from ITTO Project PD 599/11 Rev.1 (M)); 6.3. Develop a Verification of Legal Origin (VLO) (adapted from the ITTO Project PD 599/11); 6.4. Build an online, multi-tiered and integrated plantation forest information sharing and Wood Supply Chain Traceability system with field data entry module configured; 7. Conduct the Technical Infrastructure Procurement and Setup; 8. Planning for Deployment for Field Testing; Creation and Submission of Project Terminal Report; Submission/Turn-over of Documents/Project Outputs.

4.5 Expected outcomes and impacts, including innovation/transformation:

The main outputs of this project include: 1. A systematic report on literature review of Establishing a Pilot Plantation Forest Information Sharing and Wood Supply Chain Traceability System (PPFISSWSCTS); 2. A complete database for the PPFISSWSCTS; 3. A PPFISSWSCTS including a Verification of Legal Origin (VLO); 4. An online, multi-tiered and integrated plantation forest information sharing and wood supply chain traceability system with field data entry module configured; 5. At the end of the project, a final draft policy/ies for promoting plantation forest information sharing and wood supply chain traceability system will be submitted to the national authorities for approval. For the outcomes and impacts: this project will significantly contribute to publicly share the information of the current plantation forest in Vietnam including but not limited to the forest owner contact information, species, wood volume, NTFPs, carbon credits and price, site conditions, wood price, etc. Especially, the project will also create a system for plantation forest wood supply chain traceability to meet the requirement of the EUDR. This project is an important contribution for maintaining and developing plantation forest in Vietnam; promoting legal wood/timber uses and sustainable tropical plantation forest management, therefore ensuring the transparency, legality, consistency information and data for the public; promoting practical activities for minimizing the deforestation and forest degradation, greenhouse gas emissions, and biodiversity loss in the region. The project will contribute to increase the income for all forest owners. The pilot system of this project is very important for developing a full plantation forest information sharing and wood supply chain traceability system for Vietnam in the coming years. The significance of the project output can be measured by its adoption and application in the piloting provinces and then for the whole country.

4.6 Existing funding for (related) initiative(s)/established contacts to potential donors:

N/A

4.7 Any other information deemed necessary/important:

N/A

4.8 Risk mitigation measures:

There are some main risks for this project implementation and the corresponding mitigation measures, including but not limited to: (1) Lack of cooperation of project partners (low): The project builds on a long-trusted partnership between VNUF, the Department of Forestry (MARD) and the Department of Forest Protection (MARD) and the VIFOREST, and also the local forest management agencies in the 11 pilot provinces. To mitigate this risk, clear job allocation, duties have been discussed and agreed upon the project partners; (2) Lack of commitment of relevant stakeholder groups, coordination from the local communities and authorities (low): To mitigate this risk, we have discussed with the relevant stakeholder groups, local communities and authorities about this project and they all agreed to collaborate with us in implementing this project, committed to provide support as much as they can; (3) Critical conditions in the field surveys and community communication works (natural disaster, Covid-19, social instability) (low): The project sites include very wide range of geo-socio-economic-biophysical conditions in the 11 pilot provinces. If working in an area is impossible, we will take the other locations instead to gain a sufficient range of the real conditions; (4) Loss of critical competencies in the project (low): To mitigate this risk, the project participants/members consist of a large range of specialized experts in the fields of forestry, IT, spatial analysis, GIS and remote sensing, database development and Web design, polity makers, marketing, etc.; The project will also contact the experts working in the similar projects such as "Development and Testing of National Forest Stock Monitoring System (FSMS) with Improved Governance Capabilities at All Levels of the Forest Administration. ITTO Project PD 599/11 Rev.1 (M)"; - The project will closely collaborate with ITTO and donor(s) for guidance in implementing the project's activities.

5. Indicative Budget (in US$):

Indicative Budget (in US$):

Description	ITTO	Counterpart	Total
Personnel	95,000	0	95,000
Sub-contracts	50,000	0	50,000
Travel and DSA	70,000	0	70,000
Capital Items	9,000	10,000	19,000
Consumables	20,000	0	20,000
Publication / Dissemination	30,000	0	30,000
Miscellaneous	35,000	0	35,000
Total	309,000	10,000	319,000

ITTO Project Monitoring & Review	20,000	-	20,000
Annual/Final Audit	9,000	-	9,000
ITTO Programme Support	38,280	-	38,280
ITTO Ex-post Evaluation	10,000	-	10,000
GRAND TOTAL	386,280	10,000	396,280