INTERNATIONAL TROPICAL TIMBER ORGANIZATION

ITTO

PROJECT PROPOSAL

TITLE:	DRIVING FOREST-BASED BIOECONOMY IN VIET NAM'S ACACIA FORESTRY: DEVELOPMENT OF GUIDANCE AND DIALOGUE PLATFORM FOR CROSS-BORDER VIETNAMESE ACACIA VALUE CHAIN STAKEHOLDERS
SERIAL NUMBER:	PD 952/25 (I)
COMMITTEE:	FOREST INDUSTRY
SUBMITTED BY:	GOVERNMENT OF VIET NAM
ORIGINAL LANGUAGE:	ENGLISH

SUMMARY:

It has been observed that growing importers' demand for products made from acacia small-diameter wood such as wood chips, wood pellets, plywood, is promoting extremely short-cycle logging by smallholders in Viet Nam. Such short rotation causes sustainability problems such as a decline in the productivity of acacia plantations, ecosystem services, and biodiversity. At the root of this problem is a "lock-in" structure that reinforces negative environmental impacts, originating from the continuation and strengthening of existing businesses by stakeholders in Viet Nam and overseas. Currently, no effective solution has been found. The ultimate goal of this project is to transition the value chain which starts from acacia plantations in Viet Nam, to a forest bioeconomy that achieves carbon neutrality, nature positivity, and a circular economy. This initiative will also contribute to improving the livelihoods and expanding the capabilities of smallholders in Vietnam.

To achieve this goal, this project aims to accelerate voluntary initiatives by companies. By analyzing the interrelationships among stakeholders, this project will clarify how the procurement practices of importer companies significantly impact the sustainability of the entire value chain, including plantations in Viet Nam. Based on this analysis, the project will develop guidance to encourage changes in their procurement practices. To enable these changes, the project will provide opportunities for dialogue (a platform) to promote collaboration among stakeholders in the acacia value chain system. In addition, in order to ensure equal and constructive dialogue at the platform, we will implement capacity building for stakeholders to promote a common understanding of sustainability issues and improve their ability to collaborate, based on the guidance developed.

EXECUTING AGENCY:	VIETNAM TIMBER AND FOREST PRODUCTS ASSCOCIATON (VIFOREST)	
DURATION:	24 MONTHS	
PROPOSED BUDGET AND OTHER FUNDING SOURCES	SOURCE	CONTRIBUTION IN USD
	ITTO	280,000
	Executing Agency	7,600
	TOTAL	**287,600**

Contents

Project Brief

The forestry sector in Viet Nam has experienced rapid growth, largely driven by the expansion of acacia plantations linked to strong overseas markets such as Japan. Currently, smallholder farmers predominantly harvest acacia trees on short rotations to supply products such as wood chips, pellets, and plywood. This intensive short-cycle logging, combined with the widespread practice of whole-burning, raises significant sustainability concerns, including declining plantation productivity, degradation of ecosystem services, loss of biodiversity, and reduced carbon sequestration capacity. These issues are further intensified by a "lock-in" structure within the acacia value chain, where stakeholders continue unsustainable practices due to misaligned incentives and a lack of coordination across the value chain both within Viet Nam and internationally. Although some voluntary corporate sustainability actions exist, no comprehensive solutions have been implemented to address the root causes linked to procurement practices and cross-border trade dynamics.

This project seeks to facilitate the transition of the Vietnamese acacia value chain to a sustainable forest-based bioeconomy embodying carbon neutrality, nature positivity, and circular economy principles. It aims to foster collaboration among diverse stakeholders across Viet Nam and Japan to develop a unified approach toward sustainable acacia production and trade. The uniqueness of this project lies in its holistic view of the value chains of various wood products originating from acacia plantations as a single forest bioeconomy system, rather than focusing on the value chain of a specific product. Furthermore, this project targets cross-border value chains, considering not only businesses in Viet Nam but also businesses in importing countries that influence the market as stakeholders.

Development Objective:
To promote the transition to a forest bioeconomy that achieves carbon neutrality, nature positivity, and a circular economy by recognizing the value chains originating from acacia plantations in Viet Nam as an integrated system.

Specific objective and outcome indicators:
To strengthen corporate actions by analyzing Viet Nam's acacia plantation value chain, developing practical guidance, and facilitating collaboration mechanisms among diverse stakeholders to advance sustainable forest management and accelerate the forest bioeconomy. Achievement of this objective will be measured through the following outcome indicators:

- A common understanding of the current state of the acacia value chain system and its lock-in structure will be fostered among stakeholders, and problems will be shared.
- Opportunities for dialogue and collaboration among key stakeholders in the value chain will be created, understanding of the importance of collaboration will deepen, and concrete actions will be considered.

Primary Beneficiaries:
Businesses involved in the acacia value chain in Viet Nam—including traders, processors, and exporters—and companies in Japan such as trading firms and manufacturers. Their active participation will generate practical insights, share experiences, and identify challenges critical to supporting the transition to a sustainable bioeconomy. Other beneficiaries include acacia plantation owners (especially smallholders), local traders, industry associations at national and regional levels, and relevant government agencies in Viet Nam.

Main Outputs:

- A comprehensive analysis and mapping of the acacia value chain, revealing "lock-in" structures.
- Practical guidelines to support corporate sustainability and the bioeconomic transition.
- Initiation of a multi-stakeholder platform promoting cross-border dialogue and collaboration.
- Development of a follow-up action plan and dissemination of project results in English, Vietnamese, and Japanese.

Implementation and Partnerships:
The project will be implemented by the Vietnam Timber and Forest Products Association (VIFOREST) as the executing agency, in close collaboration with the Institute for Global Environmental Strategies (IGES) and the Forest Economic Research Centre (FEREC) as collaborating agencies. The approach integrates literature reviews, stakeholder interviews, field surveys, workshops in Viet Nam and Japan, pilot platform meetings, and capacity-building sessions. Emphasis on knowledge sharing and dialogues ensures broad participation and fosters collaborative solution-building.

Sustainability:
Sustainability is ensured through the establishment of lasting institutional frameworks, such as the stakeholder platform, integrating project findings into business operations and local policies, and leveraging VIFOREST's role bridging enterprises and government. The project aligns with Viet Nam's Forestry Development Strategy 2021–2030, with a vision to 2050, underpinning long-term impact.

Risks and Mitigation Measures:
- Potential delays due to differing stakeholder interests will be mitigated by experienced facilitation, confidence-building, and transparent communication led by VIFOREST and partners.
- Policy changes or shifting priorities will be addressed through active engagement and consistent reporting with government counterparts and donors.
- Challenges in collecting data from smallholders will be managed by partnering with local organizations and utilizing established networks.

Budget:
The total requested budget from ITTO is USD 280,000, supplemented by USD 7,600 from the executing agency. Personnel costs constitute approximately 54% of the budget. The remaining funds are allocated to project activities, travel, and operational expenses.

List of Abbreviations and Acronyms

EA	Executing Agency
FEREC	Foresty Economics Research Centre
FAO	Food and Agriculture of United Nations
FLEGT	Forest Law Enforcement, Governance and Trade
GDP	Gross Domestic Products
GSO	General Statistics Office (Viet Nam)
IGES	Institute for Global Environmental Strategies
ISAP	International Forum for Sustainable Asia and the Pacific
ITTA	International Tropical Timber Agreement
ITTC	International Tropical Timber Council
ITTO	International Tropical Timber Organization
MARD	Ministry of Agriculture and Rural Development of Viet Nam
MOC	Memorandum of Cooperation
NGO	Non-governmental organizations
PSC	Project Steering Committee
PMT	Project Management Team
SBP	Sustainable Biomass Program Limited
SFM	Sustainable Forest Management
SMEs	Small and medium enterprises
SW4SW	Sustainable Wood for a Sustainable World
TNFD	Taskforce on Nature-related Financial Disclosures
USD	US Dollar
VIFOREST	Vietnam Timber and Forest Products Association
VPA	Voluntary Partnership Agreement
VAFA	Vietnam Academy of Forest Science
VNTLAS	Vietnam Timber Legality Assurance System

Map of project area

This proposed project adopts a national-scale approach, aiming to strengthen forestry sector of Viet Nam as a whole, rather than focusing solely on specific local interventions. Figure 1 illustrates the distribution of planted forest areas by province, while Figure 2 highlights the country's principal geographic features that are relevant to the forestry sector.

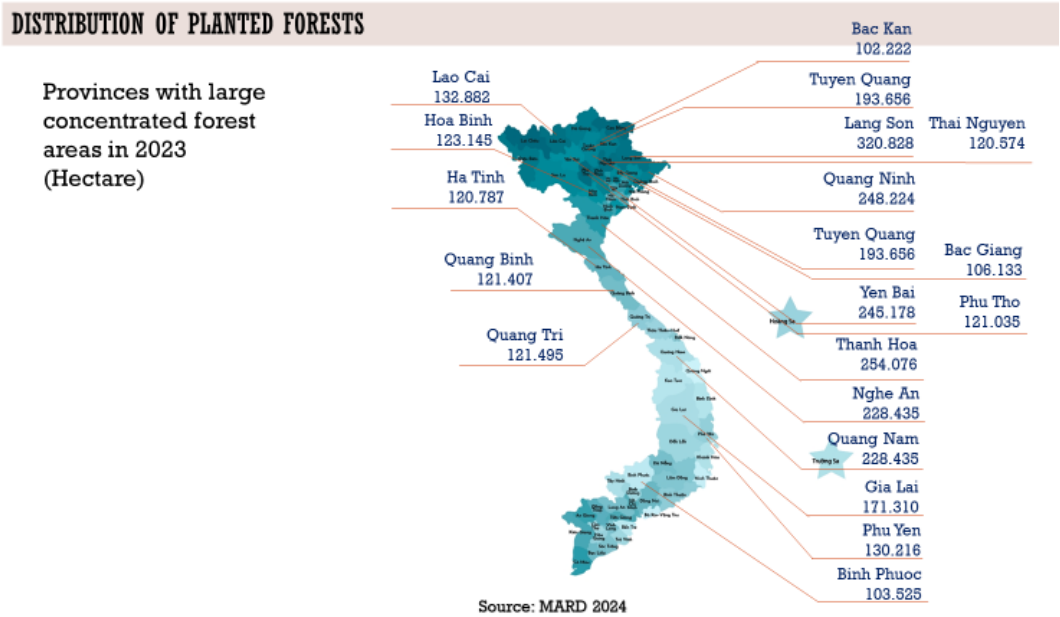


Figure 1: Distribution of Planted Forests

Location		
Ho Chi Minh City and Hanoi	Centre for trade service and logistics	
Phu Tho, Bac Giang	Centre for wood-base panel manufacturing	
Nghe An, Ha Tinh, Quang Tri, Tuyen Quang, Yen Bai, Quang Ninh	Large area of commercial plantations	
Binh Dương, Đồng Nai, Binh Dinh	Centres/clusters for wooden furniture manufacturing	
Đong Nai, Bac Ninh, Hanoi, Nam Dinh, Nghe An, Ha Tinh, Quang Tri, Phus Yen, Tuyen Quang, Yen Bai, Quang Ninh	Location of wood villages and planted wood sourcing	

Figure 2: Geographic features that are relevant to the forestry sector.

PART I: PROJECT CONTEXT

1.1 Origin

This proposed project is founded upon the key findings and recommendations of three previous ITTO projects and a recent analytical study conducted by the Institute for Global Environmental Strategies (IGES). Each of these initiatives has generated valuable insights, identified evidence-based needs, and involved the organizations that will participate in the implementation of this proposal. The project thus builds on ITTO's established partnerships in Vietnam, leverages the expertise of the Vietnam Timber and Forest Products Association (VIFOREST), Forest Economic Research Center (FEREC) of Vietnam Academy of Forest Science (VAFA), and IGES, and addresses both domestic and international market influences to promote legal, sustainable, and nature-positive timber production and trade.

ITTO Project "Increasing efficiency of acacia plantation and timber processing industry in Vietnam (PD 815/16 Rev.2 (I)) ": Led by VIFOREST, this ITTO project focused on strengthening the acacia plantation sector and improving timber processing efficiency in Viet Nam. The project enhanced sustainable forest management by promoting large-diameter, certified timber production, upgrading processing technologies, and increasing awareness of legality requirements. Outcomes included training for timber processors, improved plantation practices among smallholders, and heightened cooperation with wood processors. Importantly, the project mapped key stakeholders in the acacia value chain and emphasized the necessity of building strong networks among farmers, processors, and researchers. Lessons learned underline the significance of integrated stakeholder engagement and compliance with timber legality, both of which guide the proposed project's approach.

ITTO Project "Analysis of Timber Legality Assurance Systems and Good Practices in China, Myanmar and Viet Nam for Sustainable Timber Trade (PP-A/56-342)": Implemented by IGES, this project conducted a structural analysis of Vietnam's plantation timber supply chain, with a particular focus on legality assurance and traceability. The project also specifically identified the challenges faced by Japanese importers and companies using Vietnamese timber products in verifying timber legality. While the overall risk of illegality was found to be low, the study highlighted persistent challenges related to the complexity and multi-layered nature of supply chains, as well as the limitations of paper-based traceability systems. In addition, the project collected good practices from leading Vietnamese private companies, which will serve as case studies for the proposed project.

ITTO Project "Promotion of Sustainable Domestic Wood Consumption in Vietnam (PD 922/21 Rev.1 (I))": Conducted by VIFOREST in collaboration with FEREC, this initiative aimed to stimulate sustainable domestic wood consumption and diversify Vietnam's wood products market. Through stakeholder consultations and market surveys, the project found that boosting the production of large-diameter timber was indispensable to both market growth and the sustainability of the forestry sector. Key recommendations included strengthening partnerships between wood processing companies and plantation owners, incentivizing large-diameter timber production, and improving the use of processing residues for biomass. These recommendations are directly reflected in the proposed project's activities to foster value-chain cooperation and sustainable resource use.

Study on Wood Pellet Production in Vietnam for Achieving Nature Positive under " Promoting Nature-Positive Supply Chains in the ASEAN Region" (IGES 2024): This 2024 IGES study analyzed the effects of Japan's renewable energy policies on the sustainability of acacia plantations in Vietnam. It revealed that market conditions strongly influence smallholder plantation practices,

with a growing preference for small-diameter timber leading to shortened harvest rotations and potential sustainability concerns. The study recommended enhancing the participation of import-side stakeholders in sustainability initiatives, alongside domestic value chain actors - an important lesson that the proposed project incorporates by aiming to forge stronger cross border partnerships and align market incentives with sustainable forestry outcomes.

1.2 Relevance

This proposed project is relevant to the forestry and wood industry development policies of Viet Nam. The following are the key policies that are in favor of project implementation as follows:

1.2.1 Conformity with ITTO objectives (ITTC, 2006) and priorities (current SAP)

The project fully supports the overarching objectives of the International Tropical Timber Agreement (ITTA) 2006, which aims to promote both the expansion and diversification of international trade in tropical timber from sustainably managed and legally harvested forests, as well as the sustainable management of tropical timber-producing forests. The project clearly contributes to multiple objectives outlined in Article 1 of the ITTA as follows:

- (a) Providing an effective framework for consultation, international cooperation, and policy development: The project proposes a dialogue platform fostering collaboration among diverse stakeholders in Viet Nam and Japan, addressing the entire value chain as a unified system to jointly solve challenges.
- (d) Enhancing the capacity to achieve exports of tropical timber from sustainable sources: By promoting the forest bioeconomy and formulating guidance, the project encourages a transition toward exports sourced from sustainably managed forests.
- (e) Promoting improved understanding of the structural conditions in international markets: The project conducts an analysis of the acacia value chain, including in Japan, exploring how the overseas market relates to forest management in Viet Nam.
- (h) Improving market intelligence and encouraging information sharing: The project visualizes the entire value chain and initiates a stakeholder collaboration platform.
- Promoting increased and further processing: The project promotes circular bioeconomy practices, including the potential utilization of wood residues.
- (k) Improving marketing and distribution of tropical timber: By promoting the forest bioeconomy and developing a stakeholder platform, the project encourages improvements in the marketing and distribution of legal and sustainable timber and promotes consumer awareness.

The project aligns with and contributes to the ITTO's Strategic Priorities and Actions (2022–2026). It fully conforms with Strategic Priority 1: Governance and Investment, Strategic Priority 2: Economies and Tropical Timber Trade, and also contributes to Strategic Priority 3: Resilience, Restoration, and Conservation:

In addition, the project aligns closely with and will be guided by two key ITTO policy instruments:

- ITTO Environmental and Social Management Guidelines (ESG): The project promotes sustainable forest management and inclusive value chains. It seeks to improve smallholder livelihoods, encourage stakeholder collaboration, and support climate change mitigation and biodiversity conservation. It aligns with ESG principles such as environmental sustainability, social equity, and good governance.
- ITTO Guidelines for Gender Equality and Empowering Women: The project promotes balanced participation of women in the acacia value chain. Inclusive approaches are emphasized, and gender considerations will be systematically incorporated to ensure equitable outcomes.

Furthermore, the project is highly relevant to the Sustainable Wood for a Sustainable World initiative (SW4SW) led by FAO and ITTO. It specifically relates to its Outcome 4: Sustainable wood value chains and contributions of sustainable wood products to the bioeconomy.

1.2.2 Relevance to the submitting country's policies

The proposed project provides comprehensive support for the policies of Viet Nam. It also facilitates the implementation of the Memorandum of Cooperation in the field of forests and forestry, which was signed between Japan and Vietnam in May 2024.

The proposed project is fully aligned with V**ietnam's Law on Forestry No. 16/2017/QH14** and **the Forestry Development Strategy 2021–2030, with a vision to 2050**. Both frameworks emphasize sustainable forest management, long-term plantation planning, large-diameter timber production, and the full utilization of timber and forest land to enhance plantation value. By promoting these priorities, the project will contribute significantly to advancing a more efficient and value-driven plantation sector and establishing a sustainable wood-based bioeconomy.

In addition to the forestry sector, the project also supports the implementation of key cross-sectoral national strategies, including:

National Action Plan on Circular Economy by 2035 – the project explores and encourages a circular economy approach within the forestry sector by promoting efficient resource utilization, supporting the development of long-rotation plantations, and encouraging value-added timber value chain. These efforts directly contribute to a more circular and resource-efficient economy in line with national objectives.

National Strategy for Climate Change until 2050 – by incentivizing sustainable plantation management and the expansion of carbon-sequestering long-rotation forests, the project contributes to Viet Nam's climate mitigation efforts and national greenhouse gas reduction targets.

National Strategy on Green Growth Period 2021 to 2030, with a Vision to 2050 – by seeking solutions and promoting efficiency use of wood waste and enhancing the value chain for legally sourced timber products, the project supports green economic restructuring and rural transformation.

Collectively, the project complements and advances Viet Nam's strategic objectives for sustainability, climate action, and inclusive green growth.

In addition, the project is closely aligned with, and supports, the commitments set out in the Memorandum of Cooperation (MOC) between the Forestry Agency, the Ministry of Agriculture, Forestry and Fisheries, Japan and the Department of Forestry, the Ministry of Agriculture and Rural Development, the Socialist Republic of Viet Nam in the field of forests and forestry. The project directly supports and advances the priority areas identified in the MOC, including:

- Sustainable Forest Management:
- Effective Utilization and Management of Forest Resources: and.
- Legally Harvested Timber and Associated Trade

1.3 Target area

1.3.1 Geographic location

Viet Nam is situated on the Indochina Peninsula in Southeast Asia, featuring an extensive land border of around 4,550 km with China to the north, Laos and Cambodia to the west, and the East Sea (South China Sea) to the east. The country forms a long, narrow S-shaped strip, stretching from 23°23' to 8°27' North latitude. Its length from north to south is about 1,650 km, with a width ranging between approximately 50 km at its narrowest and 500 km at its widest point.[1]

The topography of Viet Nam is highly diverse, shaped by its geological history and humid monsoon climate. It includes hills, mountains, deltas, coastline, and continental shelf. The land gradually lowers from the Northwest to the Southeast, influencing major river flows. About 75% of the country is made up of low mountains and hilly areas.

1.3.2 Social, cultural, economic and environmental aspects

(a). Social and cultural aspects

Viet Nam has experienced steady population growth, reaching approximately 101 million in 2023, according to the General Statistics Office of Viet Nam (GSO, 2024). The population remains largely concentrated in lowland and urban areas, while a significant portion in rural regions depends on agriculture and forestry for livelihoods. Approximately 48% of households engage in farming-related activities, including small-scale plantation forest management (SBP, 2025). Household-managed plantations support about 1.2 million rural families and contribute substantially to rural income (APEC-EGILAT, 2022). An estimated 24 million people live in or near forested areas, relying on forests for wood, fuel, and non-timber forest products (World Bank, 2020)..

(b). Economic aspects

Viet Nam's economy continues to transform dynamically. Nominal GDP per capita was around USD 4,317 in 2023 (GSO, 2024). Between 2002 and 2018, over 45 million people moved out of poverty, with the poverty rate falling from over 70% to below 6% (US$3.2/day) (GSO, 2019; United Nations, 2021).

Forestry is key to the national economy and rural development. Viet Nam's forestry land covers approximately 14.8 to 15.8 million hectares, with forest coverage at about 42% of land area (SBP, 2025). Production forests account for about 7.8–8.2 million hectares, protection forests 4.6–5.2 million hectares, and special-use forests 2.2–2.5 million hectares. The forestry sector, together with agriculture and fisheries, contributes roughly 11.3% to GDP (ibid).

Forestry exports were valued at USD 17.3 billion in 2024, with timber and wood products comprising USD 16.3 billion. Japan is a major export market for Viet Nam's wood products, representing some 9–10% of exports, notably wood chips and furniture (UN COMTRADE, 2025).

Land is state-owned, but production forest use rights may be allocated to organizations, households, individuals, and communities. Smallholders manage about 1.6 million hectares of plantation forest, supporting 1.2 million rural households (APEC-EGILAT, 2022). These smallholders produce an estimated 50–60% of national plantation timber.

(c). Environmental aspects

Viet Nam's forest resources have undergone major changes; forest cover decreased from over 40% in the 1940s to ~27% in 1990. Since the 1990s, reforestation and fast-growing plantations, especially acacia, have driven a forest transition, restoring coverage to ~42% by 2022 (SBP, 2025; Prime Minister Decision No. 895/QD-TTg, 2021).

---

1 https://vnembassy-jp.org/en/geography

As of 2023, natural forests cover around 10.3 million hectares (70.5%), and plantation forests about 4.3 million hectares (29.5%) (SBP, 2025). Acacia plantations are typically managed under short-rotation harvesting cycles. While such cycles can support livelihoods and reduce disaster risks for smallholders, repeated short rotations raise concerns regarding environmental impacts and long-term productivity. An IGES study on wood pellet production in Viet Nam (IGES, 2024) further highlights the influence of overseas markets in driving shorter harvesting cycles. Combined with the widespread practice of whole-stand burning, this raises additional concerns regarding land degradation, biodiversity loss, and impacts on forest carbon.

Due to the limited domestic availability of large-diameter timber, the furniture industry relies heavily on imports. Current policies seek to promote longer rotations, large-diameter timber production, and value-added processing in order to better align economic growth with sustainability.

References

- APEC Expert Group on Illegal Logging and Associated Trade (APEC-EGILAT). (2022). 2022 Annual Report. APEC Secretariat, Singapore. https://www.apec.org/docs/default-source/publications/2022/11/apec-senior-officials'-report-on-economic-and-technical-cooperation-2022/2022-sce-report.pdf?sfvrsn=160ee0_2
- General Statistics Office (GSO). (2019). Results of the Viet Nam Household Living Standards Survey 2018. Statistical Publishing House, Hanoi. https://www.nso.gov.vn/en/data-and-statistics/2020/05/result-of-the-vietnam-household-living-standards-survey-2018/
- General Statistics Office (GSO). (2024). Statistical Yearbook of Viet Nam 2023. Statistical Publishing House, Hanoi. https://www.nso.gov.vn/en/default/2024/07/statistical-yearbook-of-2023/
- IGES (2024) Enhancing Sustainability in Vietnam's Plantations for Wood Pellet Production. Presentation at B2B Exchange between Vietnam's Wood Pellets Association (VWPA) and Japanese Biomass Power Association (BPA), 21 May 2025
- Prime Minister Decision No. 895/QD-TTg. (2021). National Forestry Development Strategy 2021–2030. Government of Viet Nam.
- Sustainable Biomass Program Limited. (2025). Regional Risk Assessment for Vietnam Forest v1.0 (Interim).https://sbp-cert.org/wp-content/uploads/2025/02/SBP-RRA-AS-VN-FOR_v1.0-RRA-for-Vietnam-FOR_Interim.pdf
- UN Comtrade. (2025). International Trade Statistics Database. United Nations Statistics Division.https://comtrade.un.org
- United Nations. (2021). UNDP Human Development Report – Viet Nam. United Nations Development Programme, New York.https://hdr.undp.org/data-center/country-insights#/ranks
- World Bank. (2020). Viet Nam Country Forest Note. Washington, DC.https://documents1.worldbank.org/curated/en/544891570456214844/pdf/Vietnam-Country-Forest-Note.pdf

1.3.3 Target areas

The project will be implemented at the national level across Viet Nam and is not confined to a specific province or locality. While the overall scope covers the entire country, case studies will be identified and conducted in collaboration with stakeholders. These case studies will focus on selected localities to highlight good practices such as large-diameter timber production in acacia plantations, cross-sectoral business collaboration, utilization of harvesting and processing residues, partnerships between private companies and smallholders, and landscape-level initiatives. The findings from these localized case studies will contribute to ensuring the applicability and effectiveness of the project outcomes at the national scale.

1.4 Expected outcomes at project completion

Implementing the proposed activities is expected to yield the following outcomes by the project's completion:

- A common understanding will be built among stakeholders, especially business entities involved in the acacia value chain in Viet Nam and Japan, regarding the current status of the acacia value chain system and its underlying lock-in structure, ensuring that critical problems are identified and widely shared.
- Opportunities for dialogue and collaboration among key stakeholders in the value chain will be created, deepening their understanding of the importance of collaboration and enabling the consideration of concrete joint actions.

By achieving the specific objective—strengthening corporate actions to promote sustainable forest management and accelerate the forest bioeconomy—the project is also expected to deliver the following medium-term impacts beyond its duration:

- Utilization of the developed guidance by companies will stimulate concrete initiatives among overseas acacia wood importers and user companies, advancing the realization of a forest bioeconomy.
- The Government of Viet Nam will consider and introduce private sector support measures and related policies that incorporate the corporate guidance produced by the project.
- A stakeholder platform will be established, providing a basis for continued collaboration and ongoing dialogue among value chain actors.
- Awareness of sustainable forest management will increase throughout the value chain system, including among small-scale farmers in Viet Nam, with strengthened incentives and capacities for selecting environmentally friendly production methods and recognizing their added value.

PART II: PROJECT RATIONALE AND OBJECTIVES

2.1 Rationale

2.1.1 Institutional set-up and organizational issues

The Executing Agency for this project is **the Vietnam Timber and Forest Products Association (VIFOREST)**, established in 2000 pursuant to Decision No. 34/QD-BTCCBCP of the Head of Government Commission on Organization and Personnel. As an umbrella forestry industry association, VIFOREST represents a broad spectrum of Viet Nam's timber sector stakeholders—including producers, processors, traders, and exporters. It brings substantial experience and expertise in sustainable forest management, timber value chains, and international trade, and plays a central role in promoting sustainability, value-added wood processing, and legal timber trade aligned with Viet Nam's national policies.

VIFOREST has a strong track record, including the successful implementation of ITTO projects, namely "Increasing Efficiency of Acacia Plantation and Timber Processing Industry in Vietnam (PD 815/16 Rev.2 (I))" and "Promotion of Sustainable Domestic Wood Consumption in Vietnam (PD 922/21 Rev.1 (I)),," demonstrating its robust capabilities and stakeholder engagement. Additionally, VIFOREST has played a key role in policy support, notably contributing to the implementation of the Vietnam Timber Legality Assurance System (VNTLAS). The organization possesses advanced expertise in project management, stakeholder engagement, forestry policy, and dissemination, both domestically and internationally, effectively serving as a critical link between the private sector and policymakers.

For project implementation, VIFOREST will closely collaborate with the Institute for Global Environmental Strategies (IGES) and the Forestry Economics Research Centre (FEREC) of the Vietnam Academy of Forest Sciences (VAFS), which will serve as the collaborating agencies.

- **IGES**, established in 1998 under the initiative of the Japanese Government, possesses extensive experience in sustainable forest management, timber value chains, and international trade as well as forest carbon and biodiversity. IGES has successfully implemented ITTO projects—including PP-A/56-342 (2021–2023) in Viet Nam—and has contributed to key initiatives such as the ITTO Teak Project and ITTO-FAO collaboration, highlighting its strong research capacity and local engagement. IGES also provides robust policy support, exemplified by its involvement in supporting the implementation of Japan's Clean Wood Act through timber legality studies of producing countries, research on timber import regulations and their implementation in the EU, and the development of due diligence guidance for the Japanese Clean Wood Act. Over the years, IGES has cultivated a broad network of stakeholders across Viet Nam, Japan, and the wider region, ensuring effective project implementation.
- **FEREC** is part of a national research institute and serves as a specialized governmental body conducting research to support forest policy and industrial development in Viet Nam. It specializes in forestry economics and policy analysis, providing critical economic insights necessary to analyze and improve the acacia plantation value chain, a core focus of the project. FEREC's expertise in policy evaluation and stakeholder collaboration enables it to support the design and implementation of evidence-based interventions promoting sustainable forest management and the trade of legally harvested timber..

2.1.2 Stakeholder analysis

The primary stakeholders of the project are business entities involved in the acacia value chain in Viet Nam and Japan. They will be engaged throughout all stages of the project, including acacia value chain analysis, guideline development, establishment of a collaborative platform, and facilitation of dialogue. These companies will contribute by sharing their perspectives, practical experiences, and challenges related to the transition of the forestry sector toward a sustainable bioeconomy. Their inputs will help identify key practical issues and shape effective, solution-oriented

approaches. Through this process, the project aims to strengthen their knowledge base and promote mutual understanding of sustainability and bioeconomy principles.

In addition, a broad range of other stakeholders are expected to benefit from the project. These include acacia plantation owners—particularly smallholders—local traders, wood processing and trading associations at both national and local levels, as well as relevant government departments and ministries in Viet Nam. Engaging these stakeholders will ensure an inclusive approach and maximize the project's impact on sustainable forestry and bioeconomic development.

Related stakeholder groups	Characteristics	Problems/Needs/Concerns	Potential contribution	Participation in project implementation
PRIMARY STAKEHOLDERS				
Vietnamese businesses entities dealing with acacia plantation wood (traders, processors, exporters, etc.)	- Procurement, processing, sales, and export of acacia wood - Mostly small and medium enterprises (SMEs) - Diverse industries, including wood chips, pellets, furniture, and plywood - The level of development of processing and distribution varies by region - High dependency on overseas markets	- Ensuring the sustainability of acacia plantation production - Certification acquisition and due diligence compliance are key to competitiveness - Understanding and responding to legality standards in export destinations and overseas business trends - Collection and management of legality documents from smallholders	- Provide data, information, and knowledge - Provide feedback to the project outcomes (e.g., guidance and basic framework for stakeholder collaboration) - Introduce to suppliers and procurement regions	- Participation in stakeholder meetings and discussions - Participation in interview and questionnaire surveys - Collaboration for case studies to analyze good practices - Collaboration on case studies to analyze good practices
Japanese business entities dealing with or using Vietnamese acacia wood (trading companies, manufacturers, etc.)	- Import, processing, and sales of wood products derived from Vietnamese acacia, including wood chips, pellets, furniture, kitchen items, plywood, and others. - Legality due diligence under the Clean Wood Act is mandatory.	- Collection of evidence to comply with the Clean Wood Act remains a challenge. - Although there is growing interest in the sustainability, concrete initiatives have yet to be implemented - The actual conditions at production sites, such as acacia plantations, are not sufficiently understood. - Responses to sustainability disclosure frameworks, such as TNFD, have so far been limited to only a small number of companies..	- Provide data, information and knowledge - Provide feedbacks to the project outcomes (e.g. guidance and basic framework for stakeholder collaboration) - Introduce to suppliers	- Participation in stakeholder meetings and discussions - Participation in interview and questionnaire surveys - Collaboration for case studies to analyse good practices - Collaboration on case studies to analyze good practices

Related stakeholder groups	Characteristics	Problems/Needs/Concerns	Potential contribution	Participation in project implementation
Related stakeholder groups	Characteristics	Problems/Needs/Concerns	Potential contribution	Participation in project implementation
SECONDARY STAKEHOLDERS				
Acacia plantation owners	- Mostly small-scale farmer households - Some large-scale households and companies are also involved - Farmer groups and cooperatives also exist - Short-rotation forestry producing small-diameter timber	- Certification cannot be obtained without external support (for smallholders) - Implementation of sustainable forest management and longer rotation forestry are challenges - Often lack of resources and technology	- Provide data, information and knowledge	- Participation in interview and questioner surveys - Collaboration for case studies to analyze good practices
Middlemen and Harvesters	- Purchase acacia timber, carry out harvest and transportation, and sell timber to processors and buyers - Mostly independent operators, small to medium-scale in operation size - Compliance with VNTLAS is mandatory	- Competition among middlemen in raw material procurement - Need to establish a supply chain that can respond to buyers, including legality documents from smallholders	- Provide data, information and knowledge	- Participation in interview and questioner surveys - Collaboration for case studies to analyze good practices
Vietnamese industry associations/groups	- Multiple industry associations each focusing on specific regions or product groups. - VIFOREST serves as the central coordinating umbrella organization for the industry. - The associations support member companies to improve industry productivity, market access, and ensure compliance with VNTLAS	- Strengthening the functions of associations/groups to respond to domestic and international regulations - Enhancing the overall capacity of the industry and providing effective support to members, while promoting sustainable forest management, and advancing processing and preservation technologies	- Provide data, information and knowledge - Provide feedback to the project outcomes (e.g., guidance and basic framework for stakeholder collaboration) - Introduce to the member companies	- Participation in stakeholder meetings and discussion - Participation in interview and questioner surveys - Collaboratoin for case studies to analyze good practices
Japanese industry associations/groups	- Several associations/groups exist per wood products such as paper, wood pellets, furniture - Provide advise and necessary support	- Member support to respond to increasingly complex domestic and international regulations (such as legality certification and sustainability).	- Provide data, information and knowledge - I - Provide feedback to the project outcomes (e.g., guidance and basic	- Participation in stakeholder meetings and discussion - Participation in interview and questioner surveys

Related stakeholder groups	Characteristics	Problems/Needs/Concerns	Potential contribution	Participation in project implementation
	for member companies		framework for stakeholder collaboration) - Introduce to the member companies - Introduce to the member companies -	
Relevant departments of the Vietnamese government and local authorities	- Responsible for legal framework development and enforcement, including VNTLAS - Monitoring of plantation, timber production and trade	- Responding to increasingly complex regulations and sustainability concerns in overseas markets - Promotion of sustainable forest management, large-diameter timber production, and production and export of value-added wood productions	- Provide data, information, and knowledge - Provide feedback to the project outcomes (e.g., guidance and basic framework for stakeholder collaboration - Provide coordination and introduce to relevant authorities	- Participation in interview and questionnaire surveys
TERTIARY STAKEHOLDERS				
Overseas businesses dealing with or using Vietnamese acacia wood (trading companies, manufacturers, etc.)	- Import, processing, and sales of wood products derived from Vietnamese acacia, including wood chips, pellets, furniture, kitchen items, plywood, and others. - -Legality due diligence under the national legal framework	- Comply with the due diligence requirement - Although there is growing interest in the sustainability, concrete initiatives have yet to be implemented - The actual conditions at production sites, such as acacia plantations, are not sufficiently understood. - Responses to sustainability disclosure frameworks, such as	- Provide data, information and knowledge	- Participation in interview survey - Collaboration on case studies to analyze good practices

2.1.3 Problem analysis

Until now, the value of sustainable timber has not been adequately recognized in the timber market, which has hindered the widespread adoption of sustainable forest management (SFM). Producers lack sufficient incentives to incur the additional costs of implementing SFM.

Recently, private companies have begun taking voluntary initiatives to build sustainable value chains aimed at achieving carbon neutral, nature positive, and circular economy. There is also a shift in awareness from the notion that “using wood is good for the environment” to the understanding that “we must use wood produced sustainably.” The growing interest in sustainability among demand-side companies is expected to influence the wood market and significantly contribute to the adoption of SFM. However, it has become clear that individual companies' efforts alone are insufficient to build sustainable value chains. Collaboration among all stakeholders in the value chain, as well as industry-wide collaboration, is essential.

The value chain of acacia wood produced in Viet Nam and consumed overseas is a good example of this. Viet Nam has restored its forest cover rate, which was below 30% in the 1990s, to 42% by 2023, primarily through small-scale farmers planting acacia on degraded land. Importer companies of acacia timber products outside of Viet Nam have contributed to providing incentives for acacia planting through the market, and the market continues to expand. However, research on acacia plantations and wood pellet production conducted by IGES in collaboration with VIFOTEST has revealed that the expansion of the acacia wood trade—although seemingly positive—has unintentionally had negative impacts on the sustainability of acacia plantations. Acacia wood products exported from Viet Nam can be processed from small-diameter logs, and as a result, vigorous international trade driven by strong demand has inadvertently incentivized Vietnamese smallholders to harvest acacia at extremely short rotation periods (4–5 years).

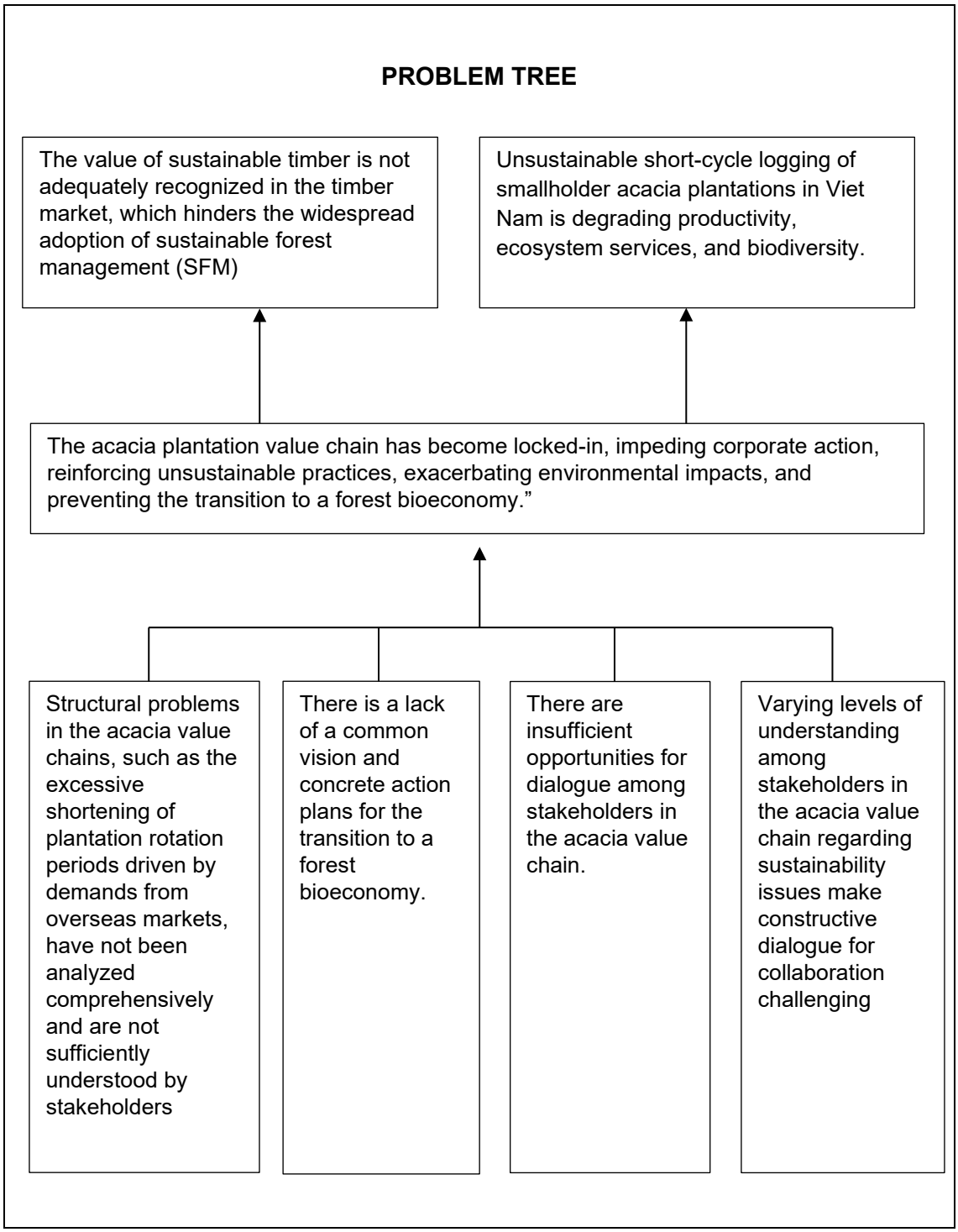
Excessive short rotations lead to a decline in the productivity of plantation forests, ecosystem services, and biodiversity, which is an issue from a nature-positive perspective. From a carbon perspective, carbon neutrality of wood is ensured when CO2 emitted by the tree harvesting is recaptured through reforestation, but excessive short rotations reduce the amount of CO2 absorbed. Additionally, the wood chips and fuels currently exported are directly processed from harvested logs, but from a circular economy perspective, it is necessary to consider the cascade utilization of wood waste such as sawmill residues and that can also contribute to CO2 emissions reduction. The Vietnamese government has adopted policies aimed at sustainable acacia plantation management through longer harvesting cycles and the creation of high-value-added wood industries, with SFM as national goals. Companies oversea are also independently trying to establish sustainable value chains. However, at present, there has been little concrete discussion on Viet Nam's acacia plantation bioeconomy, and the pathway for transition remains unclear. Achieving acacia bioeconomy is difficult through the efforts of individual stakeholders alone in the system but there is no discussion on cooperative actions. Furthermore, stakeholders have different perceptions of the sustainability of the acacia value chain.

As a result, the current acacia value chain system is in a state of “lock-in”, where each stakeholder continues and strengthens their existing business, reinforcing negative environmental impacts, and no effective solutions have been identified or implemented. Our studies, together with discussions with stakeholders, have identified several critical challenges that contribute to this "lock-in" situation.

- Problem 1: Structural issues in the acacia value chain that hinder sustainability—such as excessively shortened rotation periods in plantations driven by overseas demand—are not sufficiently understood by stakeholders.
- Problem 2: There is a lack of a shared vision and concrete action plans for the transition to a forest bioeconomy. A vision for sustainable acacia value chains that integrates carbon neutrality, nature-positive outcomes, and circular economy principles (e.g., promotion of sawmilling operations to prevent excessive shortening of the rotation cycle, and promotion of cascade utilization of waste materials), along with concrete pathways to achieve this vision (e.g., cooperative stakeholder actions), has not been shared among stakeholders. In particular,

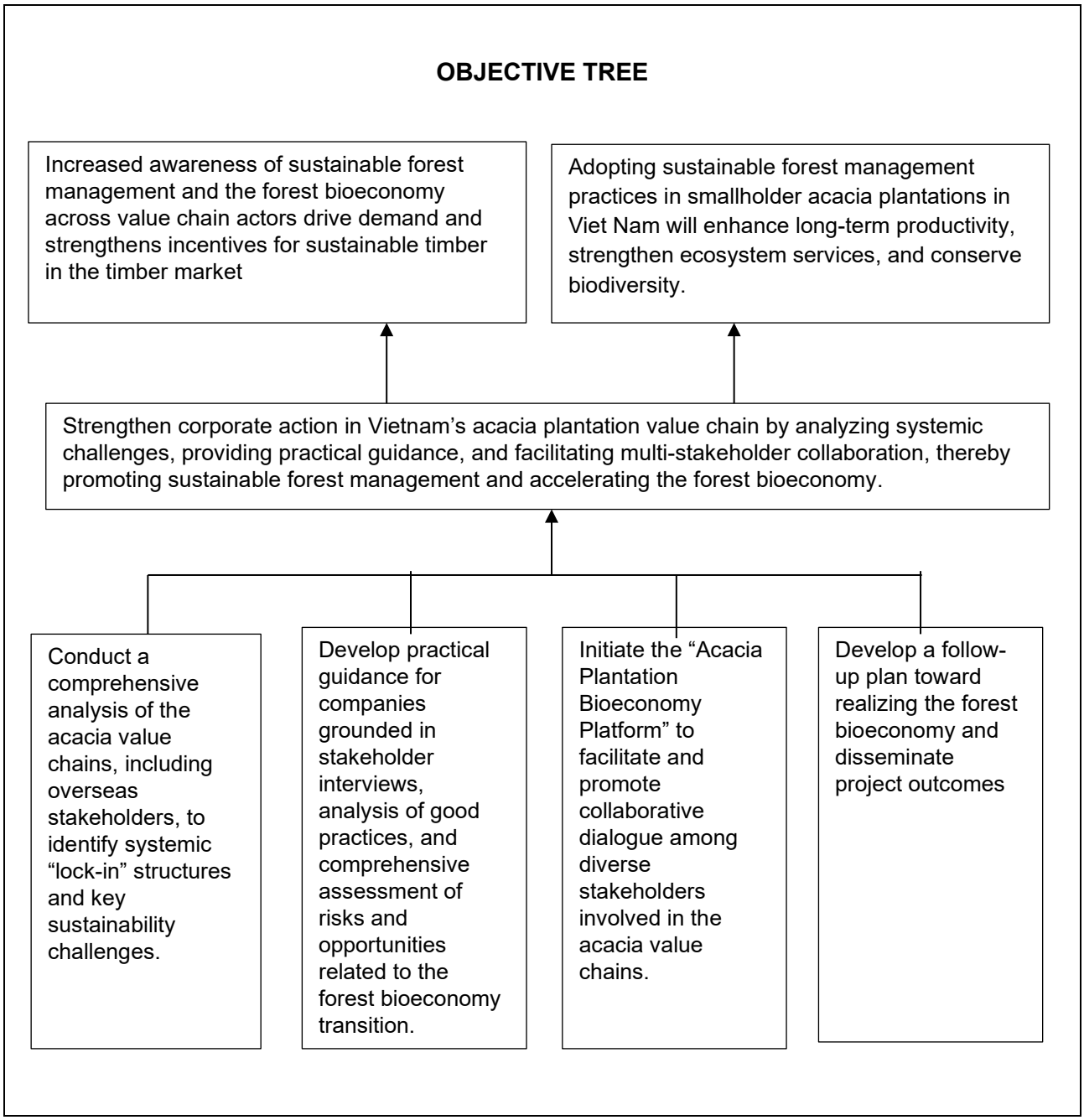
acacia wood importers and end-users lack practical information and support to take concrete actions.

- Problem 3: Opportunities for dialogue among stakeholders in the acacia value chain are insufficient. Coordination among the various parties, which is necessary for systemic change, is limited.
- Problem 4: Differences in understanding of sustainability issues among stakeholders in the acacia value chain make constructive dialogue and collaboration challenging.



As indicated by the Problem Tree, the current “lock-in” situation in the acacia value chain system stems from four main issues: (1) structural challenges within the value chain; (2) a lack of a shared vision and concrete action plans for transitioning to a forest bioeconomy; (3) insufficient opportunities for dialogue among stakeholders; and (4) differences in understanding of sustainability issues across the acacia value chain. .

In contrast, the Objective Tree outlines the strategies and measures needed to address these challenges and strengthen corporate action in Viet Nam’s acacia plantation value chain, thereby promoting sustainable forest management and accelerating the transition to a forest bioeconomy. Leveraging the timeframe, the project has been purposefully designed to maximize impact by focusing on the most strategic interventions, and it intends to establish a follow-up plan for realizing the forest bioeconomy.



2.1.4 Logical framework matrix

Strategy of intervention	Measurable indicators	Means of verification	Key assumptions
Development objective Promote the transition to a forest bioeconomy that achieves carbon neutrality, nature positivity, and a circular economy by recognizing the value chains originating from acacia plantations in Viet Nam as a single system.	- Utilization of the guidance for companies will accelerate concrete initiatives by overseas acacia wood importers and user companies toward the realization of a forest bioeconomy. - The Vietnamese government will consider and introduce private sector support measures and related policies that take into account the guidance for companies. - A platform will be established as a basis for stakeholder collaboration, providing a forum for ongoing dialogue and collaboration.	- Interview survey - Policies of the Vietnamese government	- The policy support and commitment of the Vietnamese government - Commitment of companies using acacia wood
Specific Objective To Strengthen corporate actions by analyzing Viet Nam's acacia plantation value chain, developing guidance, and facilitating collaboration mechanisms with diverse stakeholders to promote sustainable forest management and accelerate the forest bioeconomy.	By the end of the project - A common understanding of the current state of the acacia value chain system and its lock-in structure will be fostered among stakeholders, and problems will be shared. - Opportunities for dialogue and collaboration among key stakeholders in the value chain will be created, understanding of the importance of collaboration will deepen, and concrete actions will be considered.	- Interview and questionnaire surveys	- The current policy shift by the Vietnamese government aimed at establishing a sustainable acacia value chain and promoting the forest bioeconomy.
Output 1 Report on the current status of the acacia value chain	- Completion of interview surveys with at least 20 companies - Execution of field surveys in at least 2 distinct regions. - Report on current status of Acacia value chain drafted and ready to be published by end of Year 1	- Submission of the technical report to ITTO. - Provision of publicly accessible links to the report	- The current policy shift by the Vietnamese government aimed at establishing a sustainable acacia value chain and promoting the forest bioeconomy.

Output 2 Practical Guidance on Forest Bioeconomy for Companies	- Field survey of good practices conducted, with at least 3 case studies documented - 2 stakeholder workshops organized in the Year 2 and >80% of participants increase their understanding of the forest bioeconomy - Guidance for Companies is drafted and ready to be published by end of Year 2.	- Submission of the technical report to ITTO. - Provision of publicly accessible links to the guidance. - Interview and questionnaire surveys -	- Policy shift of companies aiming for sustainable production and procurement - Viet Nam-Japan wood trade will decline, leading to reduced corporate interest and engagement in this sector.
Output3 Initiate Acacia value chain platform for stakeholders dialogue and collaboration	- 1 pilot meeting held in Japan with private companies (Year 2)1 pilot meeting held in Viet Nam with private companies (Year 2) - >50% of participants express need for platform continuation - Interviews and surveys conducted with ≥10 companies - Future platform plan developed by end of project	- Submission of the report to ITTO - Interview and questionnaire surveys	- Policy shift of companies aiming for sustainable production and procurement - Viet Nam-Japan wood trade will decline, leading to reduced corporate interest and engagement in this sector.
Output4 Formulation of a follow-up plan and project outcome dissemination	- Follow-up plan for forest bioeconomy developed by end of project - Project outcomes disseminated via workshop, webinar, or other outreach methods	▪ Submission of the report to ITTO.	- The current policy shift by the Vietnamese government aimed at establishing a sustainable acacia value chain and promoting the forest bioeconomy. - Policy shift of companies aiming for sustainable production and procurement - Viet Nam-Japan wood trade will decline, leading to reduced corporate interest and engagement in this sector.

2.2 Objectives

2.2.1 Development objective and impact indicators

The development objective of this project is **to promote the transition to a forest bioeconomy that achieves carbon neutrality, nature positivity, and a circular economy by recognizing the value chains originating from acacia plantations in Viet Nam as a single system**. The forest bioeconomy approach is considered to offer a groundbreaking opportunity to incorporate sustainability throughout the entire value chain, from tree growing for wood production to consumption and disposal, potentially contributing to smallholder farmers' livelihood improvement and capability expansion through SFM. To achieve this ultimate goal, this project aims to accelerate voluntary initiatives by companies.

The uniqueness of this project is that it takes a holistic view of the value chains of various wood products originating from acacia plantations as a single forest bioeconomy system, rather than focusing on the value chain of a specific product. Furthermore, this project targets cross-border value chains, considering not only businesses in Viet Nam but also businesses in importing countries that have an impact through the market as stakeholders. While this project does not directly implement capacity-building for small-scale farmers managing acacia plantations in Viet Nam, it recognizes them as important stakeholders and takes their interests into consideration.

Impact indicators

- Within three years after project completion, the following impacts are expected:
- Utilization of the guidance by companies will accelerate concrete initiatives by overseas acacia wood importers and user companies toward realizing a forest bioeconomy.
- The Vietnamese government will consider and introduce private sector support measures and related policies informed by the guidance for companies.
- A platform will be established to serve as a basis for stakeholder collaboration, providing an ongoing forum for dialogue and partnership.

2.2.2 Specific objective and outcome indicators

The specific objective of the project is **to strengthen corporate actions by analyzing Viet Nam's acacia plantation value chain, developing guidance, and facilitating collaboration mechanisms with diverse stakeholders to promote sustainable forest management and accelerate the forest bioeconomy.**

Outcome indicators:

- A common understanding of the current state of the acacia value chain system and its lock-in structure will be fostered among stakeholders, and problems will be shared.
- Opportunities for dialogue and collaboration among key stakeholders in the value chain will be created, understanding of the importance of collaboration will deepen, and concrete actions will be considered.

PART III: DESCRIPTION OF PROJECT INTERVENTIONS

3.1 Outputs and Activity

3.1.1 Outputs

Output 1: Report on the current status of the acacia value chain

Indicators:

- Completion of at least 20 interview surveys, including a minimum of 10 overseas companies and 10 domestic companies involved in the Acacia wood and processing sectors, and execution of field surveys in at least two distinct geographical regions.
- By the end of the first year, the report on the current status of the Acacia value chain is drafted and ready to be published.

Output 2: Practical Guidance on Forest Bioeconomy for Companies

Indicators:

- Field survey of good practices to overcome identified challenges is conducted, with at least three case studies documented
- Two stakeholder workshops are organized in the second year of the project (see Output 3) and 80% of participants increase their understanding of the forest bioeconomy.
- By the end of the second year, the Guidance on Forest Bioeconomy for Companies is drafted and ready to be published

Output 3: Initiate Acacia value chain platform for stakeholders dialogue and collaboration

Indicators:

- One pilot meeting is held in Japan with participation of private companies in the second year of the project
- One pilot meeting is held in Viet Nam with participation of private companies in the second year of the project
- More than half of the participants express the need for this platform to continue.
- Interviews and questionnaire surveys are conducted with at least 10 companies
- A future plan for establishing the platform is developed by the end of the project.

Output 4: Formulation of a follow-up plan and project outcome dissemination

Indicators:

- A follow-up plan of the project toward realization of the forest bioeconomy is developed by the end of the project
- Project outcomes are disseminated through an appropriate way, such as a workshop, an online seminar, or other outreach methods

3.1.2 Activities and inputs

Output 1: Report on the current status of the acacia value chain

Activity 1.1: Conduct literature review and analysis to understand the acacia value chain.

(1) Review the relevant policies and legal frameworks of Viet Nam.

(2) Study the overall picture of Acacia timber production value chain in Viet Nam

- Collection and analysis of statistical data on the distribution of acacia plantations, wood production, and processing in Viet Nam.

(3) Material Flow Analysis, including wood residue

- Quantitative assessment of the distribution of wood resources into primary products and by-products, and the usage and disposal patterns at each stage of the processing chain through existing data analysis and case study considering its use in the wood pellet and particle board industries

(4) Study the overall picture of exports of acacia wood products

- Based on trade statistics in both Viet Nam and major importing countries.

(5) Review sustainability issues of Acacia planation in Viet Nam

- Environmental risks (carbon, biodiversity) associated with short-rotation acacia plantations;
- Economic challenges (such as achieving higher value addition for Viet Nam), and
- Sustainability impacts related to the cascading use of wood.

Activity 1.2: Conduct interviews with stakeholders of Acacia value chain sub-systems

(1) Interview survey with overseas stakeholders of the wood processing related sub-system (Acacia wood product supply chain)

- Overseas business includes Japanese importers, manufacturers using Acacia wood)
- Current utilization, needs and specification (requirement) of Vietnamese acacia wood
- Perceptions about cascading use of wood, suppliers' management of wood residues, and the technical, economic, and informational barriers involved
- Procurement policies and practices, and awareness regarding Vietnam's plantation practices, including the prevalence and implications of excessive short rotation cycles

(2) Interview survey with domestic stakeholders of the wood processing related sub-system (Acacia wood product supply chain)

- Domestic stakeholders include Vietnamese processors and traders
- Current utilization, needs, and specification (requirement) of Vietnamese acacia wood
- Perceptions about cascading use of wood, management of wood residues, and the technical, economic, and informational barriers involved
- Procurement policies and practices, and awareness regarding Viet Nam's plantation practices

(3) Interview survey with stakeholders of the plantation management related sub-system (acacia timber production supply chain)

- Conduct field surveys, interviews, and questionnaire surveys in 2 to 3 selected regions based on the findings from the review (Activity 1.1).
- Interview survey with local government agencies (forest officers), private companies, village leaders, plantation owners, and midelement in regions where challenges are observed.

Activity 1.3: Analyze the comprehensive structure of Acacia value chain system and visualize the causal relationships of stakeholders.

- Value chain system structure Analysis to identify linkages of stakeholders of the Acacia value chain system and analyze causal relationships.
- Develop causal loop diagrams to visualize the complex feedback mechanisms within the value chain
- Elucidate the impacts of market demand and regulatory frameworks on material flow, plantation management, and residue utilization.

Activity 1.4: Publish an analytical report of the results in three languages (English, Vietnamese and Japanese)

Output 2: Practical Guidance on Forest Bioeconomy for Companies

Activity 2.1: Create a shared vision of Vietnamese acacia forest bioeconomy for value chain stakeholders

(1) Review global discussions and international case studies on the forest bio economy
(2) Review current discussion on forest bio economy in Viet Nam
(3) Develop a vision of Vietnamese acacia forest bioeconomy system for value chain stakeholders
    - Identify challenges and leverage points for transformation, including necessary innovation, technical challenges and needs

Activity 2.2: Field survey of good practices to overcome the identified challenges

- Case studies that could provide potential solutions to the key challenges identified in Activity 2.1. The following cases are assumed, but will be identified considering insights from Output 1
- Cases of successful collaboration with smallholder farmers, extended rotation cycles, and support for sustainable forest management.
- Cases demonstrating cascading-use through collaboration with other industries.
- Cases of valorizing wood residues, promoting resource circulation.
- Cases maintaining supply chain traceability while achieving both sustainability and value enhancement.

Activity 2.3: Organize one workshop each in Japan and Viet Nam with major companies

- Share the key findings of Output 1 and Acacia biodeconomy vision (Activity 2.2) and good practices (Activity 2.3)
- Discuss the risks and opportunities of integrating them into companies' operations. The opinions from the participants to be incorporated into the guidance.
- The workshops are organized as a trial of the Acacia value chain platform (Output 3) to contribute to future stakeholder collaborations

(1) Prepare the workshops
(2) Organize a workshop in Japan (correspondin to Activity 3.1.)
(3) Organize a workshop in Viet Nam (correcponding to Activity 3.2)

Activity 2.4: Develop guidance for the Acacia bioeconomy transition in three languages (English, Vietnamese and Japanese)

- Based on the case studies (Activity 2.2.) and opinions collected at the workshops (Activity 3.3)
- Identify necessary incentives and policy measures to accelerate voluntary corporate initiatives.

Activity 2.5: Publish practical guidance on the forest bioeconomy for companies in three languages (English, Vietnamese, and Japanese)

Output 3: Initiate Acacia value chain platform for stakeholders dialogue and collaboration

Activity 3.1: Hold a pilot meeting in Japan (corresponding to Activity 2.3)

- Increase understanding and capacity development for transition to forest bio-economy.

Activity 3.2: Hold a pilot meeting in Viet Nam (corresponding to Activity 2.3).

- Increase understanding and capacity development for transition to forest bio-economy.

Activity 3.3: Conduct interview and questionnaire surveys with companies, and develop a draft plan for establishing a future platform

Output 4: Formulation of a follow-up plan and project outcome dissemination

Activity 4.1: Develop a follow-up plan toward the realization of the forest bioeconomy based on the results from Outputs 1 to 3.

Activity 4.2 Dissemination of the project outcomes
Hold a seminar, develop dissemination materials such as video recording as appropriate

3.2. Implementation approaches and methods

Stakeholder Engagement
The project will engage stakeholders in Viet Nam and Japan through continuous dialogues and consultations on the value chain and the transition toward a forest-based bioeconomy. This process will clarify common challenges, generate a shared vision for the future, and lay the foundation for a sustainable platform to put that vision into practice.

Integration with Ongoing Initiatives in Viet Nam and Japan
In Viet Nam, lessons from initiatives such as large-diameter timber production and the use of forest residues will be collected and analyzed to develop locally relevant guidance. Also, practices in Japan, including forest trust schemes and corporate efforts for carbon neutrality and nature-positive wood use, will be linked with Viet Nam's context to improve the project's effectiveness.

Capacity Building to Enable Equitable Dialogue
To address information and knowledge gaps that hinder equal participation, the project will organize workshops in both Viet Nam and Japan. Practical guidelines will also be developed and shared to promote balanced, constructive, and inclusive dialogue among stakeholders.

Strengthening Engagement Across Trade-Linked Chains
Japan is the main export market for Vietnamese acacia wood products and therefore has an influence on plantation management. However, shared understanding of sustainability issues across the value chain actors remains limited. This project will strengthen engagement along the trade chain by building trust, promoting transparent dialogue, and aligning expectations on sustainability.

Co-Creation of Shared Vision Through Knowledge Aggregation
Stakeholder interviews, field surveys, and participatory workshops will be used to identify challenges and opportunities for collaboration. These findings will inform the analysis of bottlenecks and lock-in mechanisms and support consensus-building on practical and feasible future visions.

Establishment of Sustained Dialogue and Feedback Mechanisms
The project will establish mechanisms for continuous collaboration rather than one-off events. A framework and follow-up plan will help ensure stable, long-term, and sustainable operation of the collaborative platform.

Online Platforms and Existing Events for Awareness Raising

To expand outreach, the project will actively use webinars, mass media, online forums, and international events such as the International Forum for Sustainable Asia and the Pacific (ISAP), organized by IGES. These platforms will help disseminate project results, raise awareness among stakeholders and the public, and promote cross-regional learning:

3.3. Outputs and Work plan

Outputs/Activities		Responsible agencies	Year 1				Year 2			
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Output 1:	**Report on the current status of the acacia value chain**									
Activity 1.1:	Conduct literature review and analysis to understand the acacia value chain.	IGES and FEREC in collaboration with VIFOREST	X	X						
Activity 1.2:	Conduct interviews with stakeholders of Acacia value chain sub-systems.	IGES in collaboration with VIFOREST and FEREC	X	X						
Activity 1.3:	Analyze the comprehensive structure of Acacia value chain system and visualize the causal relationships of stakeholders.	IGES and FEREC		X	X					
Activity 1.4:	Publish an analytical report of the results in three languages (English, Vietnamese and Japanese)	IGES in collaboration with VIFOREST and FEREC			X	X				
Output 2:	**Practical Guidance on Forest Bioeconomy for Companies**									
Activity 2.1:	Create a shared vision of Vietnamese acacia forest bioeconomy for value chain stakeholders	VIFOREST, IGES and FEREC		X	X	X				
Activity 2.2:	Field survey of good practices to overcome the identified challenges	IGES in collaboration with VIFOREST and FEREC			X	X	X			
Activity 2.3:	Organize one workshop each in Japan and Viet Nam with major companies	VIFOREST and IGES						X	X	
Activity 2.5:	Develop guidance for the Acacia bioeconomy transition in three languages (English, Vietnamese and Japanese)	IGES in collaboration with VIFOREST and FEREC					X	X	X	X
Output 3:	**Initiate Acacia value chain platform for stakeholders dialogue and collaboration**									
Activity 3.1:	Hold a pilot meeting in Japan (corresponding to Activity 2.3)	IGES						X	X	
Activity 3.2:	Hold a pilot meeting in Viet Nam (corresponding to Activity 2.3).	VIFOREST						X	X	
Activity 3.3:	Conduct interview and questionnaire surveys with companies, and develop a draft plan for establishing a future platform	VIFOREST and IGES						X	X	

Outputs/Activities		Responsible agencies	Year 1				Year 2			
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Output 4:	**Formulation of a follow-up plan and project outcome dissemination**									
Activity 4.1:	Develop a follow-up plan toward the realization of the forest bioeconomy based on the results from Outputs 1 to 3.	IGES in collaboration with VIFOREST and FEREC							X	X
Activity 4.2:	Dissemination of the project outcomes	VIFOREST and IGES								X

3.4. Budget

3.4.1 Master budget

Outputs/ actiivties	Description	Budget component	Quantity		Unit	Unit cost US$	Total cost US$	ITTO		Executing Agency
			Year 1	Year 2				Year 1	Year 2	
Output 1 Report on the current status of the acacia value chain										
A1.1	**Conduct literature review and analysis to understand the acacia value chain**									
1.1	Project coordinator for Activity 1	11.1	19		man day	100	1,900	0	0	1,900
1.1	2 Project researchers (FEREC) for activity 1	11.2	50		man day	150	7,500	7,500	0	
1.1	Project researcher (IGES1) for activity 1	11.2	60		man day	410	24,600	24,600	0	
1.1	Project researcher (IGES2) for activity 1	11.2	65		man day	350	22,750	22,750	0	
1.1	Finance officer (VIFOREST) for YEAR 1	11.5	5		man day	50	250	250	0	
1.1	Daily allowance for field survey (FEREC)	31.1	10			50	500	500	0	
1.1	Car cost for field survey	33.1	10			70	700	700	0	
1.15	Software for review	53	1			800	800	800	0	
A1.2	**Conduct interviews with stakeholders of Acacia value chain sub-systems**									
1.21	Transportation fee for interview	33.1	10		times of travel	15	150	150	0	
1.22	Interpreter for field survey	12.1	20		man day	70	1,400	1,400	0	
1.22	Daily allowance for field survey (IGES)	31.1	40		man day	130	5,200	5,200	0	
1.22	Daily allowance for field survey (VIFOREST)	31.1	20		man day	60	1,200	1,200	0	
1.22	honorarium for field survey interviewees	31.3	20		person	10	200	200	0	
1.22	Flight JP-VN for field survey (IGES)	32.1	4		times of travel	1,000	4,000	4,000	0	
1.22	Car cost for field survey	33.1	20		day	70	1,400	1,400	0	
1.22	Software for coding and analyzing interview result	53	1		set	600	600	600	0	
1.23	honorarium for questionnaire survey	31.3	30		person	10	300	300	0	
A1.3	**Analyze the comprehensive structure of Acacia value chain system and visualize the causal relationships of stakeholders.**									
1.3	Software for system analysis	53	1		set	700	700	700	0	
A1.4	**Publish an analytical report of the results in three languages (English, Vietnamese and Japanese)**									
1.4	Report design	12.2	1		set	1,400	1,400	1,400	0	
1.4	Software for translation	53	1		set	1,000	1,000	1,000	0	

Outputs/ actiivties	Description	Budget component	Quantity		Unit	Unit cost US$	Total cost US$	ITTO		Executing Agency
			Year 1	Year 2				Year 1	Year 2	
Output 2 Practical Guidance on Forest Bioeconomy for Companies										
A2.1	**Create a shared vision of Vietnamese acacia forest bioeconomy for value chain stakeholders**									
2.1	Project coordinator for Activity 2	11.1	17		man day	100	1,700	0	0	1,700
2.1	Project researcher (IGES1) for activity 2	11.2	60	16	man day	410	31,160	24,600	6,560	
2.1	Project researcher (IGES2) for activity 2	11.2	60	16	man day	350	26,600	21,000	5,600	
2.12	2 Project researchers (FEREC) for activity 2	11.2	15		man day	150	2,250	2,250	0	
A2.2	**Field survey of good practices to overcome the identified challenges**									
2.2	Interpreter for field survey	12.1	20		man day	70	1,400	1,400	0	
2.2	Daily allowance for field survey (IGES)	31.1	40		man day	130	5,200	5,200	0	
2.2	Daily allowance for field survey (VIFOREST)	31.1	20		man day	60	1,200	1,200	0	
2.2	honorarium for field survey interviewees	31.3	20		person	10	200	200	0	
2.2	Flight JP-VN for field survey (IGES)	32.1	4		times of travel	1,000	4,000	4,000	0	
2.2	Car cost for field survey	33.1	20		day	70	1,400	1,400	0	
A2.3	**Organize one workshop each in Japan and Vietnam with major companies**									
2.31	Consumables for JP meeting	54	1		set	100	100	100	0	
A2.4	**Develop guidance for the Acacia bioeconomy transition**									
A2.5	**Publish practical guidance on the forest bioeconomy for companies in three languages (English, Vietnamese, and Japanese)**									
	Report design	12.2	1		set	1,400	1,400	1,400	0	

Outputs/ actiivties	Description	Budget component	Quantity		Unit	Unit cost US$	Total cost US$	ITTO		Executing Agency
			Year 1	Year 2				Year 1	Year 2	
Output 3 Initiate Acacia value chain platform for stakeholders dialogue and collaboration										
A3.1	**Hold a pilot meeting in Japan (corresponding to Activity 2.3)**									
3.1	Project coordinatorfor Activity 3	11.1		20	man-day	100	2,000	0	2,000	
3.1	2 Project researchers (FEREC) for activity 3	11.2		10	man day	150	1,500	0	1,500	
3.1	Project researcher (IGES1) for activity 3	11.2		16	man day	410	6,560	0	6,560	
3.1	Project researcher (IGES2) for activity 3	11.2		11	man day	350	3,850	0	3,850	
3.1	Project secretary (VIFOREST) for activity 3	11.3		3	man day	80	240	0	240	
3.1	Asistant (IGES) for JP meeting organization	11.4		5	man day	200	1,000	0	1,000	
3.1	Interpreter for JP meeting	12.1		1	set	700	700	0	700	
3.1	Facilitator for JP meeting	12.2		1	man day	300	300	0	300	
3.1	Daily allowance for JP meeting (FEREC)	31.1		3	man day	130	390	0	390	
3.1	Daily allowance for JP meeting (VIFOREST)	31.1		6	man day	130	780	0	780	
3.1	Daily allowance for 2 invited VN stakeholders to JP meeting	31.3		6	man day	130	780	0	780	
3.1	Flight VN-JP for JP meeting (FEREC)	32.1		1	times of travel	1,000	1,000	0	1,000	
3.1	Flight VN-JP for JP meeting (VIFOREST)	32.1		2	times of travel	1,000	2,000	0	2,000	
3.1	Flight VN-JP for JP meeting for 2 invited VN stakeholders	32.3		2	times of travel	1,000	2,000	0	2,000	
3.1	Room rent for JP meeting	55		1	set	1,000	1,000	0	1,000	
A3.2	**Hold a pilot meeting in Vietnam (corresponding to Activity 2.3).**									
3.2	Finance officer (VIFOREST) for YEAR 2	11.5		5	man day	50	250	0	250	
3.2	Interpreter for VN meeting	12.1		3	man day	100	300	0	300	
3.2	Facilitator for VN meeting	12.2		1	man day	70	70	0	70	
3.2	Daily allowance for JP meeting (IGES)	31.1		6	man day	130	780	0	780	
3.2	Honorarium for VN meeting participants	31.3		20	man day	50	1,000	0	1,000	
3.2	Flight JP-VN for VN meeting (IGES)	32.1		2	times of travel	1,000	2,000	0	2,000	
3.2	consumable for VN meeting	54		1	set	50	50	0	50	
3.2	Room rent for VN meeting	55		1	set	1,000	1,000	0	1,000	
A3.3	**Conduct interview and questionnaire surveys with companies, and develop a draft plan for establishing a future platform**									
3.3	consumable for WS questionnaire for JP meeting	54		1	set	50	50	0	50	
3.3	consumable for WS questionnaire for VN meeting	54		1	set	50	50	0	50	

Outputs/ actiivties	Description	Budget component	Quantity		Unit	Unit cost US$	Total cost US$	ITTO		Executing Agency
			Year 1	Year 2				Year 1	Year 2	
Output 4 Formulation of a follow-up plan and project outcome dissemination										
A4.1	**Develop a follow-up plan toward the realization of the forest bioeconomy based on the results from Outputs 1 to 3.**									
4.1	Project coordinatorfor Activity 4	11.1		7	man-day	100	700	0	700	
4.1	2 Project researchers (FEREC) for activity 4	11.2		5	man day	150	750	0	750	
4.1	Project researcher (IGES2) for activity 4	11.2		5	man day	350	1,750	0	1,750	
4.1	Project secretary (VIFOREST) for activity 4	11.3		5	man day	80	400	0	400	
A4.2	**Dissemination of the project outcomes**									
4.2	Promotion material development for JP	12.2		1	set	0	0	0	0	
4.2	Promotion material development for VN	12.2		1	set	500	500	0	500	
4.2	Contigengy	63		1	set	1,734	1,734	1,734	0	
Project management cost										
5	Financial audit	62		1	set	8,000	8,000	0	8,000	
5	PCS meeting cost inkind	64	1	1	set	2,000	4,000	0		4,000

3.4.2 Consolidated budget

Category	Description	Total incEA	Year 1	Year 2	Executing Agency
10	***Personnel***				
11.1	Project coordinator	6,300	0	2,700	3,600
11.2	Project researcher	129,270	102,700	26,570	0
11.3	Project secretary	640	0	640	0
11.4	Project assistant	1,000	0	1,000	0
11.5	Finance officer	500	250	250	0
12.1	Interpreter	3,800	2,800	1,000	0
12.2	Other labour	3,670	2,800	870	0
19	**Subtotal**	**145,180**	**108,550**	**33,030**	**3,600**
30	***Duty Travel***				
31.1	Daily allowance (project members)	15,250	13,300	1,950	0
31.3	Daily allowance (others)	2,480	700	1,780	0
32.1	International travel (project members)	13,000	8,000	5,000	0
32.3	International travel (others)	2,000	0	2,000	0
33.1	Local travel (project members)	3,650	3,650	0	0
39	**Subtotal**	**36,380**	**25,650**	**10,730**	**0**
50	***Consumable items***				
53	Utilities	3,100	3,100	0	0
54	Office supplies	250	100	150	0
55	Others	2,000	0	2,000	0
59	**Subtotal**	**5,350**	**3,200**	**2,150**	**0**
60	***Miscellaneous***				
62	Audit cost	8,000	0	8,000	0
63	Contingency	1,734	1,734		0
64	PSC meeting	4,000	0	0	4,000
69	**Subtotal**	**13,734**	**1,734**	**8,000**	**4,000**
70	***Project Management Cost***				
71	Overhead	28,956			
79	**Subtotal**	**28,956**			
80	**Project monitoring and administration**				
81	ITTO monitoring and review	18,000			
83	ITTO ex-post evaluation	10,000			
85	ITTO program support cost (12% of 19, 39, 59, 69, 79, 81, 83)	30,000			
89	**Subtotal**	**58,000**			
100	**Grand Total**	**287,600**			

3.4.3 ITTO yearly budget

Category	Description	Total	Year 1	Year 2
10	***Personnel***			
11.1	Project coordinator	2,700	0	2,700
11.2	Project researcher	129,270	102,700	26,570
11.3	Project secretary	640	0	640
11.4	Project assistant	1,000	0	1,000
11.5	Finance officer	500	250	250
12.1	Interpreter	3,800	2,800	1,000
12.2	Other labour	3,670	2,800	870
19	**Subtotal**	**141,580**	**108,550**	**33,030**
30	***Duty Travel***			
31.1	Daily allowance (project members)	15,250	13,300	1,950
31.3	Daily allowance (others)	2,480	700	1,780
32.1	International travel (project members)	13,000	8,000	5,000
32.3	International travel (others)	2,000	0	2,000
33.1	Local travel (project members)	3,650	3,650	0
39	**Subtotal**	**36,380**	**25,650**	**10,730**
50	***Consumable items***			
53	Utilities	3,100	3,100	0
54	Office supplies	250	100	150
55	Others	2,000	0	2,000
59	**Subtotal**	**5,350**	**3,200**	**2,150**
60	***Miscellaneous***			
62	Audit cost	8,000	0	8,000
63	Contingency	1,734	1,734	0
64	PSC meeting	0	0	0
69	**Subtotal**	**9,734**	**1,734**	**8,000**
(a)	**Project cost total (19, 39, 59, 69)**	**193,044**	**139,134**	**53,910**
70	***Project Management Cost***			
71	Overhead (15% of (a))	28,956		
79	**Subtotal**	**28,956**		

80	**Project monitoring and administration**			
81	ITTO monitoring and review	18,000		
83	ITTO ex-post evaluation	10,000		
85	ITTO program support cost (12% of 19, 39, 59, 69, 79, 81, 83)	30,000		
89	**Subtotal**	**58,000**		
100	**Grand Total**	**280,000**		

3.4.4 Executing Agency yearly budget

Category	Description	Year 1	Year 2
10	**Personnel**		
11.1	Project coordinator	3,600	0
69	**Subtotal**	**3,600**	
60	***Miscellaneous***		
64	PSC meeting	2,000	2,000
69	**Subtotal**	**2,000**	**2,000**
Ground total		**5,600**	**2,000**

3.5 Assumptions, risks, sustainability

3.5.1 Assumptions and risks

The project has identified three main types of risks along with corresponding mitigation measures detailed below:

Risk 1: Disagreements among stakeholders and difficulties in establishing a cooperative framework

This project is based on collaboration among diverse stakeholders, so it may take time to reach consensus and establish a cooperative framework.

- Risk mitigation measures:
  - VIFOREST, an industry association representing Viet Nam's forestry sector, will serve as the Executing Agency for this project and coordinate with Vietnamese stakeholders.
  - At present, cooperation for this project has been secured from Japanese importers interested in sustainable acacia wood production in Viet Nam.
  - To secure cooperation from more companies, we will strive to build good relationships through stakeholder interviews conducted as part of the project and maintain transparent communication.
  - Experienced facilitators will be employed for stakeholder meetings.

Risk 2. Changes in government policy

- Risk mitigation measures:
  - The project will regularly share progress updates and outcomes with the governments of Viet Nam, Japan, and ITTO, and strive to collect information and provide insights.

Risk 3. Difficulty in collecting data related to the value chain, including small-scale farmers

- Risk mitigation measures:
  - The project will l collaborate with reliable local partners (NGOs, research institutions, regional organizations, etc.) in Viet Nam to establish a local data collection system. FEREC, which has already accumulated a significant amount of information, is the local partner for this project. Additionally, the aforementioned Japanese companies have also accumulated data and are willing to share information.

3.5.2 Sustainability

The sustainability of this project is ensured through its designed outcomes and several approaches embedded within the project activities.

Firstly, the institutional and financial sustainability hinges on two key outcomes. The first is the establishment of a business-driven platform for stakeholder dialogue and collaboration (Output 3), which will facilitate ongoing engagement beyond the project's duration, fostering a positive impact on the acacia value chain and the transformation of the forest industry in Viet Nam and the regional market, including Japan. The second is the development of a follow-up plan (Output 4) that outlines essential post-project actions and priority issues. This plan, to be shared with key stakeholders, aims to prevent stagnation of ongoing efforts and thereby promote sustained acacia production, value chain development, and the broader transition toward a forest bioeconomy.

Policy support forms another essential pillar for sustainability. Viet Nam has prioritized sustainable forestry and forest bioeconomy promotion as national policy objectives, advancing forest resource management, strengthening supply chains, and sustainable production under its Forestry Development Strategy 2021–2030, with a vision to 2050. This project aligns fully with Viet Nam's governmental priorities and supports their implementation by providing practical guidance to business entities.

The dissemination of project outputs is also strongly emphasized. Key deliverables, including the analytical report (Output 1) and guidance (Output 2), will be produced in English, Vietnamese, and

Japanese, ensuring wide accessibility and distribution among domestic and international stakeholders. Partners such as VIFOREST, IGES, and FEREC have extensive networks across Asia and globally in research and the timber sector, which will enhance communication. In addition, project results will be shared internationally through channels including ITTO's Tropical Forest Update, contributing to the accumulation and dissemination of global knowledge.

Through this approach—establishing institutional foundations via collaboration platforms and follow-up plans, stakeholder networks, multilingual dissemination, and ensuring policy alignment—the project is well positioned to achieve sustainable outcomes.

PART IV: IMPLEMENTATION ARRANGEMENTS

4.1. Executing agency and organizational structure

4.1.1 Executing agency and partners

The Executing Agency (EA) of the project is VIFOREST. Established in 2000, VIFOREST is a non-profit and non-governmental organization, representing the forestry industry of Viet Nam. Its mission is to converge Vietnamese plantation and wood processing and trading enterprises to work toward sustainable forest management and responsible wood product manufacturing. With the desire to be locally committed and globally connected, VIFOREST wishes to maintain ties with local and overseas partners to facilitate its member enterprises to integrate into global markets and keep in pave with local and international processes/initiatives to strengthen wood industry sector. The profile of VIFOREST is provided in Annex 1.

The Collaborating Agencies are IGES and FEREC. IGES is a global environmental policy research institute based in Japan, bringing extensive experience and expertise in sustainable forest management, timber value chains, and international trade, with a particular focus on the Viet Nam-Japan context. FEREC is a Vietnamese national research institute specializing in forest policy studies and has accumulated substantial experience implementing various projects funded by local and international organizations.

Organization	Roles
VIFOREST	▪ Act as the executing agency of the project ▪ Establish the project management team ▪ Manage project activities and provide necessary arrangements and stakeholder coordination ▪ Deliver and disseminate the project outcomes
IGES	▪ Act as a collaborating agency for the project. ▪ Undertake research activities in collaboration with VIFOREST and FEREC. ▪ Provide overall coordination for the implementation of project activities within Japan. ▪ Disseminate project outcomes
FEREC	▪ Act as a collaborating agency for the project. ▪ Undertake research activities in collaboration with VIFOREST and IGES. ▪ Take responsibility for the publication of project outcomes in the Vietnamese language. ▪ Disseminate project outcomes

4.1.2 Project Management Team

The Project Management Team will comprise a Project Coordinator, a Project Secretary & Finance Officer from VIFOREST, and researchers from IGES and FEREC. The Project Coordinator will oversee the overall management, coordination, and implementation of the project. Reporting will be directed to the Executing Agency (VIFOREST) and ITTO, in consultation with the Steering Committee. "Annex 2 provides the curricula vitae of personnel provided by VIFOREST, while Annex 3 outlines the roles and functions of collaborating agencies (IGES and FEREC) and includes the curricula vitae of personnel they will provide.
Furthermore, subcontractors will be engaged to support project implementation. These may include interpreters and facilitators for pilot meetings (Outcome 3).

Figure 3 illustrates the organizational structure for project implementation, showing the relationships among the Project Steering Committee, Project Management Team, and primary stakeholders, which include business entities involved in the acacia value chain in Viet Nam and Japan..

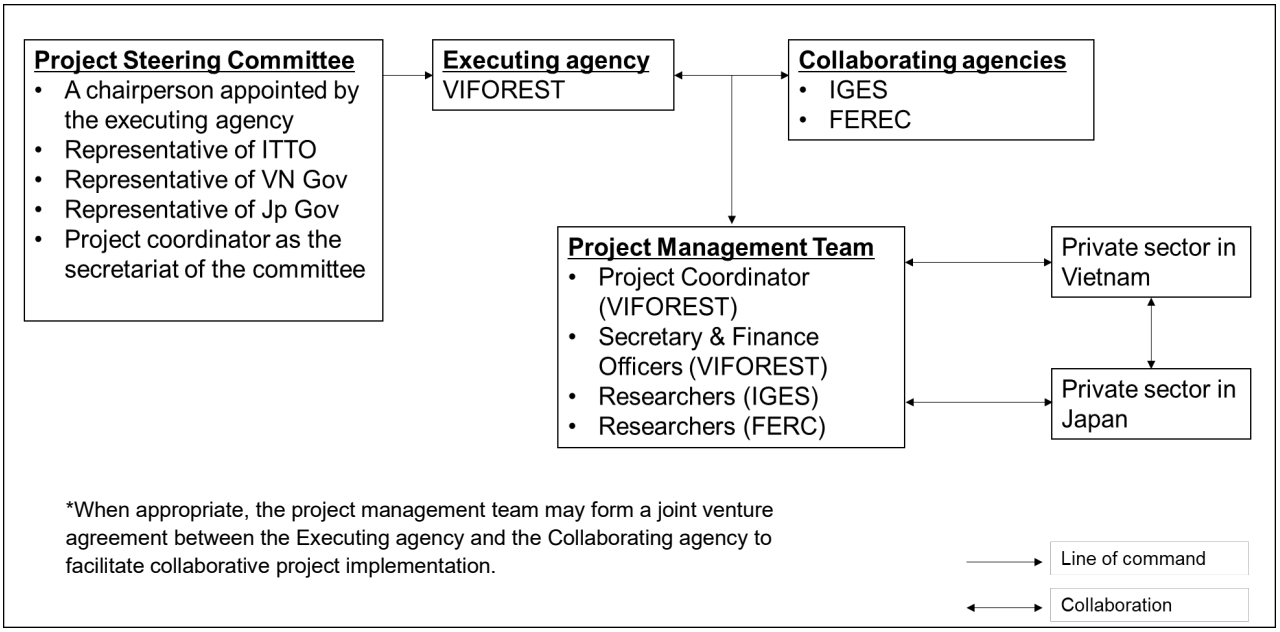


Figure 3: Organizational Structure

4.1.3 Project Steering Committee (PSC)

PSC will be established to oversee project implementation, approve budget planning, monitor and evaluate the project progress against project logical matrix and give immediate instructions on necessary revisions and adjustments. Membership of PSC is:

- Representative of ITTO;
- Representative of the Government of Viet Nam
- Representative of donor country (Forestry Agency of Japan)
- Project Coordinator as the secretary of the PSC
- Representatives of IGES and FEREC will be invited to the PSC meeting.

4.1.4 Stakeholder involvement mechanisms

This project will be implemented with the active involvement of stakeholders identified in Section 2.1.2 Stakeholder Analysis, especially private sector actors from both Viet Nam and Japan. The process and mechanism for stakeholder engagement will include the following key steps:

- **Stakeholder Mapping and Analysis** (Output 1): Identification and categorization of relevant stakeholders, including their roles, interests, and potential contributions to the project.
- **Interviews and Questionnaire Surveys** (Outputs 1, 2, 3, and 4): Conducting structured and semi-structured interviews, as well as surveys, to gather in-depth perspectives from stakeholders and ensure their inputs contribute directly to project outcomes.
- **Case Studies** (Output 2): Documenting and analyzing selected stakeholder-led initiatives to extract lessons and good practices.
- **Participation in Pilot Meetings and Discussions** (Output 3): Engaging stakeholders in pilot meetings and dialogues that will lay the foundation for establishing a long-term collaborative platform.

Stakeholder engagement will extend beyond private companies to encompass relevant government agencies, industry associations, forest plantation owners and groups, intermediaries, research and technical institutions, and civil society organizations. The process will be designed to ensure broad-based, inclusive, and equitable participation from all relevant actors. Through this approach, the

project aims to strengthen collaboration across the value chain and promote the development of a sustainable forest-based bioeconomy.

4.2. Reporting, Review, Monitoring and Evaluation

Reporting
In accordance with ITTO Manual on standard operating procedures for the ITTO project cycle, the following reports will be prepared and submitted to ITTO:

- **Inception Report**
  To be submitted after signing of Agreement between ITTO, Executing Agency and Government of Viet Nam. The Inception report contains the confirmation of the availability of office space and facilities, registered banking account, key project personnel and any changes if any and first Yearly Plan of Operation.
- **Yearly Plan of Operation**
  The first YPO will be attached to the Inception Report. The subsequent YPOs will be submitted at least ten weeks before the beginning of the planned year. ITTO approves the YPO based on endorsement of PSC.
- **Project Progress Reports**
  To be submitted bi-annually or as requested by ITTO. This report contains information on the execution and the progress of activities during the period covered for the report, achieved output and inputs applied.
- **Project Technical Reports**
  To be submitted in accordance with the schedule and at the end of the project period. The Technical Report contains technical and scientific data and information, analyses and other project results. A technical report may be produced from one or a set of activities in one Output. The report may also contain the present procedure and methodologies adopted, the data generated, and the results achieved.
- **Financial Report**
  An audited financial report will be submitted to ITTO within three months after the end of the current fiscal year. A final audited report will be submitted within four months after the date of project completion. The project will appoint a public accountant to be submitted to ITTO for approval period to carry out project financial auditing.
- **Project Completion Report**
  A Project Completion Report will be submitted to ITTO within three months after project completion. The report contains summary of the activities executed, unexecuted (if any), inputs and expenditures, outputs achieved and objectives during the project implementation period. The report also highlights the most critical differences between planned and realized project elements using original project documents as primary reference, lessons learned from the implementation of the project.

Monitoring
Internal monitoring system will be led by the PC within the Project Management Team to ensure timely and appropriate project implementation and reporting, as well as adaptive management. Internal monitoring is applied monthly basis or where appropriate, including the following aspects:

- Follow-up commitments resulting from the Agreement between ITTO and the EA;
- Progress and proper execution of work, using as indicators planned input items from input tables and budget tables and the Activities in the Work plan and the Yearly Plan of Operation;
- On-time delivery and quality of the Outputs, using indicators as presented in the Logical Framework Matrix in the Project document;
- Report on extent to which the Specific Objective has been achieved, using indicators as presented in the Logical Framework Matrix in the Project document:

External monitoring will be undertaken by ITTO, in cooperation with the Forestry Agency of Japan, where desirable, to supervise the project implementation. The timing for external monitoring will be determined between ITTO and the Executing Agency. The scope of the external monitoring includes:

- To assess whether the projects are proceeding according to the agreed work schedules, so that the necessary ITTO actions (e.g., payments to the Executing Agency) may be taken;
- To propose and participate in any necessary reviews of the Projects as a result of these assessments; and
- To report to the Committees and the Council on the situation and completion prospects for the Project.

4.3 Dissemination and mainstreaming of project learning

4.3.1. Dissemination of preject results

Project learnings and results will be disseminated through a variety of means and channels during the implementation stage and after the project's completion. IGES's in-house Communication Team will work closely with the project to design and deliver project results to targeted audiences.

Technical Documents, Briefs, and Articles
These materials will be published in English, Vietnamese, and Japanese. They will be widely disseminated through multiple channels—including the VIFOREST GoViet Magazine, the official websites of VIFOREST, IGES and FEREC, and the ITTO Newsletter—to reach a broad range of stakeholders.

National Workshops
During the project implementation, national workshops will be organized in Viet Nam and Japan to share information on the project's outcomes and to support the development of future cooperation platforms.

Completion Report
The final report will be distributed to interested parties nationwide, as well as to ITTO member countries and other relevant institutions.

International Conference Participation
The project results will be introduced and discussed at prominent international conferences, such as the International Forum for Sustainable Asia and the Pacific (ISAP), organized annually by IGES:

4.3.2. Mainstreaming of the project learning

The long-term success of this initiative hinges on the mainstreaming of its results and lessons learned. The strategic objective is to ensure that project outcomes continue to inform policies, business practices, and stakeholder cooperation well beyond the project’s completion. This will be achieved through several mutually reinforcing components, culminating in a dedicated Follow-up Plan designed to sustain and expand the project's impact.

Building a Long-Term Cooperation Platform
The project will establish the groundwork for a permanent multi-stakeholder platform. This platform will serve as a central hub for dialogue, knowledge exchange, and the promotion of a forest-based bioeconomy. It will bring together government agencies, industry associations, private companies, research institutions, NGOs, and producer groups to facilitate sustained collaboration.

Integrating into Policy and Industry Practices
The project will actively engage with policymakers at both national and sectoral levels to ensure that the project results inform relevant policy instruments. VIFOREST, a representative industry association of the forestry sector in Viet Nam, will play a key role in liaising with the relevant Vietnamese government departments and in integrating lessons learned from the project into their policies and programs.

Strategic Use of Regional and International Platforms
Project results will be promoted at high-level events like the International Forum for Sustainable Asia and the Pacific (ISAP) and other relevant forums. Key communication channels will be leveraged, including the VIFOREST GoViet Magazine, the official websites of IGES, VIFOREST, and FEREC, the ITTO Newsletter, and selected publications, to disseminate knowledge widely.

Knowledge Products and Capacity-Building
The project will produce and distribute practical knowledge products, such as guidance materials and case studies. Targeted workshops will also be conducted to strengthen all stakeholders' understanding and develop a shared vision for implementing sustainable practices.

Follow-up Plan
The Follow-up Plan (outcome 4) is a critical element of the mainstreaming strategy. It ensures that stakeholder engagement evolves from one-off events into a sustained process of collaboration and information sharing.

These activities will consolidate the project's achievements, ensuring they are actively used, expanded, and mainstreamed to support the long-term, stable development of a forest-based bioeconomy in Viet Nam, Japan, and beyond.

ANNEX
ANNEX 1: Information on implementing agency

Vietnam Timber and Forest Products Association (VIFOREST)
Headquarter location: 189 Thanh Nhan Street, Hanoi, Vietnam
Email: info@vietfores.org.vn ; Telephone/fax: 84.4.36320746
Website of VIFORES: http://www.vietfores.org
Logo of VIFORES

Date of establishment: 15 August, 2000, pursuant to Decision No. 34/QD-BTCCBCP of the Head of Government Commission on Organization and Personnel.

1.1. Functions and duties:
According to VIFOREST Charter approved by the Ministry of Home Affairs, Decision No.34/2000/QD-BTCCBCP dated 8/05/2000, VIFORES has four main functions as follows:

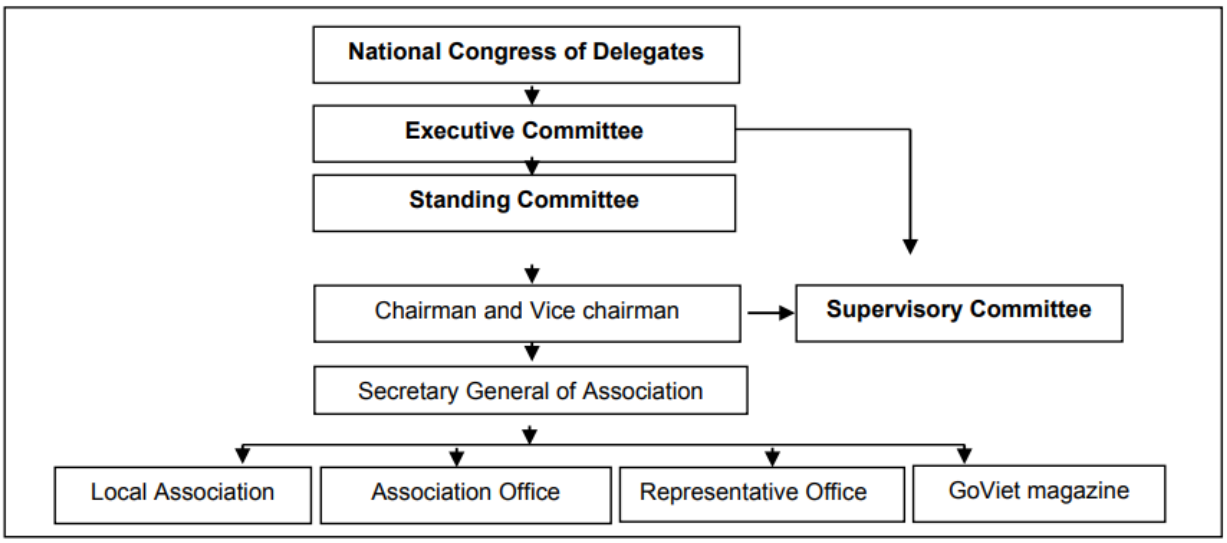
- VIFORES is a non-governmental and non-profit organization. This is an association of Vietnamese forest-based and wood industry related enterprises, scientists and technicians specialized on afforestation, logging, and wood and forest product processing and trading. It serves as a bridge between policy makers and entrepreneurs.
- VIFORES' goal is to unite 3,900 Vietnamese forest-based and wood processing and trading, most are small and medium enterprises (SMEs), and collaboratively assist each other in production, trading, provision of service, application of advanced technologies and equipment, improvement of Vietnamese brands in global markets.
- As a bridge between enterprises and relevant government agencies, VIFORES gather the needs, concerns and requirements of enterprise members and provide feedbacks to policy makers regarding the forest and wood industry development. As a local NGO, it provides counter-arguments and socioauditing on policies, policy tools and measures impacting forest and wood industry sectors development.
- As a service provider, VIFOREST has been collaborating with local and overseas governmental and non-governmental organizations to provide training, arrange workshops, seminars and conferences to transfer knowledge and exchange innovative ideas on various topics of forestry and wood industries.

VIFOREST implemented the ITTO project "Promotion of Sustainable Domestic Wood Consumption in Vietnam (PD 922/21 Rev.1 (I))," with FEREC serving as a collaborating agency. The project was designed to enhance and diversify domestic consumption as well as promote local markets for wood and wood products in Vietnam, contributing to the sustainable and efficient development of Vietnam’s wood industry. FEREC provided research expertise and support for on-the-ground collaboration throughout the project's activities.

In 2024, VIFOREST also supported an IGES study titled "Analysis of Issues and Recommendations for Achieving Nature Positive in the Production and Procurement of Wood Pellets from Vietnam." In this capacity, VIFOREST contributed by reviewing statistical sources and forestry policy information, as well as by facilitating stakeholder coordination for the analysis, leveraging its network and policy knowledge in Vietnam’s forestry sector.

1.2. Infrastructure:

VIFOREST maintains its headquarters office in Hanoi, Vietnam. The association's organizational structure is as follows:



1.3. Budget

(UNIT: 1 USD = 23,145 VND)

Main activities	**2022-2024 (USD)**
Operating costs/ publications	178,958
Training *VIFOREST and support from international organizations)	149,451
Total	328,109

1.4. Human Resources

Education	**2024**
Postgraduate degrees	3
Bachelor	2
Master	2
Technician	5
Administrative staff	5

.

ANNEX 2: ToRs of personnel, consultants and sub-contracts funded by ITTO

1. Project coordinator

Qualification:
As the Project Coordinator, the incumbent is expected to be an expert with extensive knowledge and experience in the relevant fields. The candidate should hold a postgraduate degree in forestry policy, natural resource management, or a related discipline, and have at least 10 years of professional experience in timber legality, timber processing, and trade. Prior experience in managing or implementing donor-funded projects will be considered an asset.

Minimum requirements:
- Experience in coordinating and leading wood industry related projects
- Good knowledge on timber processing and trading, and timber legality assurance
- Familiar with ITTO project management
- Fluency in English

Responsibilities:
- Take overall responsibility for project implementation;
- Coordinate project activities;
- Monitor and evaluate project execution, programme and budget implementation
- Represent the project at any event/forum that invites project to participate in
- Guide and supervise project staffs and recruited experts to conduct their assignments
- Prepare all reports described in the Reporting Section and submit to the Project Steering Committee and ITTO.

Duration: 24 months.

Location: Hanoi with field trips to various provinces of Vietnam

Curricula Vitae

Name	Ngo Sy Hoa
Date of birth	November 20, 1959
Gender	Male
Professional education	Ms in forest economics, Leningrad Academia of Forest Technologies (1986 – 1989)
Position In VIFOREST	Vice President & Secretary General
Field of specialization	Forest economics, SFM, timber legality, REDD+, wood processing and trading
Experience relevant ot the project	▪ 1982 – 2000: Senior staff of International Cooperation Department, MARD, Vietnam, responsible for the implementation of a large number of forest/rural development projects. ▪ 2001 – 2009: Local consultant in forestry and wood industry related projects, including FDI projects in the field of commercial plantation establishment, woodchip processing, furniture manufacturing, biomass fuel (wood-pellet) business etc. ▪ 2010 – 2018: Vice Secretary General of VIFOREST. ▪ 2019 – up to now: Vice President and Secretary General, VIFOREST

2. . Project Secretary

VIFOREST will assign qualified staff members to serve as the project secretariat.

Name	Cao Xuan Thanh
Date of birth	Oct 18, 1978
Gender	Male
Professional education	▪ Silviculture bachelor: Vietnam Forestry University (VNFU), Hanoi, Vietnam (1998-2003) ▪ Master of Law: Thanh Dong University, Hai Phong City, Vietnam (2022-2024)
Position in VIFOREST	Chief of headquarter Office
Field of specialization	Legal and sustainable timber production & trade; wood industry policies; trade remedy, supply chain management, due diligence, VPA/FLEGT–VNTLAS; EUDR, trade promotion.
Experience relevant to the project	2009 – Present: Vietnam Timber and Forest Product Association (VIFOREST) • Wood industry & forestry policy (Vietnam), sustainable forest management • Lead multi-project research, incl. VNTLAS impact evaluations • Provide support to VIFOREST in the design and implementation of activities under projects funded by ITTO, FAO, and GIZ. • Trade-promotion support for wood companies and households 2003 – 2008: Forest Manager: BuonJaWam Forest Enterprise. Sustainable forest management and forest utilization; lead livelihood projects for local communities.

3. Project Account

VIFOREST will assign qualified staff members to serve as the project account.

Name	Nguyen Duc Nam
Date of birth	September 25, 1991
Gender	Male
Professional education	▪ Warter Resource University of Vietnam, Hanoi, Vietnam 2009-2014 ▪ Vietnam Econmics University (VFU), Hanoi, Vietnam 2017
Position in VIFOREST	Staff
Field of specialization	Environmental issues; water resource management; wood trade promotion.
Experience relevant to the project	2010-2021: Support VIFORETS to collect information of ITTO mis reports. 2018-2024: Accountant of Project: ITTO PD 815/16 Rev 2 (i): Increasing efficiency of acacia plantation and timber processing

ANNEX 3: ToRs of partners funded by ITTO

1. Institute for Global Environmental Strategies (Collaborating Agency)

IGES, established in 1998 under the initiative of the Japanese Government, possesses extensive experience in sustainable forest management, timber value chains, and international trade, notably within the Vietnam-Japan context. IGES has successfully implemented ITTO projects—including PP-A/56-342 (2021–2023) in Vietnam—and has contributed to key initiatives such as the ITTO Teak Project and ITTO-FAO collaboration, highlighting its strong research capacity and local engagement. The institute also provides robust policy support, demonstrated by its role in the implementation of Japan's Clean Wood Act, and offers advanced project management and stakeholder engagement skills. Over the years, IGES has developed a wide network of stakeholders across Vietnam, Japan, and the region, ensuring effective project implementation.

Functions, responsibilities

- Conduct stakeholder interviews, surveys, and field research to identify and clarify the "lock-in" structures within the acacia value chain and stakeholders' perceptions.
- Analyze and visualize causal relationships and lock-in structures in the value chain, and prepare and publish a comprehensive analysis report in both English and Japanese.
- Review over three international cases of forest bioeconomy, assessing their applicability and challenges for Vietnam.
- Research and analyze good practices for forest bioeconomy.
- Organize and conduct a workshop in Japan to share knowledge and promote collaboration, and assist a workshop in Vietnam
- Prepare and publish business guidance materials for forest bioeconomy in English and Japanese.
- Develop a draft follow-up plan to ensure sustained progress and impact of the project.
- Collaborate closely with VIFOREST and FEREC to ensure effective project implementation, which includes preparing publications, organizing stakeholder meetings, and managing dissemination events.

The following two researchers from IGES will be assigned to the project and will carry out their designated tasks throughout the entire implementation period. In addition, IGES administrative staff will participate to ensure the smooth execution of project activities.

Name	Makino Yamanoshita
Date of birth	November 25, 1972
Gender	Female
Professional education	▪ MS in Human Sciences: Waseda University in Japan (1996-1998) ▪ PhD in Human Sciences (Environmental planning and management): Waseda University in Japan (2007-2012)
Position in IGES	Research Director
Field of specialization	Forest management and climate change, Community based forest management, Timber legality and supply chain
Experience relevant to the project	▪ Conducted several surveys on the timber legality and supply chain in several producing countries under projects funded by the government of Japan.

	▪ Conducted surveys on the counter measures to prohibit illegal timber in consumer countries such as EU Timber Regulation and Australia's Illegal Logging prohibition Act by interviewing governments and private businesses. ▪ In Viet Nam, developed a Carbon-forest project with local communities in a JICA project. Also conducted research on community based forest management for PhD dissertation. ▪ In Myanmar, supported an NGO-lead community project for producing and marketing NTFP.

Name	Taiji Fujisaki
Date of birth	August 28, 1977
Gender	Male
Professional education	▪ MS in Environment and International Development: School of International Development, University of East Anglia, United Kingdom (2010-2011) ▪ MS in Agricultural Science: Graduate School of Science and Technology, Kobe University, Japan (2001-2003)
Position in IGES	Research Manager
Field of specialization	Legal and sustainable timber production and supply chain, Due diligence and timber trade, REDD+ policy, Community-based forest monitoring
Experience relevant to the project	2019 – Present: Research Manager, Biodiversity and Forests Unit, Institute for Global Environmental Strategies (IGES) ▪ Lead multiple research projects, including the "Clean Wood Act Research Project in Tropical Countries," supporting the implementation of Japan's Clean Wood Act in collaboration with ITTO. Serve as an International Consultant on ITTO projects focusing on legal timber production and trade. 2011 – 2018: Researcher, Biodiversity and Forests Unit, IGES ▪ Conducted extensive research on tropical forest governance, including projects related to the Clean Wood Act and REDD+ initiatives within the Asia-Pacific region. Provided support to the Japanese government during REDD+ negotiations under the United Nations Framework Convention on Climate Change (UNFCCC) 2004 –2006: International Volunteer, United Nations (UN Volunteer), Small Grants Programme/GEF_UNDP, Dominican Republic ▪ Supported community organizations and NGOs in implementing sustainable natural resource management projects, including forestry initiatives aimed at achieving certification for responsible practices.

2. Forest Economic Research Center (FEREC) of Vietnam Academy of Forest Science (VAFA)

FEREC is part of a national research institute and serves as a specialized governmental body conducting research to support forest policy and industrial development in Vietnam. It specializes in forestry economics and policy analysis, providing critical economic insights necessary to analyze and improve the acacia plantation value chain, a core focus of the project. FEREC's expertise in policy evaluation and stakeholder collaboration enables it to support the design and implementation of evidence-based interventions promoting sustainable forest management and the trade of legally harvested timber.

Functions, responsibilities

- Undertake a review of Vietnamese government policies and legal frameworks related to the acacia value chain.
- Study statistics on the distribution of acacia plantations, wood production, processing, and export of acacia products in Vietnam.
- Analyze industry reports on waste utilization sectors, including wood pellets and particleboard.
- Conduct material flow analysis and detailed case studies.
- Review Vietnamese policies and programs concerning forests, forestry, and the bioeconomy.
- Study applications of acacia wood, addressing related technical challenges and innovations.
- Collaborate closely with VIFOREST and IGES to ensure effective project implementation, which includes preparing publications, organizing stakeholder meetings, and managing dissemination events.

Two researchers from FEREC will be assigned to the project to execute the designated tasks throughout the entire project implementation period.

Name	Hoang Lien Son
Date of birth	14/11/1967
Gender	Male
Professional education	Doctor in Forestry
Position in FEREC	Director
Field of specialization	Forestry economics and policy; Forest resource and environment economics, , forest products market and forest environmental services, ect.
Experience relevant to the project	**Research leader** of 07 research projects at Ministry level and National level; 01 Co- leader of research project; and leader of 04 international cooperation projects.

Name	Nguyen Gia Kiem
Date of birth	19/05/1986
Gender	Male
Professional education	PhD of agricultural economic
Position in FEREC	Vice Director
Field of specialization	Economic and Forest Policies, Rehabilitation Forests, Participatory forestry in planning/management, Value chain of forest products and Sustainable forest management.
Experience relevant to the project	• Doing research themes in related on Forest products market, Economic and Forest Policies, and Development of production forest;

	• Assessment of economic efficiency of industrial forest plantations and protection models, recommending effective models to help local people meliorate their livelihood by forestry works. • Research Leader: Research to improve the economic efficiency of planted forest timber value chains, and meeting legal timber requirements and sustainable forest management.