

5 Million Hectare Reforestation Program Partnership Process and Initial Achievements

I. Summary of the Partnership

1. Partnership Establishment

- The preparation for the establishment of the 5MHRP Partnership started at the time of the Consultative Group Meeting in Paris in December 1998 when the donor community and Vietnamese Government agreed to established a Partnership in support of the 5MHRP.
- The process kept continuing in Vietnam during the year 1999 through meetings between the Government and Donor community for the preparation of a Memorandum of Agreement (MoA) in support of the Partnership.
- On 10th December 1999, the MoA was signed in Hanoi between the Ministry of Agriculture and Rural development (MARD) and 15 representatives of the donor community and international organizations, non-governmental organizations, namely, UNDP, EC, FAO, WB, ADB, JBIC, JICA, WFP, WWF, IUCN, the Netherlands, Germany, Finland, Sweden, Switzerland, with the witnessing by Deputy Prime Minister Nguyen Cong Tan. Up to now, due to the constant development of the Partnership and donors' increasing interests in the Partnership, there have been further 4 non-governmental organizations committed to support the Partnership, namely, OXFAM/GB, BirdLife, SNV and CARE International.
- Partnership's Establishment is a great effort by Vietnam and Donor community with an aim to move from the previously applied traditional Project Approach to the Program Approach through the activities of the Partnership.

2. Memorandum of Agreement in support of Partnership

- *Objective* of the MoA is to reach an agreement between Vietnamese Government and Donor community on the **Forest Sector Support Program** and 5MHRP on the basis of agreed policies, strategies, priorities, and implementation principles in accordance with international rules.
- *Principles* of the MoA: Vietnamese Government seeks to convince Donors and international organizations to place their technical support and investment to the forestry sector development in the framework of the MoA and the resulting Partnership, especially when relevant to the 5MHRP.
- *Time frame*: initially proposed from January 2000 to June 2001; but in reality until December 2001 could tasks and targets of the Partnership be completed as set out in the MoA (Decided at the third meeting of the Steering Committee 17 February 2001).

3. Organization for Implementation of MoA

- MARD takes the leading role in implementing the MoA under the steering of a Vice Minister through a Partnership Steering Committee.
- Partnership Steering Committee includes representatives of MPI, Ministry of Finance, State

Bank of Vietnam, and MARD Departments such as Forestry Development Department, Forestry Protection Department, Finance and Accounting Department, Planning and Projections Department, ICD, Policy Department (with 12 members from Vietnam's side). Steering Committee also includes 15 representatives from the community of donors who are signatories of the MoA. Since this is a general Steering Committee between Vietnam and donors, the total number of members is 27 people. The Chairman of the Steering Committee is the Vice Minister Nguyen Van Dang and co-chairman by Mr. Wijnand J. Van Ijssel, First Secretary of the RNE. The Steering Committee has the task to steer the process of the Partnership in order to obtain the set targets of the MoA.

The Steering Committee convenes regularly to consider the Partnership process and put forward decisions or approvals as submitted by Partnership.

- The Partnership Secretariat was set up under ICD to assist the PSC operation. The General Director of ICD is the chairman of the Partnership Secretariat. A separate account was opened for the Partnership Secretariat under the management of Forestry Development Department with the FDD Deputy General Director, who is the vice Chairman of the Secretariat, being the signatory.

4. Proposed Implementation Plan and Expected Outputs

The process for the implementation of the MoA can be divided into 5 phases:

Phase 1: Assessment

- *Time frame:* from February to November 2000
- *Activities:* Reassessment of the whole 5MHRP project, including consideration of forestry policy and institutions, investment needs... on the basis of implementing 3 studies stated in the MoA: 1) Clarification of the 5MHRP; 2) Forestry policies, strategies and institutions; 3) Investment needs and support for forestry sector and Partnership support structure.
- *Outputs:* 3 reports by 3 Task Forces mentioned above.

Phase 2: Synthesis

- *Time frame:* from November 2000 to February 2001
- *Activities:* Review and synthesize 3 study reports in order to make a Synthesis Report, a basis for the formulation of Forestry Sector Support Program (period 2001-2010)
- *Outputs:* Synthesis Report based on the results by the three Task Forces.

Phase 3: Joint- formulation of Forest Sector Support program

- *Time frame:* from March to May 2001
- *Outputs:* **Forest Sector Support program** period 2001-2010
- *Activities:* A Team of international and national consultants (18 people) carries out the analysis of Forestry Sector Strategy and Synthesis Report in order to propose a draft Forest Sector support program period 2001-2010.

Phase 4: Appraisal

- *Time frame:* from July to September 2001
- *Outputs:* Forest Sector Support Program appraised by Donor community and Vietnamese Government.
- *Activities:* Establishment of a co-appraising team, including representatives of the Government and Donor community to appraise the program.

Phase 5: Signing of the MoA for implementing Forest Sector Support Program

- *Time frame:* MoA tentatively to be signed in September, or early October 2001
- *Outputs:* MoA for implementing the Forest Sector Support Program signed by Donor community and Vietnamese Government.
- *Activities:* Organizing the signing ceremony.

Conclusion: After the signing of the MoA, Phase 1 of the Partnership will come to an end (*Partnership for formulation of Program*), a meeting for summing up Partnership activities will be held. The meeting will reassess the whole partnership process, drawing lessons in order to expand partnership form to other programs.

Final output at the end of Phase 1 of the Partnership will be the signing of the MoA for implementing Forest Sector Support Program between Vietnamese Government and donor community. The MoA will include commitments from both sides: implementing components: Areas of priority; Investment budget; Financial Mechanism of the Program; Methods for Organization, Management and steering of the program; Mechanism for support and development of Partnership

2. Initial Achievements of Partnership

2.1. Completed tasks:

In order to reach the above target, after over a year of great efforts by MARD and donor community, until now (end of May 2001), Partnership has been completed, and has obtained the following major achievements (process-based description):

2.1.1. Organization for Implementation: Steering committee, Partnership Secretariat, Task Forces established; and regulations on operation of Committees as well as regulation on financial management and utilization for the Partnership issued.

2.1.2. Completion of three Task Forces

After 10 months of active working (from February to November 2000), Partnership Secretariat mobilized 56 international and national experts of many professions (in MARD and other relevant ministries) to work in the three Task Forces. Until November 2000, the three Task Forces completed the final reports.

* Report by Task Force 1 "*Clarification of the Five Million Hectare Program*" examined and assessed the preparation and implementation of the 5MHRP project, and presented in detailed the targets and achievements that need to be obtained as well as recommended measures and mechanism for implementation. The report identified key activities of the Project, its linkages with other national programs.

* Report by Task Force 2 "*Forest Policy, Strategy and institutions*" examined and assessed the weak points as well as strong points of the current forestry policies, strategies and institutions in Vietnam, and recommended the way to amend those issues in order to create appropriate frame conditions with an aim to reach the targets of the 5MHRP project.

* Report by Task Force 3 "*Forestry Sector Investment and assistance Needs and Partnership Support Structures*" examined and assessed the forest sector investment needs in long and medium terms (including immediate needs), present contributions as well as the role of ongoing projects/programs. The report also recommended a strategy to assist

financial support for the sustainable development of a forest sector in Vietnam and for the implementation of the 5MHRP project. The report took into special consideration:

- a) State investment needs;
- b) Scope of the Partnership between the Government and donors to support the Vietnamese Forest Sector;
- c) Identify costs and profits of the program approach toward investment in forest sector, and
- d) Identification of prerequisite conditions for successful investment in forestry activities at all levels.

2.1.3. Synthesis Report: After three months of working (11/2000-2/2001), the Synthesis Report was completed with the participation by 8 national and international consultants. The report shows: (i) Medium-term Forestry Development Strategy under the framework of implementation of 5MHRP; (ii) identified the linkages between this strategy and Government-Donor Partnership for the sector and made recommendations for the adjustment of 5MHRP and (iii) considered national organization capacity for the implementation of 5MHRP (with the focus on the scale of the Partnership) and identified remaining issues in procedures and management.

The report made in-depth analysis of major problems in during the implementation of the project; proposed main contents for the sector support program and a mechanism for co-ordination of forest support through the Partnership; strongly proposed changes in organization and method for management over forestry programs/projects in the future.

The Synthesis Report was approved by Steering Committee at the meeting 23 March 2001.

Donors highly appreciated this report and expected the proposals in the report to be taken into serious consideration and to be placed in the sector support program. This important document together with the draft Forest Sector Strategy will be the main foundation for the formulation of sector support programs in the future.

2.1.4. Supplementation for the Draft Forest Sector Development Strategy: At the end of Synthesis phase, allowed by MARD leader, representative of the compiling group of the draft Forest Sector Development Strategy (2001-2010), Mr. Ngo Ut, Director of the Institute for Forest Projection and Inspection, made a brief presentation on the Draft (third) to the donor community. During that meeting, many ideas were put forward and then participants sent comments/suggestions in writing to Partnership Secretariat. The suggestion/comments were sent to Mr. Ngo Ut for submission to MARD for comments on how to accept, amend.

Comparison between the Synthesis Report and draft Forest Sector Development Strategy has shown that they share some similarities on the analysis of issues and proposal for strategy, or solutions for development. From now on, Forest Sector Development Strategy will be the important orientation for formulation and implementation of Forest sector support program.

2.1.5. Draft Forest sector support program: phase 2001-2010 has been formulated Including three steps:

- Planning of logic framework for the program.
- Steering Committee meeting
- Joint-formulation of program

The three steps have been completed, specifically:

Planning of logic framework for the sector support program has been completed, covering all objectives, strategies and expected outputs of the program. This is a prerequisite for donors to justify and identify their support. Also, the logic framework shows some indicators for monitoring and evaluating the implementation of the program in the future.

Planning of logic framework for the program was made by a group of 8 foreign consultants and 8 Vietnamese officers from MARD agencies working in 7 days from 4 to 11 March) with the support in terms of method by World Bank.

Steering Committee meeting 23 March approved the logic framework of the program; Scope of Program; timeframe and program phase division; Synthesis Report; and approval of ToR for the phase of formulation of sector support program.

Joint-formulation of Forest Sector Support program 2001-2010 is the last step of the program formulation; starting implementation from 23 April to 5 June 2001 with the participation by 18 consultants. (9 consultants and 9 Vietnamese staff). Two main outputs of this phase:

a./ Forest Sector Support program until 2010; including main contents: (1) program components; (2) basic principles; (3) performance principles, (4) interest of each donor in the components, possibly be established on the basis of distribution with respect to area and topic; (5) core of the logic framework, (6) co-ordination mechanism; (7) linkages with other national programs, (8) Technical and financial assistance, (9) Monitoring and evaluating.

b./ Draft Memorandum of Agreement for the implementation of sector support program. This MoA will be signed by representatives of donors and Government (tentatively at the end of September, or by October 2001.

2.2. Tasks to be done:

2.1.1. *Appraisal of the Sector Support Program*: will get started right after the completion of Sector Support Program, from July to August. Appraisal will be performed by a group of representatives from Donor community and Vietnam.

2.1.2. *Signing MoA*, tentatively in early October 2001. The signing will mark the ending of phase 1 of the Partnership: Formulation of Sector Support Program, and moving to phase 2 Partnership: Implementation of Sector Support program, starting from early 2002

2.1.3. *Meeting: Synthesis of partnership activities*, tentatively to be held in November 2001, in order to draw experience during the implementation of the Partnership activities with an aim to develop the Partnership to other MARD programs in the future.

3. Advantages and obstacles during the operation

3.1. Advantages

- 5MHRP Partnership is the first type of partnership ever done by MARD with regards to transition from the traditional *project* approach to *program* approach through the form of *partnership*. Therefore, right after Minister Le Huy Ngo, authorized by the Government, signed the MoA in support of the Partnership December 1999), with the timely and close

attention and steering from the MARD leader, especially from the Vice Minister Nguyen Van Dang, the Partnership process constantly developed and obtained great achievements. MARD leader already put forward timely orientations and measures to each phase of the Partnership. This is the fundamental advantage.

- Active role of Vietnam, with such a partnership form as 5MHRP Partnership having been undertaken, the active role of Vietnamese side has been clearly shown in cooperation with donor community to formulate the Forest Sector Support Program.

- Other ministries have also shown their concerns and support during the Partnership process, such as MPI, MOF, SBV, Office of the Government....MARD agencies were also mobilized to actively participate in this process.

- For the donor community, right from the beginning and during the whole partnership process, their participation was very active and successful; especially the support of implementing methods.

- During the implementation, donors, international organizations, non-governmental organizations directly sent short-term consultants for the Partnership. Until now, there have been 47 consultants from 16 organizations participating in the Partnership activities. The participation of these experienced experts have decided, in terms of quality, the success of reports and process of the Partnership.

- Financial support and resources from the donors for the Partnership activities were very flexible, as it depends on the financial management regulation of each country/organization as well as on their financial standing. Therefore, there have been four following types of support for the Partnership by the donors:

- Financial commitments for the Trust Fund of the Partnership; This is a great financial contribution for the maintaining of all Partnership activities.
- Salaries are paid directly to consultants for their working in the Partnership.
- Sending short-term consultants to work in the Partnership.
- Participating in meeting, discussion, making suggestions and comments for reports of the Partnership.

After one year of working, a mission of financial consultants from the representatives of donor community and Vietnam made preliminary audit (from 11th to 15th January 2001) to examine the management and utilization of the Trust Fund. The mission concluded that: all the expenditure items are coherent, clear, and in accordance with the regulations of the Trust Fund and the current financial regulations of the State. It was recommended that independent audit should be carried out at the end of 2001.

3.2. Difficulties and challenges

- Partnership is a very new matter and has had no precedent for MARD; we have not yet had experience, and there have been many arguing issues both in terms of theory and practice. Therefore, it requires learning and drawing experience while working. This is a great challenge we are meeting with. However, during the implementation, it has been showing that this approach is profitable to both sides - Government and donors; also this is a new advance in order to overcome the remaining issues in management of foreign funded resources (this will be analyzed and assessed in detailed at the Partnership Synthesis Meeting, tentatively to be held at the end of this year.

- The final objective of the Partnership is to reach an agreement on Sector Support Program. However, even when this agreement is reached, in the future, both sides will have to have more discussions on the implementation of this Program.

- Financial mechanism for the program is a big problem and challenge in the future when co-implementing the Sector Support Program. As each donor/organization has its own procedures in the preparation, approval of projects, and in the form of offering funds, it is of no easy at all to have a consensus on a financial mechanism for the program. Even when there is a financial mechanism for the program agreed by the whole donor community, it will then also be in harmonization with Vietnamese financial mechanism. There should be solutions for these difficulties while formulating and appraising the sector support program.

- Mobilization of resources for the implementation of the Partnership is also a big problem. Right at the beginning, the principle is that Vietnamese side should take the active role in the implementation and mobilization of experts from MARD agencies and other relevant ministries to participate in the implementation; at the same time Vietnamese side would contribute an amount equal to 10% of the total costs; and Donors would send consultants to assist (methods, technical and financial contribution). But in reality, for Vietnamese part, it is very difficult to mobilize human resources for the participation in the partnership activities, as they are currently officers of State management agencies and have not much time; at many meetings, only 1/3 of the participants were Vietnamese. Even at the periodical meetings of the Steering Committee where important issues in the Partnership process are decided, it is rarely to see the presence of all Vietnamese members (Steering Committee includes 12 Vietnamese officers and 15 representatives of donors). At that time, to foreign donors, their contribution of many consultants and full participation in meetings have shown their concerns and great efforts. By a comparison, it is clearly seen that Vietnamese side should have effective measures for the mobilization of more resources for the Partnership process.

- Another obstacle in the partnership process is how to mobilize more agencies of the Government, MPI, MOF, Office of the Government as well as MARD agencies to participate in discussions.

