



Development success in perspective A political economy of REDD+ and corruption in Vietnam

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Abstract

Vietnam has become a key target for donor REDD+ investments. It has been estimated that the forest and climate scheme could generate an annual income of between USD 80-100 million, roughly half of the country's annual health sector budget. In an attempt to realise REDD+ in Vietnam, over USD 84 million has been committed since 2009 to support REDD+ readiness activities. It is widely recognised that development of specific governance safeguards is required to ensure the effective use of these funds, given historic and contemporary corruption challenges in the country's forest sector. This paper assesses REDD+ related corruption risks in the context of Vietnam's wider development efforts. It highlights opportunities for mitigating REDD+ corruption risks through improving data availability and transparency, promoting national collaboration, enhancing participation and engagement, and improving monitoring and evaluation capabilities.

Acknowledgements

This paper builds on the author's work with the UN-REDD Programme and Centre for International Forestry Research (CIFOR) on REDD+ in Vietnam. The author thanks the Norwegian Ministry of Climate and Environment, the Norwegian Agency for Development Cooperation (Norad), and the U4 Anti-Corruption Resource Centre for financing preparation of this U4 Issue. She would also like to thank the representatives of the various organizations who agreed to be interviewed and participate in focus group discussions. Finally, the author wishes to thank the reviewers who provided useful comments to an earlier draft. All remaining errors or inaccuracies are the responsibility of the author.

About the author

Thu Ba Huynh holds a PhD in climate change mitigation and adaptation from the University of Melbourne, Australia. She served as Vietnam Country Representative for Module 2 of CIFOR's Global Comparative Study on REDD+ and contributed to the Participatory Governance Assessment for the UN-REDD Programme in Vietnam.

About the REDD Integrity project

This Issue forms part of a three-year U4 project entitled "REDD Integrity". Funded by the Norwegian Ministry of Climate and Environment via Norad, the project provides research and analysis on governance and corruption risks for REDD+ at the national level in a number of countries and derives policy implications for development practice. Country case studies examine the ways in which corruption and poor governance in the forestry sector affect the development of REDD+. Existing corruption poses risks to REDD+ goals, and the financial resources associated with REDD+ may create additional opportunities for corrupt activity. Through this project, U4 is considering the importance to REDD+ of land tenure, the integrity of benefit-sharing mechanisms, the role of the private sector, and the strength of anti-corruption and governance policies supported by development agencies.

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Introduction

With more than 40% of the country still covered by some form of forest, Vietnam has become a key target for donor REDD+ investments. It has been estimated that the forest and climate scheme could generate an annual income of between USD 80-100 million, roughly half of the country's annual health sector budget (Cao and Le 2013). In an attempt to realise this goal, since 2009, over USD 72 million have been committed to support REDD+ readiness activities in Vietnam. At the same time, it is widely recognized that development of governance safeguards is required to ensure the effective use of these funds, given that the country's forest sector has historically seen many corruption challenges. Towards Transparency, the national anti-corruption civil society group linked to Transparency International, have noted corruption could pose a significant threat to successful governance of REDD+ if anti-corruption safeguards are not in place from the outset (Cao and Le 2013). Recent formal surveys provide further support for this view: Vietnam scored only 31 on Transparency International's 2014 Corruption Perceptions Index¹, ranking 119th from 175 countries studied.

This U4 Issue paper assesses REDD+ related corruption risks in the context of Vietnam's wider development. It aims to understand potential causes of corruption in REDD+ by studying the motivations and opportunities for actors associated with various corruption risks (Transparency International 2012). It also provides analysis of the characteristics of Vietnam's forest sector and the country's wider political, economic and social context. Section 1 outlines key elements shaping forest resource use and related corruption in Vietnam, focusing on the overall forest governance regime influencing forest sector behaviours. Such analysis is important from an anti-corruption perspective given complex institutional processes and political uncertainty generate significant corruption risks for REDD+. Section 2 presents survey results in two main areas of corruption risk for REDD+ implementation in the country: land tenure and benefit distribution. This section also reflects on the roles of various actors and potential mechanisms to avoid and/or mitigate the impacts of corruption in these two areas. Section 3 discusses how decision-making modalities are changing in the context of REDD+ and how actors interested in anti-corruption outcomes could build on this momentum.

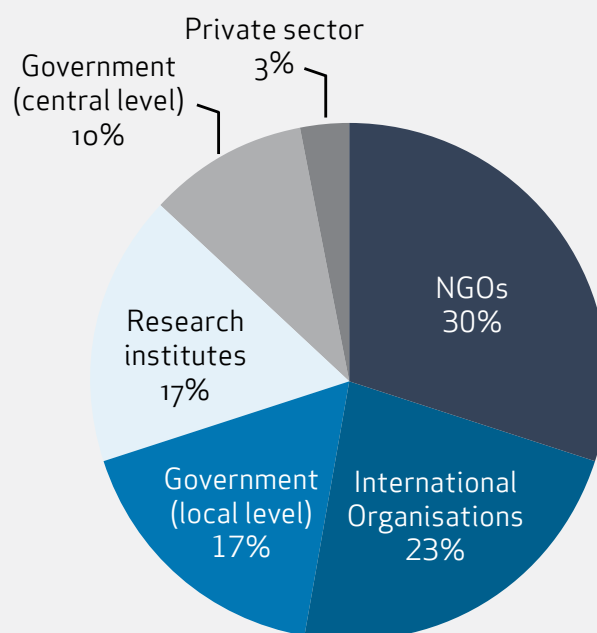
The analysis provided is rooted in four sets of sources. First, an online survey explored REDD+ stakeholder views on corruption risks and solicited suggestions for responding to these risks in national REDD+ implementation. The survey consisted of 23 questions distributed via the Vietnam REDD+ Network, comprised of over 200 individuals from 56 organizations.² In total 30 responses were received, as represented in Figure 1. Second, 15 semi-structured and in-depth qualitative interviews were conducted by the author with REDD+ stakeholders at national and sub-national levels, with each interview lasting between 45-60 minutes. Third, data is derived from the author's PhD thesis "*Can REDD+ turn rainbow?: REDD+ and climate change adaptation policies in Vietnam*" (Huynh 2013). This PhD was a part of a

1 Based on expert opinion from around the world, the Corruption Perceptions Index (CPI) measures perceived levels of public sector corruption on a scale from 0 (highly corrupt) to 100 (very clean).

2 The survey results should be treated with caution given the limited number of responses. Throughout this Issue Paper, the survey results are discussed in connection with other research literature and interviews conducted by the author as part of her PhD fieldwork.

Center for International Forestry Research (CIFOR) multi-year Global Comparative Study³ on REDD+. Finally, a literature review of reports, public documents and journal articles further informed and qualified the results of the online survey and stakeholder interviews.

Figure 1: Groups of online survey respondents



³ Funding for CIFOR's research was provided by the Norwegian Agency for Development Cooperation, the Australian Agency for International Development, the UK Department for International Development, the European Commission, and the US Agency for International Development.

Section 1: Vietnam's anti-corruption efforts in context

1.1 A development success story?

The Socialist Republic of Vietnam is a one-party state. The Vietnam Communist Party (VCP) provides leadership and guides national policy-making, and has been embedded in the state apparatus, in mass organizations and the military since 1954. The prime minister runs the government and has ultimate decision-making power over implementation of the VCP's resolutions. Thayer (2010) has termed Vietnam's political system "soft-authoritarian" and, indeed, the Eleventh Congress of the Communist Party of Vietnam called in 2011 for a more comprehensive approach to the country's renovation, deciding to promote greater citizen participation and unity within Vietnam, while engaging proactively in international integration.

Vietnam is a society undergoing rapid change. It recently won a seat on the United Nations Human Rights Council. The country's poverty reduction story is well known and it has much to celebrate in terms of equitable social and economic development (Adger 2001; World Bank 2013). Political and economic reforms (*Doi Moi*) launched in 1986, transformed Vietnam from one of the poorest countries in the world to a lower middle-income country by the end of 2010.

According to the World Bank, much of this spectacular economic growth is predicated on the intense exploitation of natural resources (World Bank 2011a). Further, the World Bank claims that, despite Vietnam's remarkable progress on poverty reduction, promoting development has become increasingly difficult. Major challenges include narrowly shared economic growth, high poverty rates among ethnic minorities, increasing social vulnerability and rising levels of inequality. More than 33 million people still live on less than two dollars a day, many located in remote areas with few services and limited livelihood options (UNDP 2012). The UNDP has further confirmed the World Bank's observations, highlighting the changing nature and characteristics of poverty and the persistence of societal disparities.

According to a recent government study, land policies have an important role to play in resolving poverty and social unrest among Vietnam's ethnic minorities (UNDP and CEMA 2012). A National Assembly Standing Committee report from 2012 indicates that there are still more than 300,000 poor ethnic minority households without access to residential and production land. Another report by UNDP, examining the impacts of the government's 135 poverty reduction programmes, shows a staggering discrepancy in average per capita income and access to good quality land among members of ethnic majority groups (Kinh and Hoa) and other ethnic groups (UNDP and CEMA 2012).

1.2 Climate change threats

Situated in the tropical monsoon zone close to the typhoon centre of the western Pacific, with a long coastline of approximately 3,500 km and a diverse topography, Vietnam is prone to many natural hazards (Oanh et al. 2011). In the past half century, the average annual temperature has risen by 0.5°C–0.7°C (Government of Vietnam 2012). The average annual temperature is projected to increase by another 0.8°C–3.4°C by 2050 (IMHEN and CSIRO 2013). Approximately 60% of Vietnam's total land area and 70% of its population are vulnerable to multiple hazards ([DMC] The Disaster Management Centre 2011). A World Bank study has claimed Vietnam is in

the top five countries most threatened by rising sea levels (Dasgupta et al. 2007) while Dilley (et al. 2005) have classified Vietnam as one of the top ten countries in the world most vulnerable to climate change, due to the number of its citizens exposed to natural hazards.

Currently, Vietnam is in the top five of the largest rice exporters in the world.⁴ It is also one of the world's largest producers of Robusta coffee, second only to Brazil in terms of overall output.⁵ The Asian Development Bank has warned, however, that climate change could hit rice and coffee production in Vietnam from as early as 2020, placing increasing pressure on world market prices. The UNDP has further estimated that by 2030 approximately 45% of the Mekong Delta will see extreme salinization and crop damage, causing an estimated 9% reduction in rice productivity (UNDP 2012).

In recognition of such projections, Vietnam's 2008 National Target Programme to Respond to Climate Change and its National Strategy on Climate Change of 2011 set out strategic goals and a roadmap for both climate change adaptation and mitigation actions. REDD+ schemes in the country intend to play a crucial role as part of these actions.

1.3 Anti-corruption efforts

Since the 1990s anti-corruption has become one of the highest priority areas for the Vietnam Communist Party. Gainsborough (2003) explained the ferocity with which a series of big corruption cases were pursued during the 90s as a way for the political centre to discipline lower administrative levels, seeking to maintain control in a wider context of increasing decentralization. A recent UNDP report on lessons learned on anti-corruption in the Asia-Pacific region finds that anti-corruption actions in Vietnam can be viewed as a means to stem political transitions that pose a threat to the ruling party's legitimacy and stability (UNDP 2014).

The legal framework and tools

Vietnam has a comprehensive legal framework and instruments to tackle corruption. The first Law on Anti-Corruption was introduced in 2005 and it has been amended several times since. The UN Convention against Corruption (UNCAC) was ratified by Vietnam in 2009 and the Communist Party Inspectorate has the most significant institutional role in addressing corruption within the Vietnamese system. In 2007, a Steering Committee on Anti-Corruption was established as an overarching body to oversee implementation of the Anti-Corruption Law.

The government has adopted a National Strategy on Anti-Corruption by 2020 to enforce the Anti-Corruption Law and to institutionalize the Party Central Committee's resolution on "*Enhancing the Party's Leadership in Tackling Corruption and Extravagance*" (U4 Anti-corruption Resource Centre 2012). The National Anti-Corruption Strategy to 2020 includes specific measures to raise awareness of anti-corruption laws and policies, as well as further encourage and mobilize active participation of citizens in the fight against corruption. In 2012, the government amended the Anti-Corruption Law and developed important guiding decrees on its implementation.

4 Intracen.org. (2015). International trade in goods - Exports 2001-2014. Retrieved 27 March 2015, from <http://www.intracen.org/itc/market-info-tools/statistics-export-product-country/>

5 Ico.org. (2015). Exports of all forms of coffee by exporting countries to all destinations. Retrieved 27 March 2015, from <http://www.ico.org/prices/m1.htm>

Specifically, Decree 59 provides detailed guidance on the implementation of the transparency chapters; Decree 78 is a step forward in setting out rules for asset and income declarations on the part of public officials; and Decree 90 stipulates the rights of businesses and citizens to enquire for information on administrative decisions affecting them. The newly revised 2014 Constitution includes amendments that reaffirm the country's determination to fight corruption (Section 2, Article 8). Various other pieces of legislation including the Ordinance on Grassroots Democracy, the Law on Inspection, the Law on Complaints, and the Law on Denunciations, have provided a solid foundation to pursue an anti-corruption agenda.

In 2011 Vietnam was reviewed in the first UNCAC review cycle and undertook its second review in 2015. The first self-assessment report revealed that Vietnam is compliant with 77%, is partially compliant with 16%, and non-compliant with 7% of the two assessed UNCAC Chapters. Non-compliance was particularly evident in the areas of illicit enrichment, bribery in the private sector, the translation of legislation regarding money laundering, the liability of legal persons, extradition provisions and joint investigations (Government Inspectorate of Vietnam, EU, and UNDP 2012).

Vietnam is at the forefront of efforts to implement improved corruption measurement tools, including the Public Administration Performance Index (PAPI), the Provincial Competitive Index (PCI)⁶, and small-scale surveys conducted to understand corruption problems in specific sectors (e.g. education, health, land management and construction) (UNDP 2014). The PAPI is the largest governance survey of citizens in Vietnam,⁷ and looks at six dimensions: Participation at Local Levels, Transparency, Vertical Accountability, Control of Corruption in the Public Sector, Public Administrative Procedures and Public Service Delivery.

Present status of corruption

According to a World Bank survey of citizens' perspectives on corruption conducted in 2012, more than 75% of citizens see corruption as a serious problem in Vietnam (World Bank and Government Inspectorate of Vietnam 2012). Petty corruption, harassment, and unofficial payments are common, causing public dissatisfaction (World Bank and Government Inspectorate of Vietnam 2014). Transparency International's 2013 National Corruption Barometer showed that 72% of respondents in Vietnam felt the police were corrupt or extremely corrupt and that land management was the second most corrupt sector in the country (Transparency International 2013). According to PAPI results, corruption is rated among the top five most serious socio-economic issues for Vietnamese citizens, with one in four perceiving it as the most serious socio-economic issue. The Government Inspectorate has highlighted that corruption in

6 The PCI is implemented by the Vietnam Chamber of Commerce and Industry and the United States Agency for International Development (USAID) on a semi-annual basis. It includes a corruption component labelled "informal charges". The PCI is primarily based on the perspectives of businesspeople.

7 PAPI is the largest time-series national governance and public administration performance monitoring tool in Vietnam exclusively based on citizens experiences. Over the years PAPI has captured and reflected the experiences of nearly 50,000 citizens. The index is a joint collaboration with the Vietnam Fatherland Front, the Centre for Community Support and Development Studies, the Committee for People's Petitions, and the United Nations Development Programme (UNDP). The index was piloted in three provinces in 2009, and was extended to 30 provinces in 2010. By 2011 it covered all 63 provinces. The index was expected to be published annually from 2012 onwards.

sectors including finance, banking, land, natural resource management and public investments, remains serious (Government Inspectorate of Vietnam 2014).

The PAPI report of 2013 noted that 'Control of Corruption' is the dimension that has seen the biggest improvement (4.2% from 2012 to 2013). This is followed by the 'Transparency' dimension which improved by 3.4%. Vietnamese citizens seem to experience and perceive efforts to control corruption and improve transparency. The data also suggests citizens believe their local officials are gradually becoming more serious about controlling corruption (up from 34% in 2011 to 38% in 2013).

At the eighth meeting of the National Assembly in October 2014, Inspector General Mr Huynh Phong Tranh stressed corruption is becoming increasingly sophisticated and difficult to detect. Corrupt individuals are often in powerful positions with advanced knowledge of laws and extensive patronage networks. In 2015, the government plans to reinforce monitoring and inspection of public affairs, including developing severe punishments for corrupt officials.

Willingness to address corruption

Despite the existing legal framework and tools described above, the effectiveness of these measures in addressing corruption appears to remain limited. The PAPI 2013 report found that awareness of the Anti-Corruption Law is as low as 40% (of total respondents nationwide), suggesting that improved dissemination and communication efforts are required. A declining trend in citizens' willingness to address corruption has also been observed, while no significant changes have been noted in terms of provincial authorities' willingness to counter corruption (CECODES 2013). Taken together, this indicates a serious problem with governance. Legal institutions (including the Law on Denunciation and the Law on Complaints) that encourage citizens to address corruption and make denunciations when illicit acts are experienced appear not to be working (CECODES 2013). Various awareness-raising initiatives have been implemented in recent years with World Bank support in an attempt to help civil society and the wider population engage with anti-corruption work, including the Vietnam Innovation Day of 2009 and the Vietnam Anti-Corruption Initiative Program in 2014.

Chairing the 6th Steering Committee Meeting on Anti-Corruption in December 2014, Communist Party General Secretary Nguyen Phu Trong called for a continued sweeping fight against corruption, with a focus on revising socio-economic management regulations and increasing cooperation among relevant agencies. He stressed the important role of elective units, the Vietnam Fatherland Front, socio-political organisations, the media, and the public in countering corruption. At an anti-corruption dialogue event in November 2014, Deputy Prime Minister Nguyen Xuan Phuc also affirmed Vietnam's commitments to continue to prevent and combat corruption through completing the legal system and enhancing accountability, transparency of property, inspection, investigation, and properly prosecuting and handling corruption cases and encouraged the participation of the whole society in the fight against corruption. At the same event, Deputy Chief Government Inspector Tran Duc Luong noted the need to learn from and collaborate with international partners in dealing with the increasingly complicated and sophisticated corruption situation in Vietnam.

1.4 Forest sector governance

Vietnam's forest cover declined between 1943 and 1990 from 43 to 27% of total land area (Quy and Can 1994). Over the past few decades, Vietnam has made considerable efforts to increase its overall forest cover. By the end of 2012, Vietnam had 16 million hectares of officially designated forestland with approximately 13.8 million hectares of forest, equivalent to approximately 40% of the country's total land area ([MARD] Ministry of Agriculture and Rural Development 2013). This increase has mainly been due to new plantations, which account for 2.92 million hectares ([MARD] Ministry of Agriculture and Rural Development 2010).

Despite this recent increase, the quality of natural forests continues to decline and Vietnam's forests suffer from both fragmentation and degradation. According to the Vietnam Forest Inventory Planning Institute (FIPI), over two-thirds of Vietnam's natural forests are considered poor or regenerating, while rich and closed-canopy forests constitute only 4.6% of total forestland. There has been a significant decrease in the area of natural forests classified as rich and medium quality forest (UN-REDD 2012b). In 1992, Vietnam launched "Program 327" which aimed at "re-greening the barren hills". This was followed by the more ambitious "Five Million Hectares Reforestation Programme" (5MHRP) or "Programme 661". The 5MHRP set targets and provided subsidies to increase forest cover to 43% by 2010. The results of the 5MHRP have, however, been mixed (UN-REDD 2012b).

In Vietnam, forestland is managed according to one of three functional categories (i) special use forests or protected areas (primarily for biodiversity conservation); (ii) protection forests (for watershed and environmental protection); and (iii) production forests (for commercial purposes). The first two forest types are administered by Management Boards (MBs), that are in turn subject to MARD or provincial authorities. The third type of forest is managed by local households and via forest contracts. Devolution in the forest sector has provided local people with certain use and management rights. Forestland allocated to local people has expanded from almost nothing in 1985 to 3.5 million hectares in 2006 (World Bank 2011b). However, this devolution has been afflicted by inefficient and inequitable allocation of forestland (Sikor 2001a; Sunderlin and Huynh 2005), while most allocated nominal forestland has held almost no actual forest cover (T. Q. Nguyen 2006; Sikor 2006). Poverty rates in forested areas remain high (B. N. Nguyen et al. 2009), while the contribution of the forest sector to poverty alleviation is unclear with little direct beneficial impact on the incomes of the poor (World Bank 2011b).

A brief history of forest sector policies

Forest conversion between 1943 and 1990 was mainly the result of war and agricultural expansion by the predominately lowland Kinh people migrating into forested areas. The main direct causes of deforestation and forest degradation are recognised as (i) conversion to agriculture (particularly to industrial perennial crops); (ii) unsustainable logging (notably illegal logging); (iii) infrastructure development; and (iv) forest fires (UN-REDD 2012b). The country's wartime narratives since 1945 have shaped the choice and construction of forest policy work in Vietnam. Forest policies have been formulated, revised and re-formulated in several phases, all influenced by the country's broader national security goals, socio-economic development plans, and trends in external support and ideas about effective environmental protection.

The foundations of Vietnamese forest policy were laid in 1946 in three simple documents: (i) a draft Forestry Law to replace the set of laws made under the French colonial regime; (ii) a draft

curriculum for the University of Water and Forests and; (iii) a comprehensive list of technical terms to guide management, training and education in the forestry sector. In the absence of a comprehensive set of forestry laws during nine years of war against the French, these policy documents acted to guide the forestry sector. Other policy documents pertinent to timber and non-timber forest product (NTFP) collection and trade, forest conservation and development, were issued and circulated immediately following the 1945 birth of the republic.

Between 1955 and 1975, the forest sector underwent significant structural change with the establishment of the Vietnam Administration of Forestry, which played a key role in forest policy development and implementation. International collaboration and exchange with former Soviet bloc countries on forestry research and education was initiated during this period. A number of forest technocrats were sent to Soviet bloc countries for their education and these senior staff continue to play key roles in current policy processes even after their retirement. The younger generation, however, has tended to receive education in the Western world, including in the United States, Australia, and Germany. This has contributed to a clash in approaches and perceptions among different generations of Ministry of Agriculture and Rural Development (MARD) staff.

The development of Vietnam's forest sector policies over the past few decades has allowed a certain space for non-state actors' involvement. However, Dang, Turnhout, and Arts (2012) claim the role of non-state actors remains limited in practice and note that there are practical challenges with regard to the redistribution of rights and power over forestland. The state has strong interests in policy formulation in the sector and for many years forest sector policies have largely been fashioned through targeted programmes constrained by limited resources, where consultation has often been criticized as top-down and ineffective ([MARD] Ministry of Agriculture and Rural Development 2009).

In particular, forest tenure has been a challenging issue for many decades. Community forestry (CF) efforts in Vietnam began in the early 1990s and quickly progressed from a broad concept to on-the-ground projects funded by various donor agencies. In 2004, for the first time, communities could gain legal recognition as forest managers (but not as legal entities as defined by the constitution). Under the 2003 Land Law and 2004 Forest Protection and Development Law, however, communities were allowed to enter into contractual arrangements with state entities, although not with organisations beyond these. There was much hope at the time that with key legislation in place, lessons from CF pilot programs to draw on, and a high degree of national interest, CF in Vietnam could advance at national scale. By mid-2009, however, CF had only been piloted in 10 provinces and 64 villages. CF today is still in a "development phase" and faces a continuing challenge of defining and assigning forest tenure to community groups, a situation that holds significant relevance for the development of REDD+ in the country.

Decision making in the forest sector

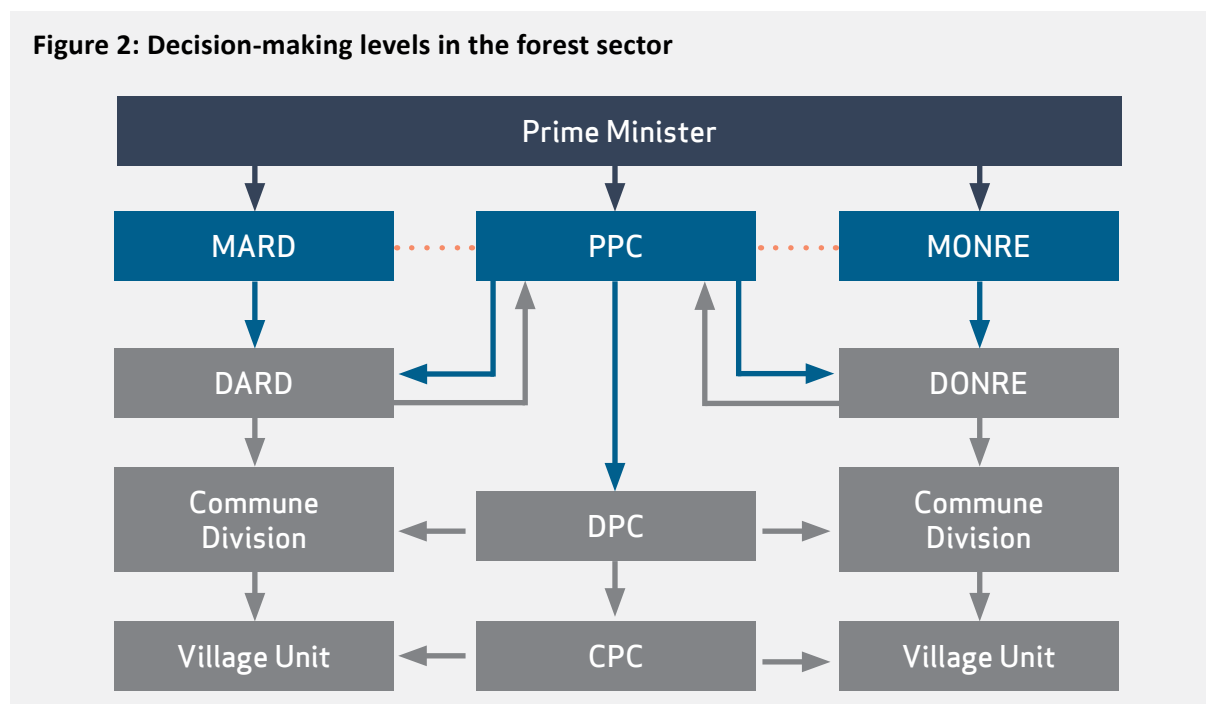
Decision making in Vietnam is rather opaque (Rama and Vö 2008) and sometimes inexplicable (Lucius 2009). At the same time, much of the country's spectacular economic growth since the 1990s has been noted to be the result of pragmatic leadership (Rama and Vö 2008). There is a long tradition of consensus-based decision making where concealing any potential disagreements and avoiding political losers is viewed as strategic.

Responsibilities for forest and land management are divided between the Ministry of Agriculture and Rural Development (MARD) and the Ministry of Natural Resources and the Environment (MONRE). Under these ministries, the provincial Department of Agriculture and Rural Development (DARD) and the provincial Department of Natural Resources and the Environment (DONRE) are the extended technical agencies at sub-national level. DARD and DONRE are responsible for forest policy implementation and reporting. While DARD is in charge of forest planning, development and protection, DONRE is in charge of land planning and administration (e.g. the issuing of land use rights certificates). DARD and DONRE are often invited to participate and contribute to policy formulation either at workshops, through commenting on draft documents, or via local piloting efforts.

Dealing with issues of forest development and protection is complicated by discrepancies in reporting and accountability at national and sub-national levels. While at the national level, MARD is in charge, at sub-national level these two issues are dealt with by two different agencies. Provincial forest protection departments report directly to the Provincial People's Committee (PPC) though the technical connection with DARD remains strong. People's Committees are the executive organizations of People's Councils and are the state administrative organs with responsibility for steering socio-economic development and administrative processes at sub-national levels.

While DARD and DONRE are the extended technical arms of MARD and MONRE, they are accountable to the PPC on policy implementation. Forest policies and programs may be formulated at ministry level but how they are funded at sub-national level varies and much depends on the dynamics between the PPC and other technical agencies (i.e. DARD and DONRE). The PPCs hold ultimate decision-making power in terms of policy formulation and implementation at sub-national level, with little interaction with ministries at national level. Since the PPCs report directly to the central government, they have different channels and connections to upstream feedback on policies and programs (see Figure 2).

Figure 2: Decision-making levels in the forest sector



In conclusion, decision-making in the Vietnamese forest sector is complex, with different actors with somewhat overlapping areas of responsibility. Reforms have created a new logic whereby local governments have new and increased authority over forests (Gainsborough 2003). It is important to understand the logic of decentralization in the forest sector, the relative powers of decision-making bodies and the barriers posed to vertical accountability while exploring the issue of corruption and REDD+ in Vietnam.

Corruption in the forest sector

Corruption in the forest sector remains under-studied in Vietnam considering the significant incomes from wood products (generating around USD 4.67 billion in 2012) and the substantial regional flows of timber to and from the country. Several studies claim, however, that illicit activity in the sector continues to thrive despite regulatory efforts (To, Mahanty, and Dressler 2014). Scholars agree that corruption is an endemic feature of Vietnamese forest governance (Hoang and Do 2011; McElwee 2004; Sikor and To 2011). It was found that more than half of the funds allocated to the reforestation-focused Programme 327 (discussed above) were diverted to other purposes (Sikor 2001b).

Reasons for the high incidence of corruption in forest land administration have been noted to include (i) inconsistencies in legislation and policies that create gaps in which bribery can thrive; (ii) the slow operation of the 'one-stop-shop' office for forest licensing; and (iii) unclear division of duties and allocation of tasks among state officials at different levels. The inadequate prices offered for land create further problems, accompanied by a typical mechanism of "asking for and giving" land that hampers efforts to tackle corruption in land administration (AusAID 2000).

In November 2014, Towards Transparency (TT) and the International Centre for Tropical Highland Ecosystems Research (ICTHER) organized a consultation workshop on "monitoring tools for forestry sector at local level" with over 30 representatives from provincial and district authorities in Lam Dong. TT introduced Public Expenditure Tracking Surveys (PETS) and Community Score Cards (CSC) as relevant community monitoring tools for the sector. Participants discussed how to ensure local citizen participation and enhance capacity in monitoring forestry programmes, while expressing major concerns over the key issues of REDD+ payments, land allocation and information disclosure. This is one of the initial attempts to discuss corruption and introduce specific tools for (non-carbon) forest monitoring at community level.

More recently, in August 2015 TT and TI carried out more training courses on "How to monitor forestry programmes implementation" in Quang Binh province. It is expected that with the knowledge and tools from the training, citizen will be able to participate in monitoring of REDD+ benefits.⁸

8 towardstransparency.vn (2015). Retrieved on August 30, 2015 from <http://towardstransparency.vn/forestry-community-protect-rights-benefits>

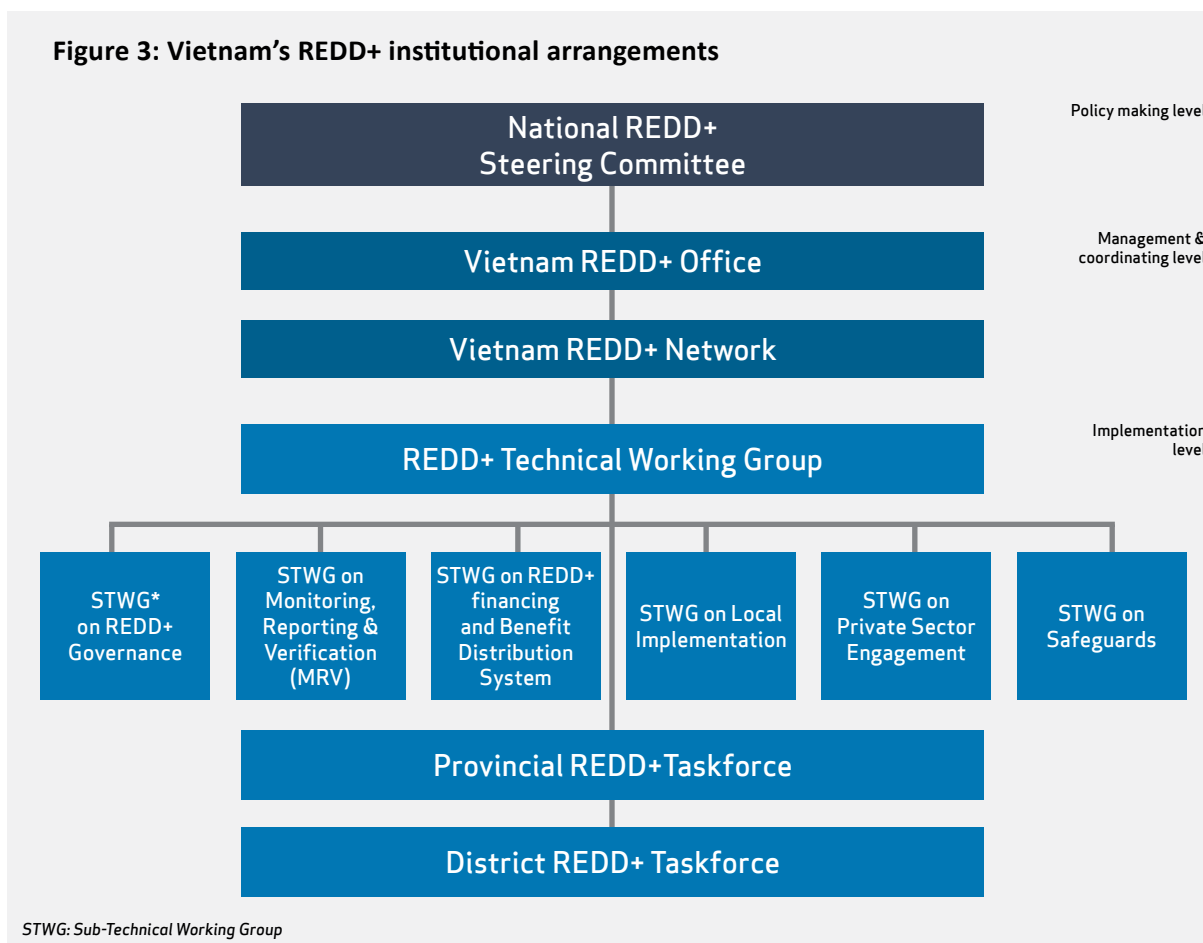
Section 2: Pioneering REDD+ and tackling corruption risks

2.1 The REDD+ context and recent progress

Vietnam has taken significant steps toward establishing REDD+ since 2009 when the UN-REDD Programme began piloting readiness activities in the province of Lam Dong. The current REDD+ portfolio consists of 44 initiatives funded by both bilateral and multilateral donors. A National REDD+ Action Program (NRAP) was approved in 2012 and several provinces have recently embarked on formulating Provincial REDD+ Action Programs (PRAPs). Dien Bien and Lam Dong provinces both have approved PRAPs.

Vietnam is one of the first UN-REDD Programme partner countries to operationally close Phase 1 of its UN-REDD National Programme and move towards Phase II (implementation of national REDD+ strategy with a view to receive results-based payments in Phase III). The National REDD+ Action Program (NRAP) contains key principles on benefit distribution aligned with Decree 99 on “Payment for Forest Ecosystem Services”. A Measurement, Reporting and Verification (MRV) framework document has been endorsed by the National REDD+ Office, while a range of lessons from pilots at local level have been learnt. Moreover, a Forest Protection and Development Plan for the period 2011-2020 has set key targets to increase forest cover by 45% by 2020.

Figure 3 illustrates the institutional arrangements put in place by the government to manage REDD+. The National REDD+ Steering Committee is the ultimate policy-making body, chaired by the Ministry of Agriculture and Rural Development (MARD), but including members from various other ministries. The Vietnam REDD+ Office (VRO), based in the Vietnam Administration of Forestry coordinates implementation activities. The REDD+ Network, now comprised of over 200 individuals from 56 organizations, became active in 2010. The Network involves six sub-technical working groups (STWGs), each chaired by two representatives from the government and UN agencies or non-governmental bodies. The six STWGs address the respective issue areas of: (i) governance, (ii) private sector engagement, (iii) MRV, (iv) local implementation, (v) benefit distribution and (vi) safeguards. Over the past few years, the STWGs have made important recommendations for the development of REDD+ in Vietnam. However, the VRO’s capacity to coordinate and lead the implementation of the NRAP is limited and, in 2014, many of the STWGs became inactive due to lack of motivation and leadership from key actors.

Figure 3: Vietnam's REDD+ institutional arrangements

2.2 Corruption risks in REDD+

Overview

Seizing the momentum created around REDD+ to secure the rights and tenure of forest communities and improving decision-making processes related to forest management and land use could contribute to overall improvements in forest governance in implementing countries.

However, researchers at the Technical University of Zurich and the University of Montpellier have noted that an underlying rationale of REDD+ (more money will change the behaviour of governmental agencies concerning forest conservation) ignores the real political economy of weak states, which are often ruled by “governments with private agendas” linked to corrupt networks of local elites (Rich 2013). Corruption can play an important role in determining who benefits from forests and how forest-related revenues are used. There are also examples of how the allocation of forestland has been integral to the formation and consolidation of political power (Standing 2012). Alley (2011) claims the significant corruption risks in the timber industry and poor governance of resource revenues pose the greatest threats to the success of any REDD+ agreement. In REDD+ pilot countries, examples of corruption and rights abuses are not hard to find.

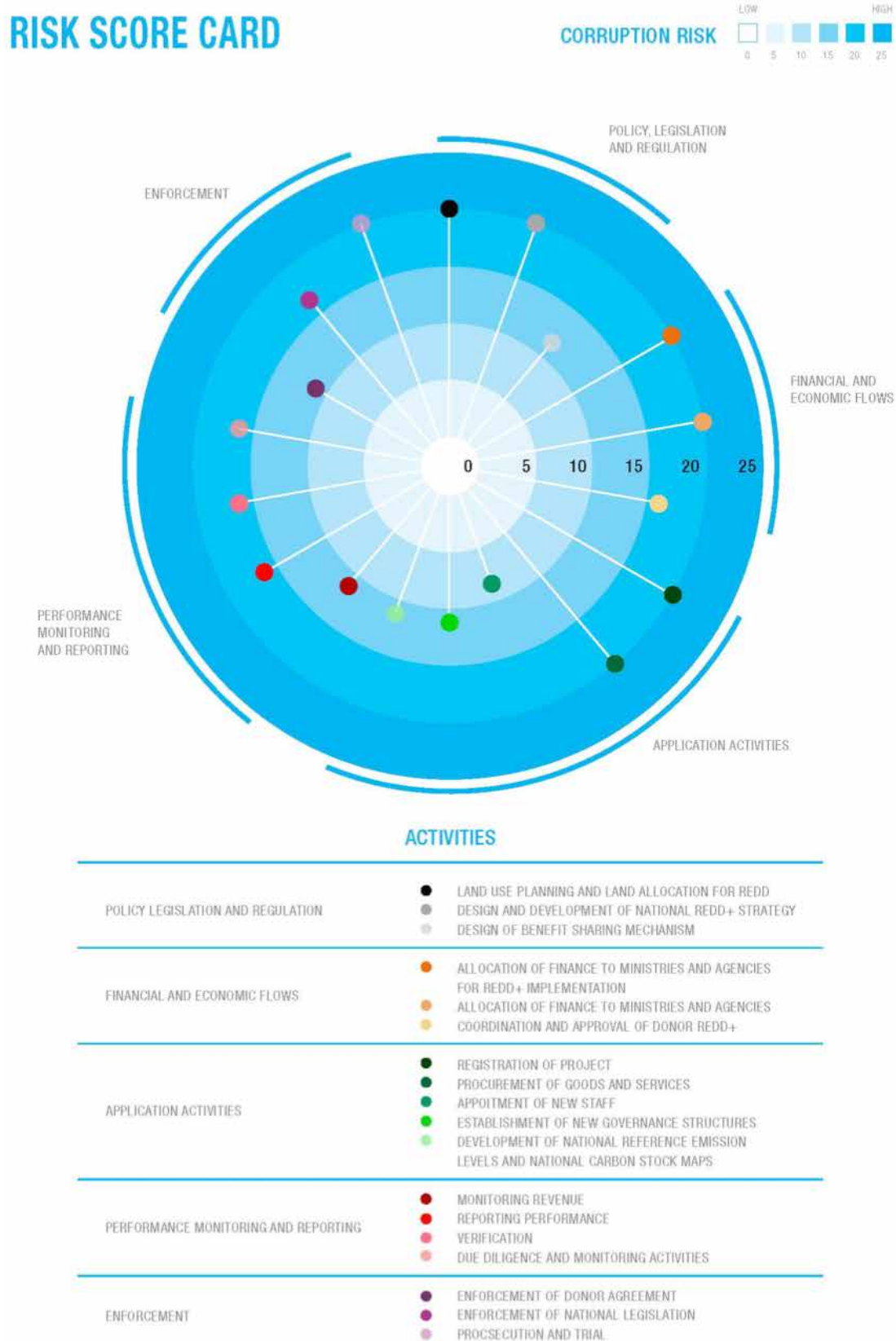
However, REDD+ is also expected to generate improvements if adequate attention is paid to issues of governance (Hatcher and Bailey 2011). A working paper by WRI (Williams 2013) reviewed 32 REDD+ readiness proposals submitted to the UN-REDD and FCPF (World Bank's Forest Carbon Partnership Facility) and found a trend that most REDD+ countries highlighted the importance of having effective, equitable, and well-governed REDD+ programs. The paper found that governance challenges around REDD+ include weak law enforcement capacity, poor coordination across sectors, and low levels of transparency and participation in forest sector decision-making. According to the 2014 Annual Report of the UN-REDD Programme Fund (UN-REDD 2014a), all governance elements (institutional, legal, fiduciary or thematic) feed and inform elements of a national REDD+ strategy or action plan.

As outlined above, Vietnam has traditionally experienced weak anti-corruption enforcement. A Participatory Governance Assessment for REDD+ (PGA) has been carried out in Vietnam with UN-REDD support. This report highlighted the importance of forest governance data through a participatory process where key stakeholders selected the main governance challenges for REDD+ claims. The main risks of corruption are found in benefit distribution and forest law enforcement around forest land and forest contract issues.⁹ In 2012, Vietnam's sub-technical working group on REDD+ safeguards, chaired by the Vietnam REDD+ Office, reviewed the three major international safeguard frameworks presented for national REDD+ programme application: the World Bank safeguards; the UN-REDD Social and Environmental Principles and Criteria; and the REDD+ Social and Environmental Standards. As a party to the UNFCCC, Vietnam has acknowledged that the safeguards agreed in Cancun in 2010 take supremacy above all other policy commitments on REDD+ safeguards. On this basis, Vietnam conducted analysis to inform the development of a safeguards roadmap for the National REDD+ Action Programme.

Since 2012, Towards Transparency (TT) and the Transparency International-Secretariat (TI-S) have been carrying out a number of activities, training workshops and dialogues on the issue of transparency and accountability in REDD+. In 2012, a workshop on "*Solutions to improve the transparency and accountability in REDD+ implementation process*" took place in Lam Dong with delegates from provincial and district agencies, local organizations, and NGOs. TT also carried out a corruption risk assessment (Cao and Le 2013) in order to identify specific weaknesses in policy and practices, priority areas for reform, and appropriate advocacy and policy interventions. The study was based on desk research, consultation meetings and workshops with key REDD+ stakeholders at both central and local levels, plus field visits. The report identified seven areas (out of 18) at severe risk of corruption (i.e. they scored 20 from 25, with 25 representing the greatest risk) as illustrated in Figure 4 below. The highest risks were found to be in the: (i) design and development of the national REDD+ strategy (NRAP); (ii) land use planning and land allocation for REDD+; (iii) allocation of funds for internal capacity building to ministries and agencies; (iv) allocation of finance to ministries and agencies for REDD+ implementation; (v) allocation of finance to ministries and agencies; (vi) registration of projects; and (vii) procurement of goods and services.

9 The 2014 PGA Vietnam report and the PGA Executive Summary for Vietnam 2014 are available at: http://www.unredd.net/index.php?option=com_docman&view=list&slug=pga-vietnam-2014-report-launch-3621&Itemid=134

Figure 4: Corruption Risk Score Card for REDD+ in Vietnam (Cao and Le 2013)



Discussion on corruption risks in REDD+

This section highlights the results from the survey and interviews carried out between September and December 2014. The survey, containing 23 questions, revolved around three key themes: (i) a corruption risks assessment; (ii) perceived roles in addressing corruption risks, and (iii) measures to address corruption risks. Respondents were grouped in five categories: central government; provincial government; international organizations; NGOs; and research institutions. Interviews were conducted to follow-up on the survey results. The section aims to provide analysis of the survey results together with findings from other studies (both secondary and primary sources as outlined in the introduction section) on corruption, land tenure, and REDD+ benefit distribution in Vietnam.

The Vietnam National REDD+ Action Plan was approved in 2012 and pilot provinces were formulating Provincial REDD+ Action Plans (PRAP) at the time the survey was conducted. The survey asked questions about: (i) the likelihood that *“some individuals and groups would seek to influence the PRAP design in order to benefit private interests or to entrench political and economic power”* and (ii) the degree of negative impacts likely to result from such activities. The results showed that 90% of participants (mainly from NGOs and international organizations) perceived this risk to be low or very low. 23% of participants perceived the degree of negative impacts as medium, while the remainder (78%) thought the likelihood of negative impacts was either small or very small.

One respondent (from an international organization) believed that the manner in which the PRAP process was conducted significantly reduced the risks. For instance, the PRAP in Lam Dong identified detailed intervention packages through a series of workshops using participatory analysis of stakeholders as well as spatial analysis. At the same time, it was acknowledged by other respondents that PRAP formulation processes were strongly influenced by the national government while local citizens had limited involvement in their design.

Risks of corruption around land use and tenure

All land in Vietnam belongs to the population as a whole, with the state administering land on the population's behalf. Citizens and organizations can hold land-use rights but do not have ownership rights, since ownership is reserved for planted production forests only. The legal framework regulates the potential expropriation of land use rights, but there is no mention of compensation or resettlement.¹⁰ As explained above, the Ministry of Natural Resources and Environment (MONRE) is the key agency in land use planning. In collaboration with MARD, these two bodies guide Provincial People Committees (PPCs) in reviewing and accomplishing land allocations.

The recent TT report discussed above found land use planning and land allocation for REDD+ to present one of the highest risks of corruption for REDD+ in Vietnam (Cao and Le 2013). The PAPI 2013 results also show that citizens largely agree bribes are required to receive land use rights certificates. There was a deteriorating trend between 2011 and 2013, and problems around land

10 Prime Minister Decision No.126/QĐ-TTg dated on 2 February 2012 on Benefit sharing pilot in the sustainable management, protection and development of special use forests. Article 1.4a

use, ownership, corruption and mismanagement remain pressing concerns. There was barely any improvement in the publicity of commune land plans from 2011 to 2013 (CECODES 2013).

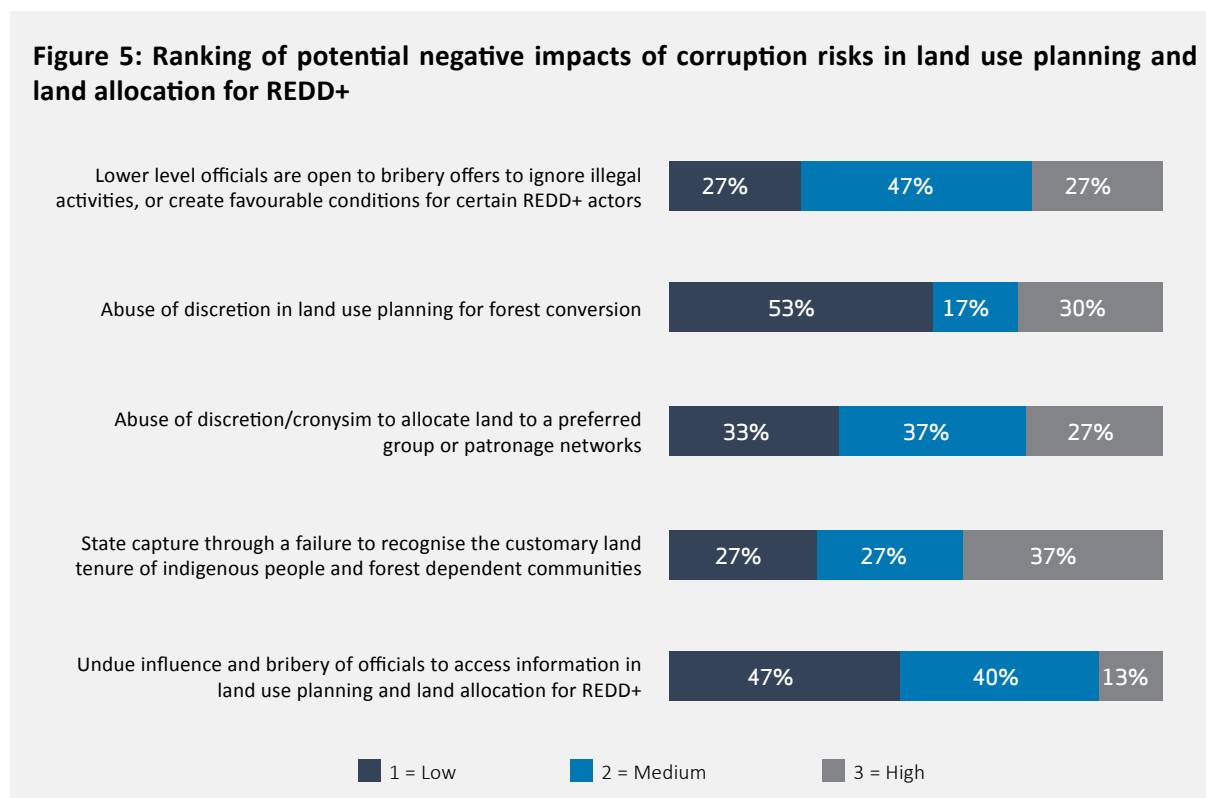


Figure 5 above ranks our survey respondents' views of the potential negative impacts of five corruption risks around land use planning and land allocation for REDD+. Respondents were mainly concerned with the risk of illegal logging activities and land-use planning or forest conversion authorized by political leaders. At the same time, a respondent from sub-national government believed that community-based forest management, long-term forestland allocation, and forest contracting with individuals had been conducted according to democratic principles, attention to cultural values, and to indigenous knowledge. Indeed, sub-national government respondents tended to rank corruption risks as low across all land use planning and land allocation processes for REDD+. Suggestions proposed by sub-national level government officials for mitigating impacts of corruption risks included (i) the need to review current land allocations to the army, police force, communes and individuals; and (ii) the need to reconsider the forest protection department's concentration of power around the management, monitoring and issuing of logging permits.

Other perspectives on the issues around land allocation and land use planning are explored below.

Customary laws and rights to land

Through the Participatory Governance Assessment (PGA) in Vietnam, stakeholders agreed on two main governance issues for in-depth analysis in Lam Dong province: (i) the level and quality

of participation of local stakeholders in decision-making and implementation processes related to forest contracts and, (ii) the level of clarity and respect related to stakeholders' rights to access forest resources and benefit sharing. The report found that although customary practices have been somewhat integrated into the implementation processes of forest contracts, they have not been integrated systematically. For example, centres to provide legal support (especially to ethnic minorities) were established at district level, but not many people knew about this or actually used the centres. The report further claimed that there was not yet an integration of customary law within the legal framework, which could cause repeated conflicts over forest areas and resources. There was also a discrepancy between the rights stipulated by law and on-the-ground realities, as well as significant variations in how different stakeholders exercised their rights.

From stakeholders' perspectives, a forest is temporarily contracted to them for protection, instead of being allocated to them for the longer term. Local people experience a relatively high level of uncertainty that there will be future contracting opportunities or compensation. Moreover, the application of customary laws in conflict settlements between a community and outsiders does not exist because settlements are based on statutory legal regulations.

In February 2014, the Vietnam REDD+ Office (VRO), with technical assistance from the Dutch organization SNV, finalized a safeguards roadmap for Vietnam's National REDD+ Action Programme. This exercise involved a detailed gap analysis of 54 Vietnamese policies, laws, and regulations compared against the seven Cancun safeguards that must be addressed by parties to the UN Framework Convention on Climate Change. It was found that Vietnam's existing national PLR framework is largely consistent with the Cancun safeguards. The national legal framework seeks to promote accountability and address corruption with dedicated and competent institutions for promoting transparency of forest sector activities, including monitoring of funds. However, significant gaps and weaknesses were also identified. Specifically, the analysis found the country has limited recognition of the traditional knowledge of ethnic minorities and local communities over forest resources. Additionally, there is no legal recognition or protection of ethnic minorities' customary collective rights to land and other natural resources.

Forestland allocation and conversion

An Institution and Context Analysis (UN-REDD 2013a) found that about 85% of the forestland in Lam Dong, the province selected for a pilot phase, is managed by state-owned forest organizations, and less than 2% by households. This is far less than the nearly 12% allocated to private companies and local authorities. Most of the forest allocated to state-owned forest organizations is classified as natural forests, holding approximately 80% of the province's timber and bamboo. The report cited the significant potential economic value of this type of forest as a possible reason for the province's limited allocations of forestland to local households and communities.

In terms of forestland conversion, Lam Dong province has converted thousands of hectares of natural forests into coffee, rubber, flower and vegetable plantations. According to the provincial Forest Protection Department, Lam Dong will have to convert more natural forests into rubber

plantations to reach the goal of 150,000 hectares by 2020.¹¹ In 2005 alone, almost 25,000 hectares of forests were cleared to build hydropower plants (UN-REDD 2013a).

In Lam Dong many provincial and district agencies have asserted that private companies investing in small hydropower unit construction and rubber plantations have strongly influenced provincial leaders and the Provincial People's Committee in decisions related to forestland allocation, forest leases and forest conversion in order to gain benefits. More than 15% of provincial forestland has been allocated to private companies. Informants from Da Chay and Da Sar communes are particularly concerned with the lack of transparency and participation in decision-making processes. This has caused various conflicts between private companies and local villagers due to a shortage of land for cultivation, access to forests, compensation and employment. Apparently, voices from district, communal authorities and local communities *"are not taken much into account"* (UN-REDD 2013a).

Despite holding a great deal of information and maintaining extensive networks at local level, the commune's power over forest resources is not clearly defined on paper and is weak in practice. Their main responsibility remains limited to awareness raising, the prevention of forest fires, reporting on illegal logging, and assisting with forestland allocation. Specifically, commune authorities do not have power to monitor the fulfilment of contracts by private companies. For example, they are unaware of contractual arrangements for forestland lease and do not know their rights and responsibilities regarding forest land use and monitoring of land leased to private companies (UN-REDD 2013a).

A CIFOR study on Payment for Forest Ecosystem Services found that forest protection contracts are often not understood by contracted forest owners in Son La province. In Lam Dong, more than 30% of household members interviewed cannot read or write Vietnamese, thus forest protection contracts were signed by village heads on their behalf. In addition, many households do not have a copy of forest protection contracts. People do not know their rights and their unresolved grievances are often not raised beyond their main contact at the village level (Pham et al. 2013).

The PGA report (UN-REDD 2014b) also highlighted that despite efforts to engage local people in the process of discussion and decision-making on forest contracting, community participation is much more constrained than what the law stipulates. Moreover, local people's knowledge of their participation rights is also limited.

Land use planning for forest conversion: The case of Cat Tien District, Lam Dong

Deforestation has been prominent in the Central Highlands. Agricultural expansion has long been a driver of deforestation in Lam Dong Province¹², with records dating back as far as 1958

11 Decision No. 750/2009/QĐ-TTg dated 3 June 2009 of the Prime Minister to approve the plan to develop rubber up to 2015, with a vision toward 2020, stated: "the Central Highlands: to continue planting new rubber trees on around 95,000 – 100,000 hectares of land areas under inefficient agricultural production, left unused or under poor natural forests suitable to rubber trees, in order to stabilize the total area under rubber tree in this region at 280,000 hectares."

12 Cat Loc Landscape – Cat Tien National Park Pro-Poor REDD+ Project (2009–2012) is one of the first REDD+ initiatives in Vietnam, designed and implemented by SNV.

suggesting trends towards land conversion in several districts. Comparisons with land-use maps in 1979 suggest areas like Cat Tien District in Lam Dong Province, which did not have permanently cultivated fields, saw significant changes in agricultural cultivation techniques during the early 1980s. Maps for 1992 also show the retreat of large forests (excluding bamboo) and expansion of cultivated land. Overall, it appears that between 1979 and 1992, more than 60% of the cleared forestland became cultivated fields tended by sedentary farmers, more than 30% became barren lands, while the rest became degraded forms of forests including bamboo (Koninck 1999). More recently, official statistics from Lam Dong DARD show that, in 2005, provincial agricultural land accounted for 28% of the total natural area with a rapid expansion of perennial crops of 24,783 hectares between 2000 and 2005 (Huynh 2010). One of the main drivers of deforestation in Lam Dong is perennial crop plantation. Vietnam is currently the world's number two coffee exporter and the fifth largest rubber producer (UN-REDD 2012b). Cultivation of land for these commercial crops is a significant driver of deforestation.

Tien Hoang Commune in Cat Tien District developed a Master Land-use Plan for the period up to 2010. This document highlights the need to map out a plan to convert poor forests into high value plantation forests, targeting a reduction in forestland area by 130 hectares by the end of 2010. Despite the overall reduction in large-scale forest clearing, there is a trend to convert smaller natural forest areas to agricultural land through a slow but legal process.

As outlined in Figure 6, this process starts with logging and small-scale forest clearing activities, which is often not detected until the forests show clear signs of degradation. Once forest areas become degraded, their land-use purpose is often changed. Responsible authorities make the decision to convert the “degraded” forestland to other purposes, including agriculture.

Figure 6: Process of forestland conversion to agricultural land in Cat Tien District



REDD+ tackling forest tenure issues?

Clear and secure land tenure rights have been identified as one of the key elements for successful payment schemes for REDD+. A World Resources Institute analysis of 32 REDD+ country proposals identified the need for stronger commitments and strategies to address land and forest tenure challenges. Specifically, while secure land tenure is often viewed as critical to successful REDD+ programs, the study found few specific objectives or concrete activities to address weaknesses in land laws or their implementation (Williams 2013). A study by CIFOR in 12 countries and 23 project interventions suggests that REDD+ presents an opportunity for project proponents and local people to work together towards securing community rights on the ground. Stakeholders' participation, and improved information, representation and accountability were identified among the most important opportunities (Larson et al. 2013).

It is important to note that national action on land tenure is necessary because it cannot be satisfactorily resolved at the local level (Sunderlin et al. 2013).

Forest tenure represents both a challenge and an opportunity for REDD+ in Vietnam. While a number of non-state respondents viewed forestland tenure as a challenge to REDD+ implementation (i.e. unclear forestland ownership/rights, land-use planning and lack of coordination between the two ministries dealing with land), some other REDD+ actors (both state and non-state) saw REDD+ as an opportunity to reform tenure and improve forestland allocation (Huynh 2013).

REDD+ policymakers at central level acknowledge the blurred definition of “*forest owners*”, the challenge of unclear land demarcation, as well as the complex situation of forestland ownership as key challenges to secure tenure. They see short-term forest allocation contracts as a major barrier to implementing REDD+ and urge this problem be dealt with as a matter of “national priority”. Yet this urge to change seems to be conditioned by concern about the capacity of REDD+ to deliver tangible, long-term benefits: “*The GOV is ready to adjust...But right now, we can do very little because there is no evidence on the need and the real benefits that (REDD+) may bring*” (Huynh 2013). Officials offer pragmatic solutions such as extending forest protection contracts for longer terms provided external funding continued otherwise “...*who can guarantee the source of funds to sign long-term contracts?*” At local level, FPES payments in Son La Province were delayed due to the complex land tenure situation.¹³

As an attempt to enhance forest use rights and improve land tenure security, MARD approved a proposal to facilitate forest and forestland allocation process for the period from 2007-2010 (Decision No. 2740 /QĐ- BNN- KL dated 20th September 2007). However, the implementation of this decision has faced some problems. As outlined earlier the conflicting roles of MARD and MONRE in relation to land issues in section 1.4, in this case MONRE requires forest owners to pay for establishment of cadastral mapping; and many forest owners, especially households and state companies, cannot afford the cost (UN-REDD 2013b).

The report “*An Approach to Designing Pro-Poor Local REDD+ Benefit Distribution Systems: Lessons from Vietnam*” has highlighted the need to examine the legal frameworks around tenure both at national and subnational levels to identify areas of complementarity or conflicts with customary laws (Enright, McNally, and Sikor 2012). SNV is particularly concerned with unclear forestland rights and the improvements needed in terms of coordination between the two ministries dealing with land (the Ministry of Agriculture and Rural Development and the Ministry of Natural Resources and Environment). The organization has taken initial actions at the subnational level via their land-use planning activities with provincial and district authorities. SNV has made a policy suggestion on forestland tenure and urged the government to consider both the REDD+ landscape approach and the carbon rights approach, with an emphasis on participation, transparency and equity. Yet, SNV does not anticipate any radical reforms to current tenure arrangements. Despite their extensive REDD+ involvement, SNV’s influence on the tenure discussions at the national level is somewhat limited (Huynh 2014).

13 Author’s personal communication with ICRAF (International Center for Research in Agroforestry) project staff in 2013.

In its 2013 policy brief on tenure, UN-REDD stated that “resources available for REDD+ readiness are not sufficient to carry out national tenure reforms” and suggested that tenure arrangements for REDD+ need to be developed in association with a wider and bigger approach to tenure by governments. During the first phase of the UN-REDD program (2009-2012) in Vietnam, forest tenure was not central to the substantive discussions of STWGs meetings, except for some ad-hoc efforts.

However, the Vietnam UN-REDD Program Document Phase II (UN-REDD 2013b) includes a specific output to target improved land tenure arrangements in its six pilot provinces. The programme proposed to join forces with FCPF and work with provincial, district, commune and village level authorities to ensure a consultative process in the land allocation and tenure security process. The program aims to align its activities with the piloting of the National Forest Inventory and Statistics Programme (which could include a survey of land ownership according to official records; a survey of land use practices on the ground; consultations for forestland allocation where necessary; facilitation of land use certificate registration; and development of cadastral maps).

While there is hope that REDD+ could catalyse acceleration of the land tenure reform process in Vietnam, in order to address some of the most serious tenure problems the government needs to start looking seriously into some of the outstanding challenges (pre-dating REDD+) linked to customary laws and rights, participation and decision-making around forestland use and planning. To facilitate this process, support from international organizations will assist to generate evidence-based policies and support among civil society.

2.3 Risks of corruption in the Benefit Distribution System (BDS)

Overview of the REDD+ BDS in Vietnam

Around USD 84.3 million has been committed to support REDD+ activities since 2009. Funding committed to support REDD+ in 2012 increased fivefold compared to 2009. This funding has supported the implementation of 44 REDD+ projects in Vietnam to date (REDD+ Vietnam and Forest Trends 2015).

The Vietnam Forest Protection and Development Fund (VNFF) is considered a potential platform to manage funds for carbon payments. Payment for Forest Ecological Services (PFES) has been implemented through VNFF in 19 provinces and lessons learnt from this work will serve as a basis to design and carry out future REDD+ payments in Vietnam. At the seventh National REDD+ Network meeting in January 2015, it was acknowledged challenges persist around the availability of information on REDD+ finances, especially at local and sub-national levels.

The potentially large volumes of REDD+ revenues flowing through it makes the benefit distribution system (BDS) an obvious target for corruption. Indeed, the BDS has received much attention in Vietnam’s REDD+ readiness activities since 2009. The sub-technical working group on BDS, which was once active, has been dormant since December 2012. The issue of corruption has been a theme for discussion in the STWG on safeguards, which was active until December 2013. It was claimed that Vietnam’s approach to BDS is (i) pioneering and innovative because so

far studies on how REDD+ benefits should be distributed have been limited; and (ii) “*courageous*” due to its “*potentially sensitive governance issues*”.¹⁴

A study within the framework of the UN-REDD Programme identified key barriers to creating a REDD+ BDS, and suggested ten policy actions to overcome these constraints (UN-REDD 2010). A follow-up study proposed key measures to four critical issues including the (i) community’s participation in REDD+ activities (ii) further development of the legal framework on community forestry, (iii) the decentralized approach, and (iv), application of “R coefficients” to differentiate benefits.

One of the key recommendations on the design of the BDS relates to the level of management of the fund. It is suggested that decisions around fund disbursement need to be made at grassroots level (i.e. at district level) in addition to sub-national level (i.e. provincial level) in the initial period. One of the key concerns revolves around the legal status of communities, which creates barriers preventing them from entering into official contracts.

A series of consultations to support development of a REDD+ Compliant Benefit Distribution System was conducted at national level. Piloting local decision-making models in the development of the REDD+ Compliant Benefit Distribution was also rolled out in three regions of the country. Finally, a proposed set of R-coefficients was designed and piloted in Di Linh District, Lam Dong Province (Enright 2013; Enright, McNally, and Sikor 2012).

BDS scales up or down the size of performance-based payments depending on the different socio-economic demographics in REDD+ implementation areas and the ecological value of the forest. The “R-coefficients” were identified as a mechanism to allow REDD+ to deliver multiple benefits in Vietnam. The mechanism was designed with the intention of attaching social, environmental and geographical values to REDD+ performance-based payments. These R-coefficients are built on the basis of “K-factors” of the Payments for Forest Ecosystem Services (PFES), which had already been implemented in Lam Dong and another province (Son La) (Nguyen and Hess 2011). The K-factor is calculated on the basis of environmental and geographic conditions, thus social variables are excluded. The R-coefficients give a higher weighting to disadvantaged communities, and to those living in or near higher value conservation areas (UN-REDD 2012a).

There are currently seven factors proposed to be included in the design of the R-coefficients: income, ethnicity, gender, biodiversity, watershed quality, accessibility and impact on deforestation and/or forest degradation. The coefficient assigns a weight to each of the seven factors with a value ranging between 1.2 and 0.8. The seven factors are then multiplied together by the total incremental carbon amount over a given period to determine the total carbon payment owed.

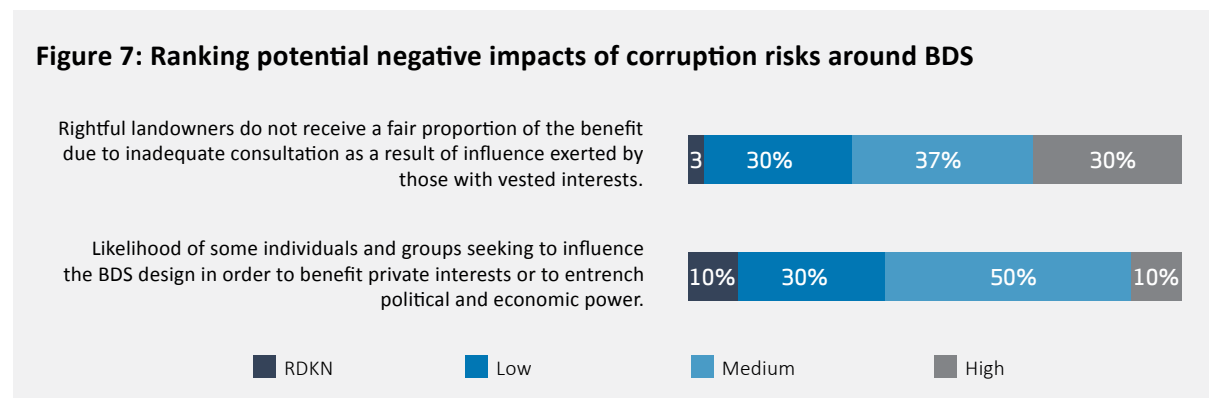
14 Vietnam-redd.org. (2015). REDD - Viet Nam. Retrieved 27 March 2015, from <http://www.vietnam-redd.org/Web/Default.aspx?tab=theme&zoneid=109&lang=en-US>

Discussion

While more than 73% of our surveyed respondents thought that the proposed design of the BDS included measures to address corruption risks, approximately 20% did not know the answer.¹⁵ TT's assessment report shows in addition that the severity level of risks around the "*Design of benefit sharing mechanism*" is relatively low (12/25) (Cao and Le 2013). Despite the attention given to the BDS, it remains only a proposed design and much discussion has occurred at national and sub-national level. While officials at national level are concerned about policy corruption, sub-national staff are largely concerned with petty corrupt practices.

As seen in Figure 7 below, 30% of respondents (mostly from international organizations) perceive the risk that "*Rightful landowners do not receive a fair proportion of the benefit due to inadequate consultation as a result of influence exerted by those with vested interests*" as high. This result shows the concerns of non-state actors over inadequate consultation processes, and power and resource concentrations, as discussed in the previous section. An absence of clear goals and effective mechanisms is also cited as a reason for inadequate consultation. This view seems to contrast with the perception among respondents from sub-national government: the 30% of respondents who ranked this risk as low are representatives of sub-national government.

About half of the respondents agreed that the "*Likelihood of some individuals and groups seeking to influence the BDS design in order to benefit private interests or to entrench political and economic power*" is medium and only 10% thought it was high.



As discussed earlier, PFES mechanisms are currently being piloted and are expected to shape REDD+ payments. Lessons from PFES are thus important in the current process of designing the REDD+ BDS. A CIFOR occasional paper on Payments for Forest Environmental Services in Vietnam¹⁶ highlights a number of useful lessons (Pham et al. 2013):

- *Absence of detailed guidelines on how to use PFES funds and information around financial flows and entitlement:* Villagers in Son La and Lam Dong provinces are often not aware of where the money comes from and to how much they are entitled. It was found in Son La that corruption and misuse of PFES payments by village leaders and management

¹⁵ Although REDD+ payments and the BDS in particular have been the subject of extensive discussions since 2009, full REDD+ payments have yet to flow in Vietnam.

¹⁶ The study interviewed 210 participants from various stakeholder groups at national and sub-national level.

boards have engendered mistrust among local people, ultimately leading to the failure of PFES schemes.

- *Absence of formal grievance mechanisms:* In Lam Dong, villagers' complaints were not often reported to the commune level. Provincial authorities in both Lam Dong and Son La are aware of this reality and have observed corruption in the village committees.
- *The benefit sharing system is infested with inequity:* The poor lack access to PFES funds due to local elite capture.
- Other key challenges around PFES implementation include (i) the power of some companies to lobby and influence local authorities in order to avoid paying fees; (ii) a lack of transparency in accounting systems (e.g. unclear book-keeping and no public disclosure of the revenues of large companies) and (iii) high transaction costs.

The study "*Design of a REDD-Compliant Benefit Distribution System for Vietnam*" (UN-REDD 2010) revealed the wish of surveyed communes and villages to have as few intermediate steps as possible in financial transactions (such as bypassing district and commune levels or state forestry organizations) in order to reduce both the risk of corruption and transaction costs. It suggested that REDD+ financial transactions should take place through bank accounts. The same report stressed the need to establish an independent monitoring system and facilitate recourse mechanisms at national and provincial levels. This mechanism is expected to include inspectorates of relevant ministries, the Government Inspectorate, and civil society groups.

In 2012, an extensive local consultation of a Compliant Benefit Distribution System for REDD+ in Vietnam was conducted. The final report suggested revenue disbursement and financial transactions should be concentrated as much as possible at the central level in order to achieve economies of scale and reduce costs and opportunities for embezzlement and corruption. It also claimed the REDD+ Fund should be audited by both national and international auditors, as required by national regulations and UNFCCC requirements. The report put further emphasis on the participation of civil society organizations and NGOs in managing the REDD+ Fund, to enhance transparency during the operation of the benefit distribution system.

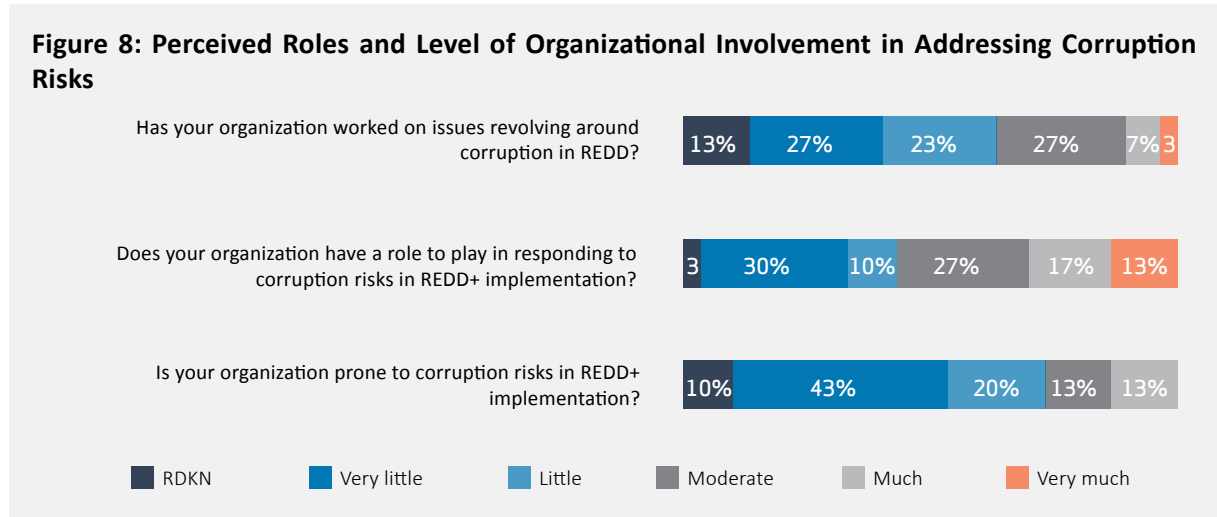
2.4 Views on roles, mechanisms and measures to address corruption risks in REDD+ implementation

Perceptions around corruption in REDD+ implementation

As seen in Figure 8 below, approximately 63% of surveyed respondents think their organizational susceptibility to corruption risks in REDD+ implementation is very low or low. Only 13% (mostly respondents from central government, international organizations, and NGOs) thought corruption risks were high on this question. More than 40% of respondents from sub-national government did not know what to answer, which could be because REDD+ pilots are at an early stage in most provinces apart from Lam Dong.

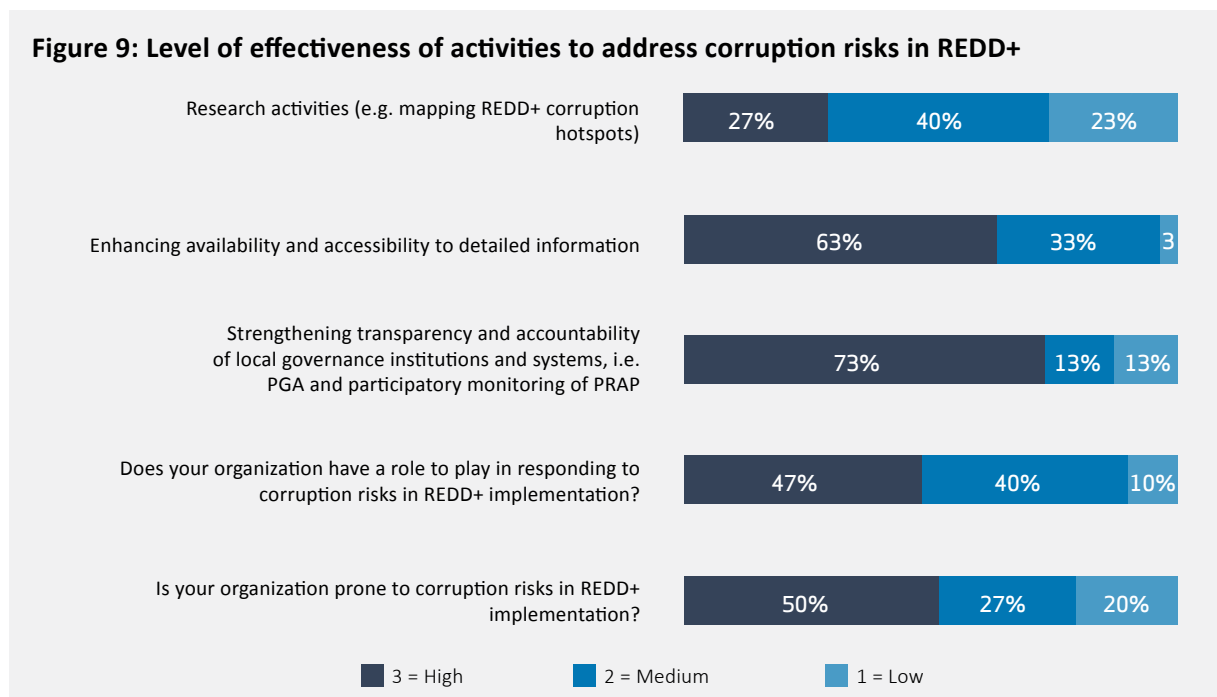
Almost 40% of surveyed respondents seemed to think that their organizations had either very little or little to do in responding to corruption risks in REDD+ implementation. This group

comprised of respondents from NGOs, research institutions and local government. 30% of respondents (comprised of international agencies and NGOs) assumed they had a big role to play in anti-corruption work.



Examples of activities dealing with corruption in REDD+ provided by respondents concentrated around social safeguards, and grievance and fund management mechanisms. A representative from sub-national government viewed their anti-corruption role in REDD+ as “a provider of relevant documents to formal authorities dealing with corruption”. Another respondent from the same group mentioned the task of monitoring payments as a key anti-corruption role. Only two sub-national government representatives recognized their anti-corruption role via promoting participation of various stakeholders and communities.

Views on mechanisms and measures to address corruption risks



The two most effective measures in addressing corruption risks in REDD+ identified by our surveyed respondents were: (i) strengthening transparency and accountability of local governance institutions and systems and (ii) enhancing availability and accessibility of detailed information.

It is expected that as part of the Strategic Environmental and Social Assessment (SESA) process under FCPF, issues such as land tenure and resource rights, processes of land title and the status of indigenous peoples' and local communities' land uses and ownership rights will be further clarified (Rey et al. 2014).

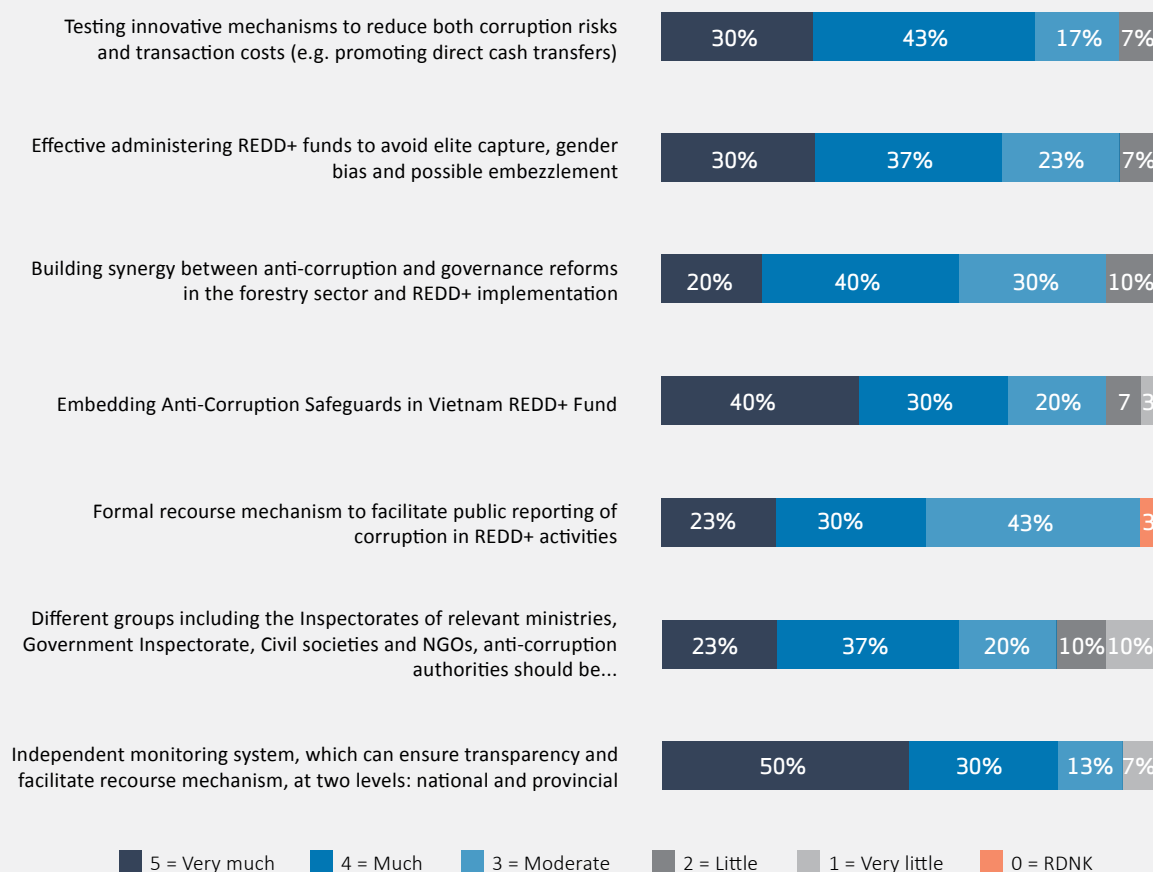
The PGA report (UN-REDD 2014b) found in Lam Dong that clear information on rights to forests is not available to stakeholders, due to a lack of boundary signposts in forest areas and of clarity on the part of forest owners or contractors. The paper contract (which is legitimate proof of people's rights in the contracted areas) is not handed over to forest contractors.

The Safeguards Roadmap for Vietnam highlights that further improvements with regard to benefit sharing rules and specific provisions for the possibility of carbon rights also need to be made. One consideration relates to the legal status of local communities and the need to recognize customary traditional rights of ethnic minorities and local communities in accordance with international legal obligations.

The PGA report claimed that statutory and customary laws conflict on many fronts. The report recommended measures to improve compatibility of the two. Specifically, policy frameworks should acknowledge, and to some extent institutionalize, the use and application of traditional factors and customs that are suitable for local forest governance (UN-REDD 2014b).

The UN-REDD Programme has been supporting a PGA pilot in Vietnam (in Lam Dong) with a focus on prioritized governance issues related to the quality and level of meaningful participation by local communities and indigenous peoples in the REDD+ process. As seen in Figure 10 below, the need to have an independent monitoring system, which can ensure transparency and facilitate recourse mechanisms, at two levels (national and provincial) is perceived as most important.

Much discussion on a Vietnam REDD+ Fund (VRF) has taken place since 2011, focusing in particular on how such a fund should be structured and managed, potential funding sources, and ways to increase private sector engagement. Our survey results show that embedding anti-corruption safeguards in the VRF is the second most important mechanism for responding to corruption risks in REDD+ implementation. This finding is consistent with a recommendation made by CIFOR (Pham et al. 2013), which called for internal checks or multi- or third-party monitoring of PFES to improve accountability of the system.

Figure 10: Ranking the importance of measures/mechanisms to address corruption risks in REDD+ implementation

To effectively manage the VRF, several recommendations were put forward by the surveyed respondents, including: Promoting direct cash transfers; implementing mechanisms to encourage CSO's involvement in effective monitoring; enhancing private sector engagement in providing services and generating funds; strengthening the capacity of CSO networks for independent monitoring and policy advocacy; training forest owners (households, users group and entire communities) to manage their funds; improving access to information; promoting internal monitoring, cross monitoring and independent monitoring and evaluation by a third party; and mandatory inclusion of CSOs in formal institutional arrangements for implementing REDD+ projects.

A CIFOR occasional paper further suggests that transparent monitoring of PFES contracts, financial flows and grievances is needed. At village-level, benefit-distribution systems need sound and ethical leadership (Pham et al. 2013).

Section 3: Mitigating corruption risks in Vietnam REDD+ implementation

The UN-REDD (2013b) has outlined measures to address corruption risks in REDD+. Broadly, these include: Promoting effective awareness raising; free access to information; law amendments to eliminate ambiguities; developing and implementing policies and measures to promote integrity; and implementing effective “whistle-blower” systems. As Kolstad, Fritz, and O’Neil (2008) pointed out, corruption is a symptom of deeper governance issues, however. To promote integrity and accountability in REDD+, it has been suggested that basic governance reforms are needed, including establishing a foundation of institutions and systems embedded in the national and local context (Hatcher and Bailey 2011).

Given Vietnam’s complex decision making processes at different levels, strong engagement from various stakeholders, and high expectations around disbursing financing and delivering results, the anti-corruption challenges for REDD+ in the country are daunting. It has been observed that the national government has taken some incremental steps towards strengthening governance for REDD+. MARD has managed to bring various forces and actors together to discuss issues (i.e. REDD+ Network and STWGs), find and execute solutions. In a structured manner, the REDD+ policy process in Vietnam has provided a platform for actors to explore their underpinning values and interact. This section seeks to address how development practitioners within donor institutions can understand, avoid and effectively respond to corruption risks in REDD+ implementation in Vietnam, given the existing legal framework, the capacities of formal institutions and the tools available for assessing and monitoring corruption risks.

Towards Transparency (TT) has generated a number of anti-corruption recommendations for the Vietnamese government, CSOs and agencies working on REDD+ (see Box 1). The following section does not seek to repeat these recommendations, but rather discusses the cross-cutting issues of transparency, accountability and engagement as mitigation measures. An overarching goal should be to avoid developing anti-corruption measures simply to fulfil international obligations (i.e. safeguards).

Improving data availability and transparency

It is important to recognise that Vietnam already has a strong capacity for measuring corruption and for conducting audits. **REDD+ programmes could build on, strengthen, and help institutionalize corruption surveys and measurement practices as regular, nationally-owned processes, especially at sub-national level.**

The overall results of the Open Budget Index 2012 (International Budget Partnership 2012), which examines 100 countries in terms of three aspects of how governments are managing public finances, found that Vietnam is among a group of 26 countries providing scant or no budget information to citizens. At the same time, it is observed that Vietnam has begun to publish pre-budget statements, and has enacted budget and audit reports. In fact, the country’s OBI scores increased from 2006 to 2012. In contrast with many other countries, while Vietnam is still weak on budget transparency, it has legislative oversight of budgets with an independent audit office. Despite the existence of certain good practices in Vietnam, there are still limited

Box 1: Toward Transparency's recommendations to address potential corruption risks in REDD+**Government**

- Strengthen the capacity and motivation of national and provincial law enforcement agencies to ensure that they exercise their roles transparently and accountably.
- The Ministry of Agriculture and Rural Development should implement tools to promote transparency and accountability in order to close the door to bribery, collusion and abuse of discretion.
- At the provincial level, the Lam Dong Provincial People's Committee should allow the piloting of practical tools to be implemented in REDD+ communities.
- Promote the role of the People's Inspection Boards, Community Investment Supervising and mass organisations, and help increase their capacity to engage in the monitoring of REDD+.
- Develop a mechanism to encourage forest whistle-blowers.
- Pilot forest integrity pacts in Lam Dong province to prevent corruption in public contracting. These pacts are agreements between the government agency offering a contract and the companies bidding for it that they will abstain from bribery, collusion and other corrupt practices for the extent of the contract. To ensure accountability, Integrity Pacts also include a monitoring system typically led by civil society groups (often a TI chapter).
- Better educate agencies, government officers and local communities about anticorruption

Transparency International and other civil society actors in Vietnam

- Conduct more targeted research and organise additional training activities at the community level to define how select anti-corruption tools can be best implemented.
- Pilot a number of selected tools in local areas and share best practices and lessons learnt in Vietnam and internationally.
- Contribute to anti-corruption policies being developed in Vietnam more broadly and work with other regional TI Chapters and stakeholders to share experiences on improving transparency in REDD+ implementation.
- Conduct advocacy campaigns and communication activities to raise public awareness on anti-corruption in REDD+ and the forestry sector.
- Strengthen networking with government bodies, NGOs and other organisations on anticorruption activities.

Other stakeholders

- Join in the consultation meetings and pilot of selected anti-corruption tools for the REDD+ activities at the local level.
- Help monitor REDD+ policy development and implementation.
- Collaborate in the capacity training, public awareness raising activities.
- Share experience and lessons learnt to systematically improve the effectiveness of anticorruption tools in REDD+ and forestry.

opportunities for public engagement on budget issues. For example, Vietnam scored very low for public engagement in budget processes in 2012 (International Budget Partnership 2012). It is recommended to build on and improve institutional capacity to provide sustained and systematic budget oversight.

In the context of REDD+, in order to enable and facilitate decision-making in fund management and disbursement, it is important to note that access to budget data or information in general, is a necessary but insufficient condition for increasing accountability. For this to occur, transparency needs to be accompanied by meaningful opportunities and enhanced capacity for civil society and citizens to actively participate in budget processes and monitoring.

There is positive progress at national level regarding participation in budget processes. For example, discussions on the establishment of operating principles for the Vietnam REDD+ Fund have been taking place over the past couple of years with wide participation from the REDD+ Network. The recent report on REDD+ Financial Flows in Vietnam suggested that the VRO together with Forest Trends should establish and maintain a database on REDD+ financial information including the committed funds, disbursement, fund distribution for implementing agencies and beneficiaries. This database should be open to all REDD+ stakeholders, timely access and updated information (REDD+ Vietnam and Forest Trends 2015).

Other existing and past capacity development activities for civil society on transparency and accountability include the work of the People's Participation Working Group in collaboration with TT; training for journalists on transparency; and the Youth Empowerment for Transparency and Integrity initiative. Most of these activities are organized by or supported by TT and TI.

While the National Anti-Corruption Strategy to 2020 includes specific measures to raise awareness of anti-corruption laws and policies, as well as further encourage and mobilize active participation of citizens in the fight against corruption, the National REDD+ Action Program did not specifically mention capacity development or participation in anti-corruption. It is recommended that REDD+ actors extend their network to leverage further impacts and capacity from anti-corruption agencies. Capacity development to enable meaningful participation in budget processes and monitoring should be viewed as integral to REDD+, and should be initiated and promoted by REDD+ actors.

Enhancing monitoring and evaluation

A recent UNDP study found that effective monitoring and evaluation is probably the weakest aspect of national anti-corruption strategies in the Asia Pacific region (UNDP 2014). Monitoring systems and mechanisms to ensure Vietnam's REDD+ implementation is effective, efficient and equitable are not yet fully in place. Vietnam NRAP states the need to mobilize "*participation of local people, local communities and organizations in the planning, implementation and monitoring of REDD+*" (Government of Vietnam 2012).

An SNV study on social and environmental impacts of REDD+ suggested key elements for participatory monitoring and evaluation (PM&E) for implementation. Such practices are not entirely new in Vietnam. Early examples of participatory monitoring include the Vietnam Sweden Mountain Rural Development Programme (MRDP, in the 1990s), where participatory monitoring was undertaken on a monthly, quarterly and annual basis by different stakeholders

at various management levels. This allowed for constant feedback, review, and adjustments to implementation plans.

To date, monitoring and evaluation in Lam Dong, for example, has been undertaken in the conventional way with predetermined indicators of success. **REDD+ stakeholders could design, test and promote PM&E in their programmes of work. This would not only help avoid corruption risks but also potentially enhance abilities to develop strategic goals and pursue leadership at community level.**

Activities and tools such as Public Expenditure Tracking Surveys (PETS) and Community Score Cards (CSC) as relevant community monitoring tools for forestry sector, introduced by TT should be further replicated in other REDD+ provinces and communes.¹⁷

Promoting collaboration against corruption

As outlined earlier, the Vietnam Fatherland Front has been appointed to play a key role in fighting corruption in the country. However, corruption risks in REDD+ revolving around land issues involve a range of government stakeholders including MONRE and MARD. While Vietnamese CSOs may be considered the extended arms of the government, domestic NGOs are characterized by entanglements with the state both in administrative and operational terms. This leads to a lack of autonomy when analysed through the lens of Western theories of civil society. Yet these practical linkages to the state also give NGOs and other civil society organizations in Vietnam more influence over decisions than at first glance.

REDD+ actors in Vietnam should allocate resources not only for capacity building, but also to formulate tactics, mobilize support and build alliances beyond the forestry sector. Enhanced collaboration and collective action between CSOs, state and non-state actors, should be encouraged. Historically, collective action has been a key element for addressing both natural disasters and foreign invasion (Adger, Kelly, and Nguyen 2001). The Sixth National Congress of the Communist Party (1986) reaffirmed that “*the government is the tool for the country’s socialist collective mastery*”. Those seeking to positively influence REDD+ outcomes need to recognize the power of collective and collaborative actions while working in Vietnam.

Generating improved accountability

Accountability is an element that both state and non-state REDD+ actors in Vietnam need to come to terms with. If the REDD+ Steering Committee (consisting only of state actors) is considered a “*policy community*”, there is also an “*epistemic community*” comprised of the National REDD+ Network and other non-state actors. There is currently a disconnection between these two communities and feedback loops between the two, which are arguably key to building knowledge and effective monitoring, are missing.

Upstream mechanisms to correct policymaking may be in place, but necessary REDD+ decisions are not always made in a timely manner. **Both the “policy community” and**

17 TT’s project Preventative Anti-Corruption Measures for REDD+ (PAC REDD) and REDD+ Governance and Finance Integrity (RGFI) introduced local citizens to Public Expenditure Tracking Survey (PETS) and Community Score Card (CSC) methods to help them monitor the implementation of forestry programmes and their related financial flows.

“epistemic community” for REDD+ need to seek ways to create a system that not only ensures participation but also generates accountability towards final outcomes. REDD+ implementation could be considered a social learning process in which both state and non-state actors are held accountable to one another. Some practices in this direction are already in place, but **it is important to further disclose information on how and when policy inputs and feedback are processed and decisions made.**

The media has important functions for promoting accountability. However, as noted by Pham (2011), all forms of media in Vietnam are controlled by the government and are mainly considered party vehicles, reflecting its positions and direction. In addition, there is limited attention from the media towards REDD+ in Vietnam due to a number of barriers, including limited and inadequate information flows. **It is recommended that REDD+ practitioners should establish and maintain mechanisms for sharing information and knowledge with the media. This information should aim to not only raise public awareness on REDD+ in the wider national economic, political and environmental context (including benefits, costs and risks around REDD+), but also aim to facilitate debates and social monitoring.**

Promoting participation and engagement

To counter corruption effectively, in addition to efforts by public authorities and NGOs, active participation of community members plays an important role. In the past, anti-corruption activities initiated by the government have received fairly active participation from the general public in Vietnam. However, the involvement of citizens, communities and social organizations remains relatively limited in many regions and localities.

Despite significant gains in terms of their influence after Doi Moi, there are still limitations on CSO's engagement in key areas of policy (Norlund et al. 2007). They engage in some forms of advocacy, but within bounds set by state authorities and, according to the 2005-2006 “Civil Society Index” study, little effort has been channelled towards policy advocacy (Norlund 2007). Grassroots REDD+ actors may hold critical views on the lack of inclusiveness and involvement of local communities in REDD+ processes. Indeed, engagement in REDD+ processes in Vietnam has taken place mostly in terms of information sharing. The situation varies at sub-national level, however, and there are no REDD+ activities observed in the areas of joint decision-making and empowerment.

As an attempt to meet the Cancun Safeguard on *“Full and effective participation of relevant stakeholders, in particular indigenous peoples and local communities, in [REDD+] actions”*, the Safeguards Roadmap for Vietnam recommended that MARD, in cooperation with the Ministry of Home Affairs, should propose that the government issue a decree to implement the Ordinance on Grassroots Democracy in the forest and agricultural sectors. Specifically, there should be amended provisions to identify all relevant stakeholders (including ethnic minorities and local communities) likely to be affected by proposed REDD+ activities prior to decision-making processes.

The roadmap also outlined longer-term strategies, including the need to clarify definitions of “ethnic people” or “minority” to coincide with the interpretation of “indigenous peoples” under international law. In particular, it was noted that MONRE should seek to recognize and regulate traditional knowledge of ethnic minorities and local communities over forest resources. There should also be civil law revisions to define communities as legal entities and ensure land

and forest protection and development laws are modified in line with this. This would allow communities to enter into legally binding contractual arrangements for forest protection and environmental service provision, as well as secure statutory forestland and carbon ownership. It would also codify, in national legislation, UNDRIP (United Nations Declaration on the Rights of Indigenous Peoples) obligations for the recognition of customary collective rights to land.

Concluding remarks

Vietnam has reached the status of a low-middle-income country. However, many countries have reached the same status but have not passed this stage (Rama and Võ 2008). The efforts that have lifted Vietnam out of extreme poverty, and more recent interactive decision-making modalities and participation of new actors and institutions, are initial steps in a longer-term trajectory of sustainable development. National governments are expected to make decisions, not only related to their internal economic development but also in coordination with a wider spectrum of actors, including civil society, businesses and communities across sectors and geographic areas.

The potential impacts of climate change legitimises the speed with which the international community wishes to get REDD+ processes underway at country level. However, there is danger that this may lead to tight timeframes and put pressure on actors to design and implement REDD+ activities too rapidly. In some cases this could reduce oversight, weaken consultation and engagement processes, and limit the potential to develop understanding of appropriate approaches to corruption risk mitigation. Implementing bodies may have insufficient time to assess and respond to proposals made (Transparency International 2012).

As a new policy idea, REDD+ has successfully penetrated the highest political level in Vietnam. It quickly evolved from a complex concept at global level to a national policy and programme accompanied by on-the-ground piloting. It was observed that, REDD+ created a foundation to move towards more interactive policy-making including experimentation with new ideas and mechanisms. Whether this political commitment to engage with REDD+ will continue is uncertain. However, the shift that has already occurred towards REDD+ implementation has created grounds for optimism that improvements in policy dynamics in and beyond the forest sector may occur.

Given the history of decision-making in Vietnam, transformational changes are unlikely to occur in the short term. However, incremental changes have been observed as a result of REDD+ processes that may lead to longer term transformations. While many in the process hope that REDD+ will create conditions to catalyse transformational changes in forest policy, it is important to note the unique political structure in Vietnam as the context for implementation.

In Vietnam, development impacts have been achieved through adapting and re-orientating to changing conditions while slowly introducing new ideas for reform (World Bank 2012). Key anti-corruption policy elements such as transparency, accountability and inclusiveness need to be understood and effectively translated within the Vietnamese context if REDD+ anti-corruption efforts are to be successful.

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INDEXING TERMS:

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Vietnam has become a key target for donor REDD+ investments. It has been estimated that the forest and climate scheme could generate an annual income of between USD 80-100 million, roughly half of the country's annual health sector budget. In an attempt to realise REDD+ in Vietnam, over USD 84 million has been committed since 2009 to support REDD+ readiness activities. It is widely recognised that development of specific governance safeguards is required to ensure the effective use of these funds, given historic and contemporary corruption challenges in the country's forest sector.

This paper assesses REDD+ related corruption risks in the context of Vietnam's wider development efforts. It highlights opportunities for mitigating REDD+ corruption risks through improving data availability and transparency, promoting national collaboration, enhancing participation and engagement, and improving monitoring and evaluation capabilities.