

# Trust Fund for Forests



STWG – BDS – 27<sup>th</sup> of May 2011 - Hanoi, Vietnam



- TFF Overview
- TFF Goals / Objectives
- Portfolio
- **Appraisal Process**
- **Plan Development / Fund Transfer**
- TFFMU – Off-portfolio
- **Lessons Learned**

# TFF Establishment

TFF Fund was established via letter No. 850/CP-NN on 23/06/2004

## TFF Instruments

Contributed by 4 International donors:

Finland, the Netherlands,  
Sweden, Switzerland

+ technical support by the  
German government

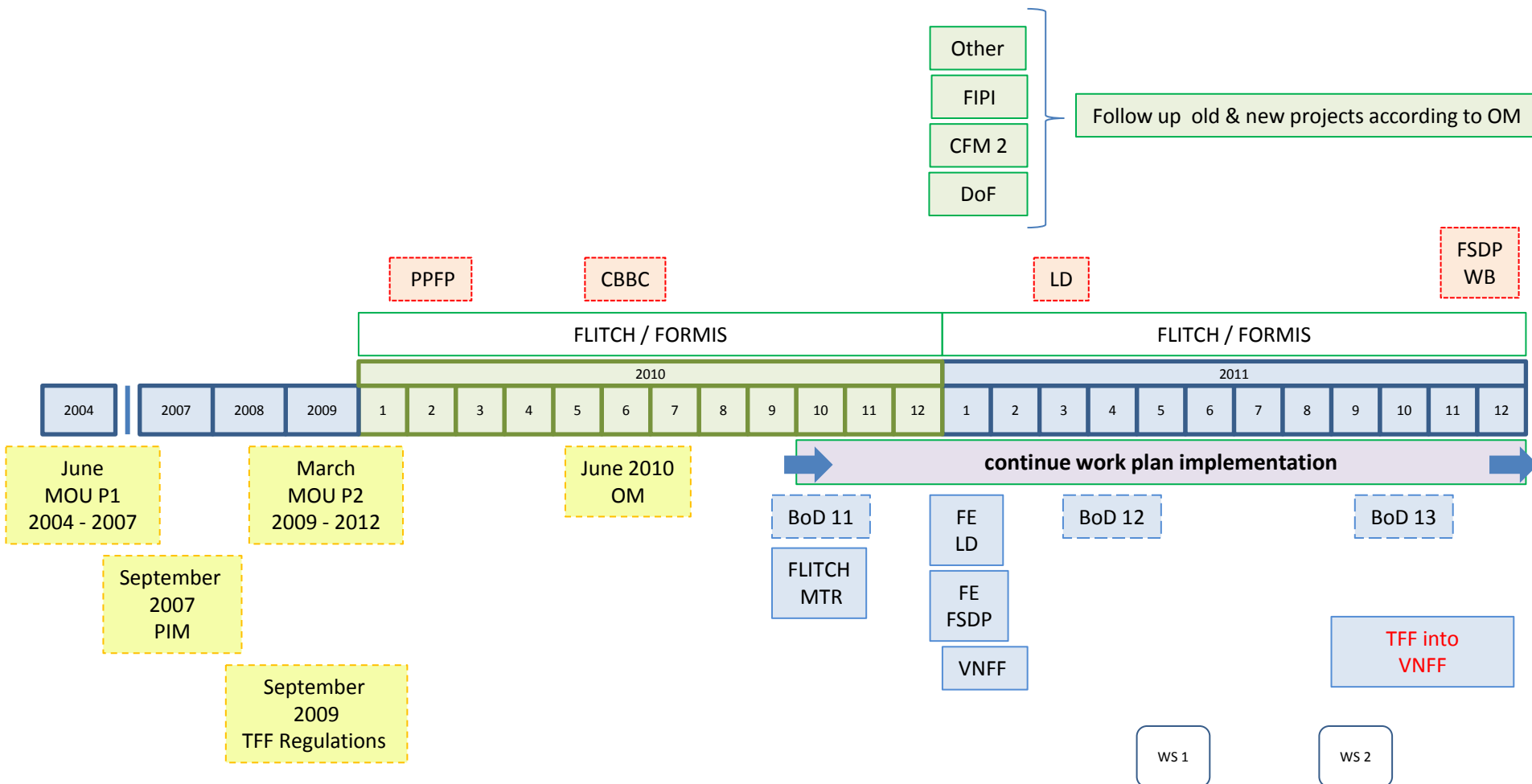
### Consist of two phases:

- Initial Phase 2004 – 2008
- Second Phase 2009 - 2012

- MoU (2<sup>nd</sup> Phase)
- TFF Regulations
  - MARD Decision No.1057/QD-BNN-LN (April **2007**)
  - MARD Decision No.2646/QD-BNN-LN (September **2009**)
- Decision 2955/ 2006 on TFF cost norm
- EU/UN Cost Norm
- OM – Operation Manual for both TFFMU and projects



# TFF Timeline



## Donors' Commitment to TFF

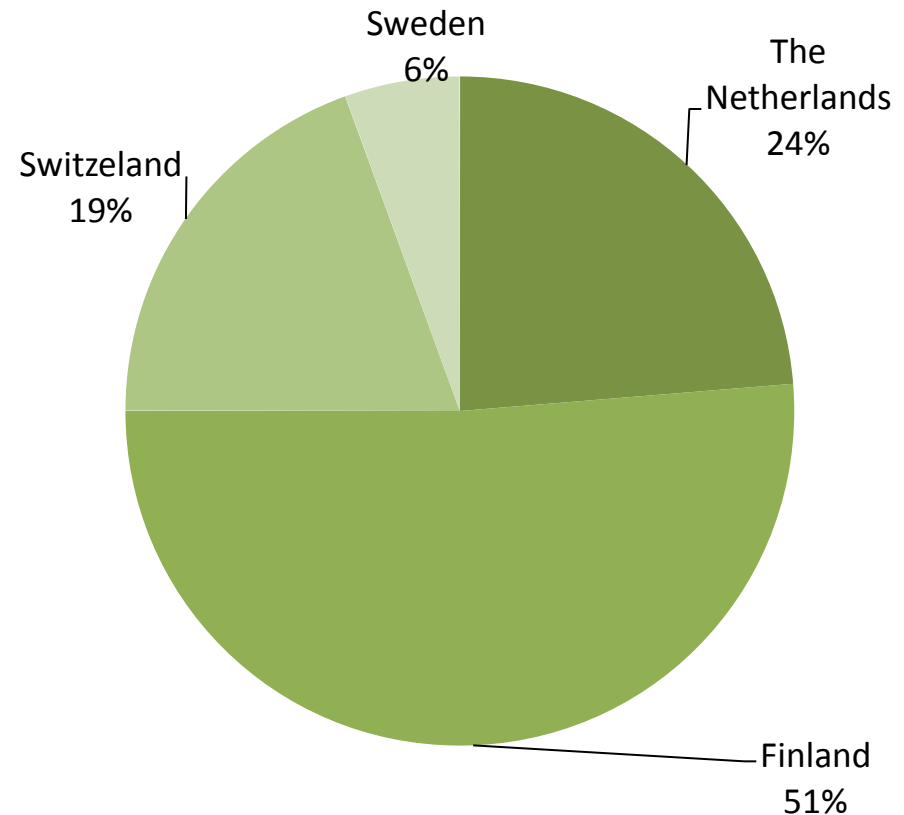
Total commitment **30,9 mill EUR** (via 4 bilateral agreements with 4 contributing donors)

- ❖ 4,7 mill EUR (15%) is earmarked fund for specific projects
- ❖ 26,2 mill EUR (85%) is un-earmarked fund

## Donations from TFF

TFF offers a total of 29 grants (projects + non-project activities)

- ❖ Single funded projects: 9,291,038 EUR
- ❖ Co-financed projects: 21,540,000 EUR

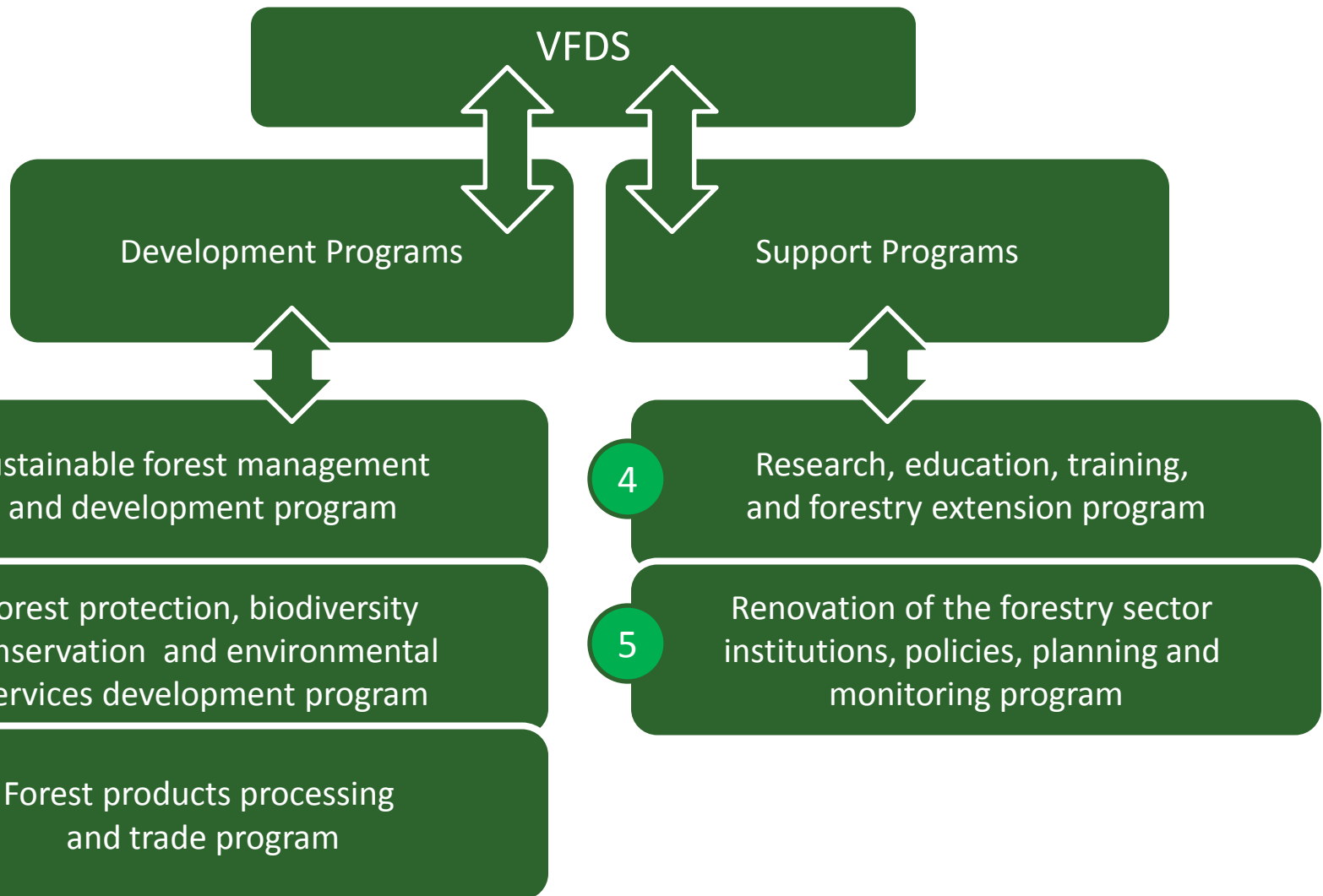


# Overall goals

The overall goal of the fund is consistent with that of the existing **National Forest Development Strategy (VFDS)** – The sustainable management of forests and the conservation of biodiversity to achieve:

1. Protection of the environment,
2. Improved livelihoods of people in forest dependent areas,
3. Enhanced contribution of forestry to the national economy
4. Increased contribution of forestry in terms of climate change mitigation and adaptation

# VFDS Contribution

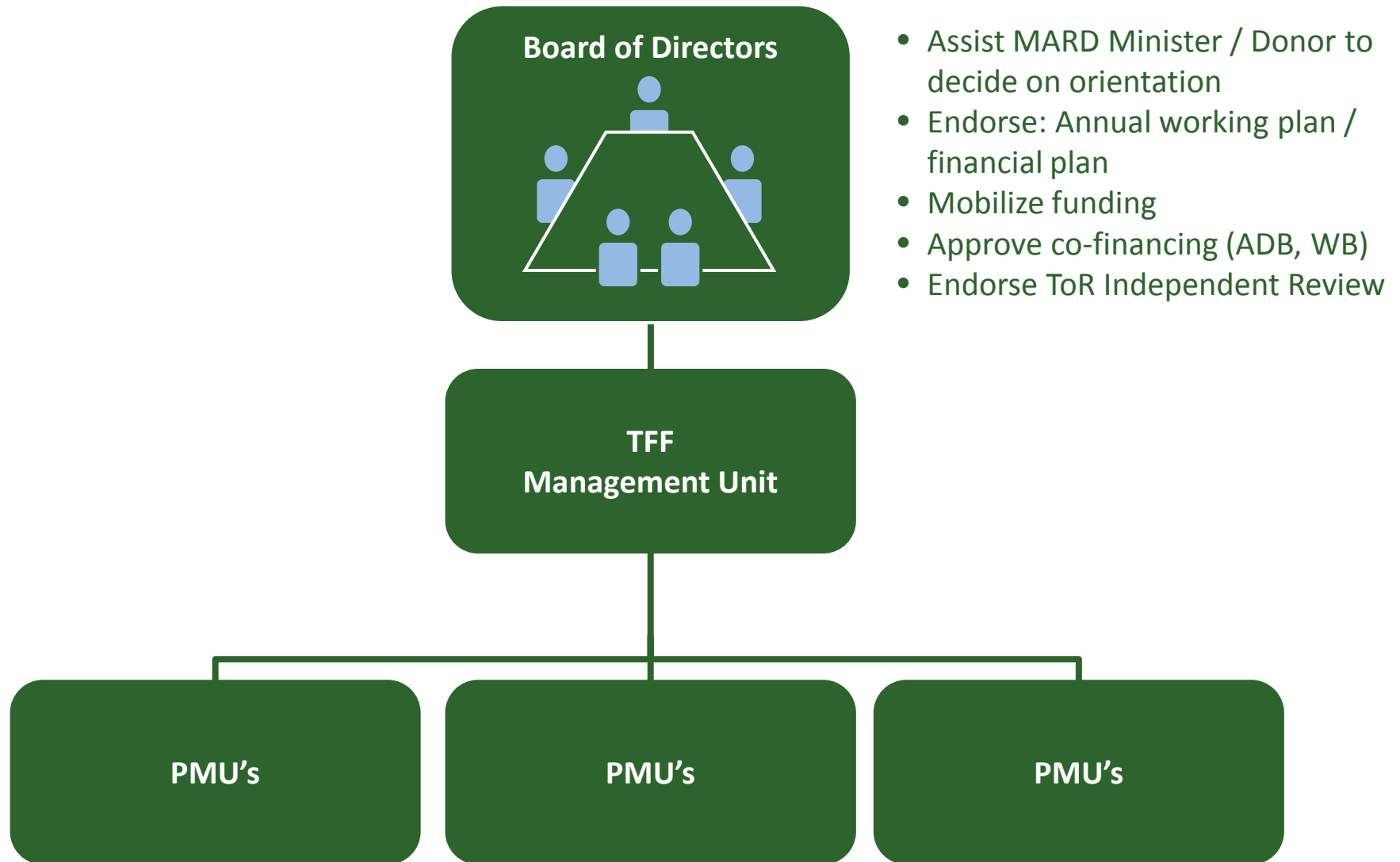


# Specific objectives

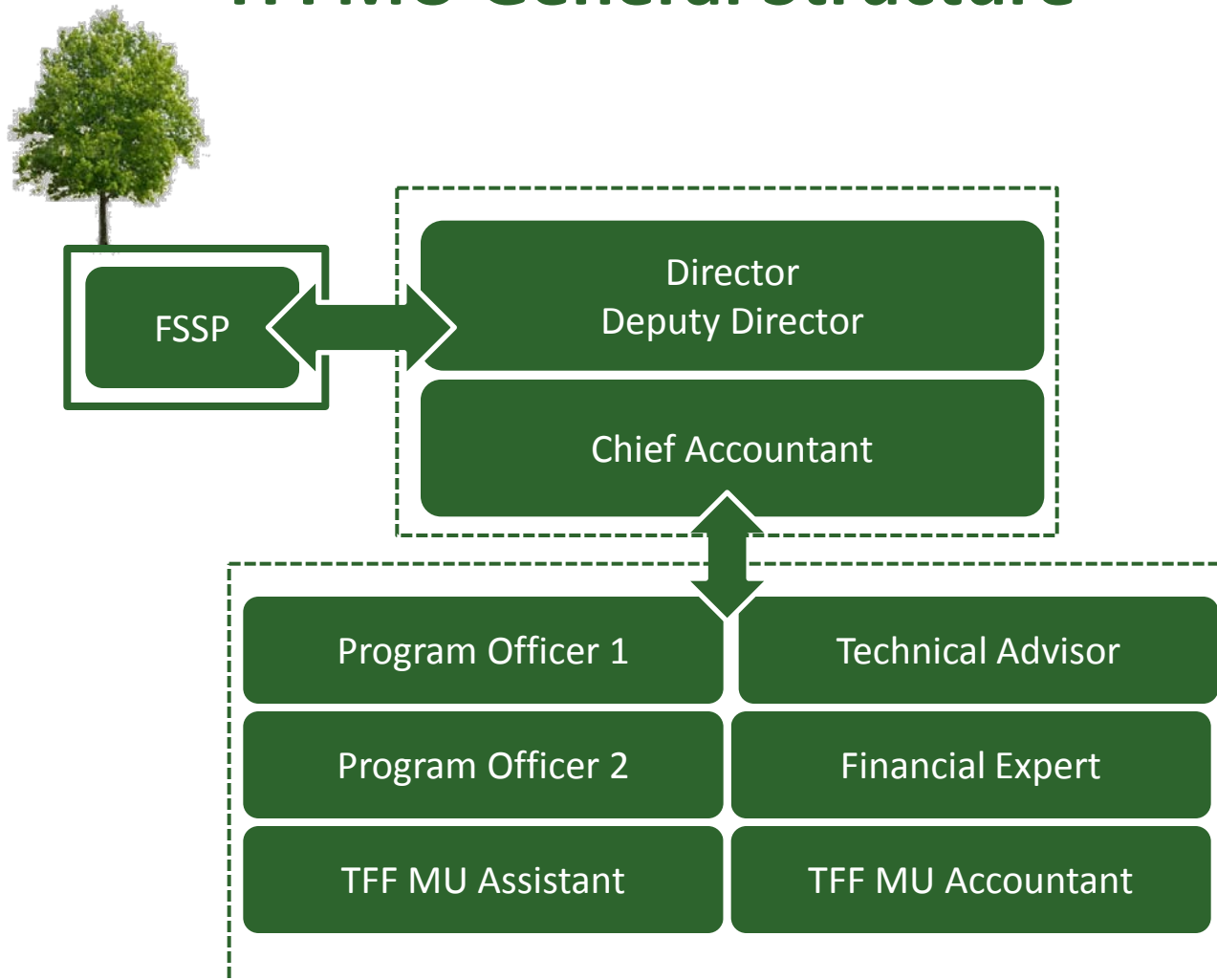
1. **Aligning ODA support** more closely with priorities identified in the Vietnam Forest Development Strategy 2006-2020
2. Improving the **poverty reduction**, targeting of ODA support to the forest sector
3. Harmonizing aid delivery from ODA granted to the forest sector through **reducing transaction** cost on GoV
4. Serving as a **pilot** to develop experience and lessons beneficial to the establishment of a fully GoV-owned **Forestry Protection and Development Fund VNFF**



# TFFMU General Structure



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TFF Grant Code	Grant Acronym (short name)	TFF Support Modality	Grant status during 2010
GA 001/05	Gender Study	small grant	Completed
GA 002/05	FPD Law Decree	small grant	Completed
GA 003/05	VFDS Concept	small grant	Completed
GA 004/05	Uni Conference	small grant	Completed
GA 005/05	FPD Law-FPD	sector support package	Completed
GA 006/05	FPD Law-FD	sector support package	Completed
GA 007/05	FPD Law-LD	sector support package	Completed
GA 008/05	Full VFDS	sector support package	Completed
GA 009/06	Tam Dao	small project	Completed
GA 010/06	Production Policy	small project	Completed
GA 011/06	Seed Project	small project	Completed
GA 012/06	Upland Study	small project	Completed
GA 014/06	CFM	full-sized project	Completed
GA 015/06	SLM	full-sized project	Completed
GA 016/06	SFE Reform	small project	Terminated
GA 017/06	Bach Ma	small project	Completed
GA 018/07	CBBC	full-sized project	Completed
GA 019/07	Lam Dong	full-sized project	Completed
GA 020/08	PPFP	full-sized project	Terminated
GA 021/07	FLITCH	full-sized project	ongoing
GA 022/07	Desert Workshop	non-project activity	Completed
GA 023/07	FD-Thailand	non-project activity	Completed
GA 024/05	FOMIS	small grant	Completed
GA 025/06	FSDP	full-sized project	ongoing
GA 026/07	FD-Spain	non-project activity	Completed
GA 027/08	MIS Proposal	non-project activity	Completed
GA 028/08	Mangrove Workshop	non-project activity	Completed
GA 029/09	FORMIS	full-sized project	ongoing

# Biodiversity Conservation

Ethnic Minority Development Plans

**Commune Development Funds CDF**

Livelihood Improvement

Multiple-use Forest

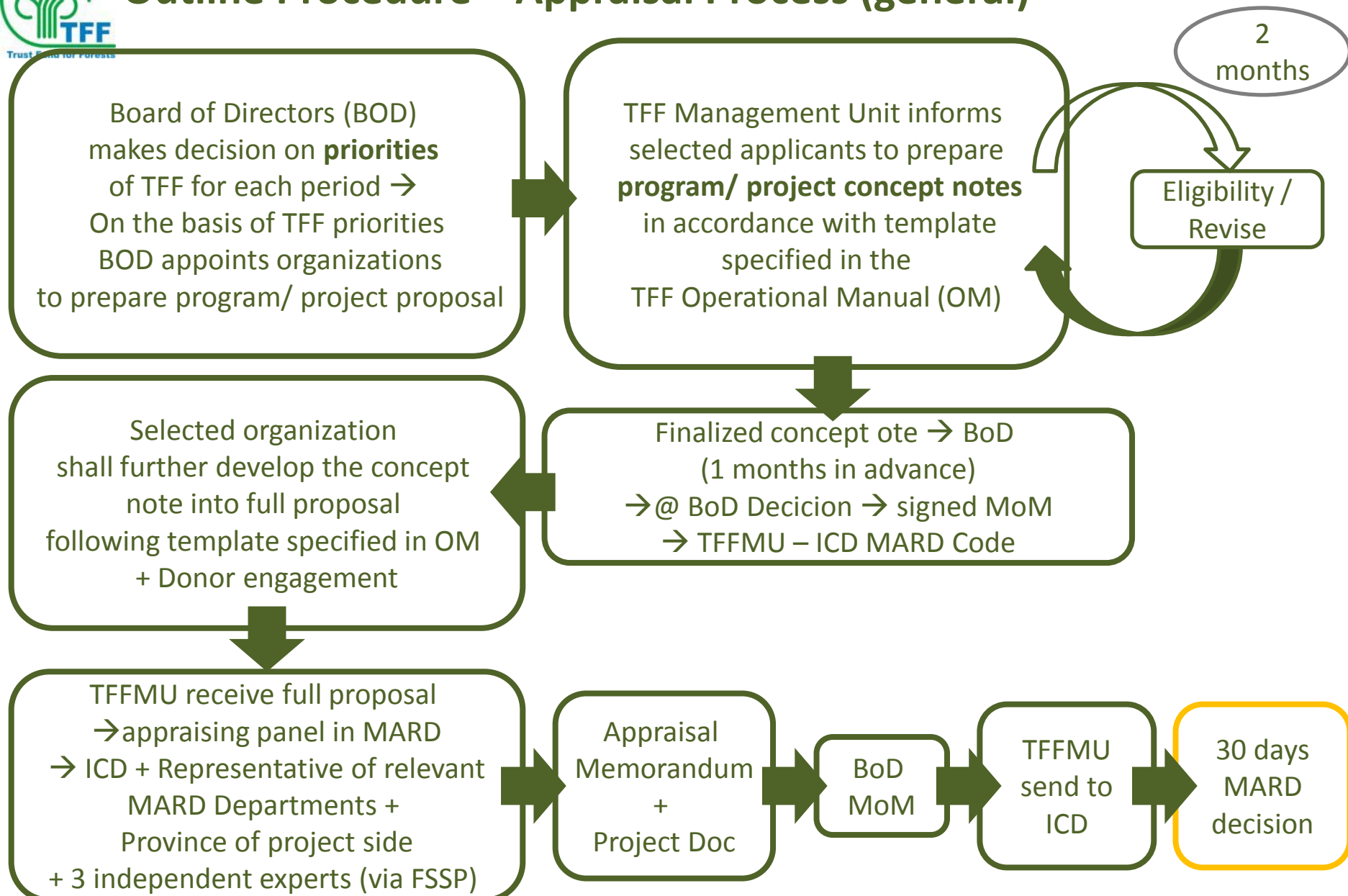
Standard Operational Procedures

**Production Plantation**

Capacity Development

**... + new topics like PFES; REDD+**

# Outline Procedure – Appraisal Process (general)







...nearly there....





# Off-Portfolio (TFFMU)

1. Fund mobilization and Receipt — Fund requests; new commitments...
2. Capacity and Instrument Development — OM, Website, HR
3. BoD Meetings
4. Fund utilization and portfolio management — Reviews, Supervision,
5. Operational Planning — Reports & Planning, Dev. Of Templates for portfolio / TFFMU
6. Communication and Public Relation
7. TFF into VNFF — LL, Instruments...

Just 2 more slides!



# Lessons Learned (1/2)

- New **strategic orientation** for actual emerging additional topics (Forestry and Climate Change) to mitigate worst climate change consequences in Vietnam
- Additional dialog with different stakeholders for **new possibilities for funding** and use FSSP as an communication platform
- Team building measures and training courses for capacity building need to be stronger implemented
- TFFMU activities directly support a **positive and fruitful** outcome of the projects supported
- Transparent reporting – all reports / portfolio reports are available on the **website**
- **MU involved** in the whole project cycle from the beginning to the end
- Around 90% of all Grants follow same regulations but around 2/3 of the finances (>20m) follow specific rules (WB / ADB) – difficult -



# Lessons Learned (2/2)

- Strongly support the preparation of policy tools like degrees, decisions, circulars, strategies and training curricula
- Improved Policy Dialog
- Low operation costs (~4%)
- **Actual organizational setting**, decision-making and governance structure of TFF is sufficient and adequate to perform the daily tasks & portfolio
- Developed TFF Instruments (Regulation; OM) make the fund operational
- Co-financed TFF projects take a large a share of the attention of the TFFMU
- TFFMU is **operational and can be used as a effective instrument after 2012** → separate in relationship with FSSP or as part of **VNFF**

Thank you...

...

Danke schön!