

# Activity Recommendations

## MEPA Operational Plan

### Technical Assistance on Forest Carbon

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# 1. Summary / Background

Viet Nam has committed to ambitious climate mitigation targets under its updated NDC and national strategies, with the forestry and land-use sector expected to deliver large-scale removals. At the same time, the domestic enabling environment for carbon markets is still evolving: recent amendments to Decree 06 via Decree 119 expand and clarify the domestic crediting mechanism (including offsetting shares), while a specific Vietnamese standard for different forest carbon projects and an implementing decree are under development.

These important documents were expected for the end of 2025, but final versions are not available, thereby creating both momentum and uncertainty for forest owners, potential market participants, and organizations, such as GIZ, who wish to support the successful implementation through

- Target-group specific capacity development for potential forest owners and market participants, such as protected forest areas (PA), competent provincial forest authorities, and other stakeholders – technical, financial, as well as concerning policy implications and needs (e.g., authorization, carbon rights, etc.). These groups need to understand how carbon markets work, how projects are designed, certified, and implemented, and how financial benefits materialize (and should optimally be used and distributed)
- Developing contributions to strengthening the nation-wide enabling environment, with a particular focus on enhanced MRV systems and closing crucial data gaps, to allow for transparency, credibility, and robust emissions accounting. This will not only enable the design of high-integrity pilot projects that may serve as blueprints (upscaling) for PA in similar contexts. It will also support the Government of Vietnam (GoV) in its efforts to tap new international carbon market opportunities, for example, through bilateral transactions under the UNFCCC Paris Agreement Article 6.2. (an option that GoV has expressed interest in, e.g., through existing bilateral MoUs with the Governments of Singapore or South Korea)
- Carrying out specific analyses and preparatory work for investment preparation, such as pre-feasibility and eligibility assessments, full feasibility studies speaking to concrete interest and eligible methodologies under government-approved standards, and gap analyses.

GIZ's new MEPA project is designed to support Protected Areas/Special-Use Forests (SUFs) in strengthening management effectiveness and ecosystem restoration, while also laying the foundation for improved ecosystem service valuation and carbon-related work. Specifically, the domestic carbon market regulation and Vietnamese policies related to carbon markets and credit use/transfer. The MEPA operational plan already foresees:

- (i) GIS mapping products for the three pilot PAs (Activity 3.1b), and

- (ii) starting research on estimating baselines of relevant carbon pools in specific areas/forests and calculating carbon mitigation potential for relevant forest management and restoration activities in the selected pilot PAs (Activity 3.3a) – both of which can be leveraged as core inputs and avoid duplicative spending.

In parallel, MEPA includes capacity development approaches and joint training (e.g., Activity 2.5a) that a targeted carbon-readiness package can complement, with a focus on standards, methodologies, and project development inputs, to improve the generally low understanding of forest carbon topics and markets among project beneficiaries. Against this backdrop, the proposed activity package recommends sequenced activities:

- (i) establish a spatially-explicit baseline calculation and eligibility picture against eligible standards and active methodologies for each pilot PA (including its buffer zone);
- (ii) conduct a structured carbon pre-Feasibility study at each of the three selected SUF / PA;
- (iii) provide practical capacity building in parallel to carbon scoping, so PAs understand both opportunities and requirements; and
- (iv) invest in a single detailed feasibility study for the most promising site.
- (v) Optional(or integrated in the study design, subject to availability of funding and mandate): Building on the proposed pre-feasibility studies and a detailed carbon project feasibility study carry out measurements for improving the robustness of data and existing emission factors for quantifying the emission reductions achieved through specific forest-based mitigation activities (linked to the overarching objective of contributing to enhancing data and national emission factors)

This sequencing is consistent with standard carbon development approaches, where a pre-feasibility stage produces eligibility assessments and high-level mitigation impact estimates, followed by a feasibility study that combines desk work and field missions. Results include a detailed gap analysis, risk and risk-mitigation options, cost-benefit estimates, recommendations, and a roadmap for next steps.

The rationale is primarily to generate awareness and a shared understanding of options and implications for PA/SUF financing through carbon market engagement, quantify potential, identify risks, manage risks, and, in general, assess technical and financial readiness. Carbon projects often fail when boundaries and strata, land-use dynamics, MRV requirements, or governance/approval risks are unclear early on.

## 2. Overview Carbon Workstream

MEPA's forest-carbon support for the three pilot Protected Areas (Hoang Lien NP, Xuan Lien NP, Van Long Wetland Nature Reserve) is designed as one coherent pipeline—moving from knowing where carbon is technically possible, to knowing what is realistically developable, to building the owner capacities needed to do it well, and finally to producing one investment-grade feasibility package for the best candidate. This sequencing deliberately builds on MEPA's own OP streams, so that funds are used efficiently, and outputs are reusable:

- the planned GIS maps (OP 3.1b)
- the work on carbon storage calculation at pilot sites (OP 3.3a)
- capacity development approaches and joint trainings (e.g., activity 2.5a)

Activity 1 (Integrated inception + GIS-based eligibility assessment) helps the project gather GIS data overall and develop a knowledge base for project experts before directly engaging PAs and discussing standards, options, or finance. This step incorporates inception tasks (data request, GIS database development, stakeholder alignment). It converts MEPA's existing GIS mapping efforts (OP 3.1b) into a "carbon-ready" decision layer that will later support carbon stock work (OP 3.3a) and follow-up activities. The expected result is a consistent picture & knowledge base across all three sites, reducing inefficiencies in the following steps.

Based on this outcome, Activity 2 (Carbon Project Pre-Feasibility Assessments for all three PAs) assesses eligibility, high-level impact potentials, and other relevant aspects (governance, safeguards, legal framework) together with the respective protected areas, building their capacities on the job (links directly to capacity building under Activity 3).

For each PA, the Pre-Feasibility check assesses which project types are eligible under the Vietnamese National Forest Carbon Standard and, if applicable, the VCM Standards (e.g., VERRA, VCS). In this process, experts identify the likely standards and methodologies to be applied and the development pathways (relevant next steps and approval requirements), and produce a gap analysis (data, governance, safeguards, and MRV readiness).

In addition, Activity 3 (Capacity building) links directly with OP activities 2.5 and 3.4 and is not considered as a stand-alone training that sits on the side, but builds on forest carbon-related capacity building experiences from the SFM Project and is combined with scoping work so that SUF owners learn by doing, teaching PAs carbon project developer requirements hands-on. Additionally, we propose a national training on standards, timelines, costs, benefits, and requirements for carbon projects, delivered as a "carbon forestry course light" alongside each scoping, translating "developer requirements" into practical checklists and action plans that the SUFs can own. The intended outcome is that SUF management boards can engage credibly with developers and regulators, understand MRV demands, and start organizing the internal prerequisites - rather than being "passive recipients" of external project proposals.

Finally, Activities 1–3 enable a transparent, evidence-based selection for one detailed carbon project feasibility study, so MEPA does not overspend on three full feasibility studies with unclear outcomes. Therefore, Activity 4 (Detailed feasibility study for the most promising PA) then produces a single, investment-grade package: in-depth eligibility/applicability, field validation, refined project boundary and strata, feasibility-level quantification and MRV concept, detailed risks and mitigation, and a sequenced roadmap to the next development stage (PDD development/registration pathway). The feasibility study provides a case study for other forest owners in Vietnam to learn from. It provides credible data on realistic costs, roles, timelines, and requirements.

Taken together, the four activities are one coherent approach:

- map and screen
- scope and reality-check
- build capacity while scoping
- invest into further scrutiny and pre-investment work where it is promising that it may pay off / be successful (based on a list of pre-defined criteria such as partner will and capacities, mitigation potential based on eligible areas and activities, availability of options to address bottlenecks and hurdles).

The following table provides an overview of the activities, and the sections that follow describe each activity in detail.

Activity name (level)	Links to OP activities	duration	Level of Effort (natl / intl)	Output / Outcome
<b>A.1. three GIS-based carbon eligibility assessments</b> (3 PAs + buffer zones)	<b>OP 3.1b</b> (GIS maps); <b>OP 3.6</b> (digitization)	2 months	30 / 30, no travels	<b>Output:</b> GIS eligibility package per PA (boundaries, constraints, candidate areas)
<b>A.2. Pre-Feasibility Assessments</b> (3 PAs)	<b>OP 3.3</b> (carbon storage work); <b>OP 2.5</b> (capacity building for carbon markets);	3 months	30 / 45, no travels	<b>Output:</b> 3 scoping reports (eligibility, high-level impact, gap list, risk flags)
<b>A.3. Capacity building</b> (PA & national level)	<b>OP 2.5</b> (capacity building for carbon markets); <b>OP 3.4</b> (training incl. carbon accounting)	3 months	30 / 30, Plus, travel costs for two int. experts	<b>Output:</b> 1 national training + three site-based “hands-on” trainings aligned with pre-feasibility A.2 <b>Outcome:</b> SUFs can engage developers/regulators confidently and plan MRV/readiness steps realistically.
<b>A.4. Detailed feasibility study, including E&amp;S work (safeguards &amp; consultations)</b> (without optional studies for measurements and enhanced emission factors) (1 selected PA)	<b>OP 1.2</b> (study to increase carbon storage); <b>OP 1.3</b> lessons learnt to improve carbon absorption <b>OP 2.3</b> TA for a pilot to mobilize private sector finance	4 months	30 / 55, Plus, travel costs for two int. experts	<b>Output:</b> feasibility report (detailed eligibility/applicability, roadmap, risk & cost drivers, MRV concept). <b>Outcome:</b> Forest Carbon project development case-study for dissemination

## 3. Activity Description

### 3.1. Activity 1: GIS-based eligibility assessment

#### Overview

Links to OP activities	Duration	Level of Effort (natl / intl)	Output
<b>OP 3.1b</b> (GIS maps); <b>OP 3.6</b> (digitization)	2 months	30 / 30, no travels	<b>Output:</b> GIS eligibility package per PA (boundaries, constraints, candidate areas)

#### Rationale

Forest carbon projects have specific prerequisites (scale, boundaries, forest status, overlap with other land uses, leakage belt, drivers, land-use history) as well as eligibility constraints (legal status, allowable interventions, tenure/rights).

If PA borders, buffer zones, forest strata (natural forest, restoration areas, wetlands/karst mosaics), access corridors, and historic land-use dynamics are unclear or inconsistent across datasets, this will create future inefficiencies and, eventually, lead auditors/validators to reject the evidence base.

Therefore, the MEPA project will begin by consolidating all available spatial layers into one reference for future engagement. As part of the GIS-based eligibility assessment, this will be translated into “carbon-ready” spatial layers/maps, which are a crucial datapoint for the following Pre-Feasibility Assessment: eligible areas, exclusion zones, pressure hotspots, likely leakage influence areas, and priority strata.

Most importantly, the eligibility assessment will evaluate the scale of the eligible areas: Carbon projects have meaningful fixed transaction costs (methodology choice, baseline work, stakeholder processes, MRV setup, validation/verification, reporting, and actual implementation). Even if an area is eligible, a site may still be too small, too fragmented, or too constrained to justify these fixed costs; therefore, assessing this as the first step is crucial.

## **Sub-Activities A.1**

### **Kick-off + data review**

- Data request list; agreement on formats; data quality and data-sharing protocol
- Align with MEPA's background information records to avoid duplicate data collection.

### **Spatial baseline assembly & harmonization**

- Compile boundaries (PA core + buffer), forest type layers, land cover history, infrastructure, settlements,
- Identify data gaps; document assumptions and uncertainties

### **Eligibility screening**

- Identify potential project areas by excluding non-eligible land classes and flagging potential constraints (rights, overlapping plans, conflicting land uses)

### **Carbon opportunity mapping (screening level)**

- Rapid stratification by forest condition and threat/risk proxies (deforestation/degradation pressure)
- identify plausible intervention zones

### **Produce data gap & mission plan for Activity 2**

- Produce a site-wise data gap and mission plan feeding directly into Activity 2 and Activity 3

## **Expected outputs A.1**

- GIS database + maps per PA (eligibility strata, constraints, priority areas)
- Short screening report with data gaps & assumptions to be verified during A.2



## 3.2. Activity 2: Pre-Feasibility Assessments

### Overview

Links to OP activities	duration	Level of Effort (natl / intl)	Output / Outcome
<b>OP 3.3</b> (carbon storage work); <b>OP 2.5</b> (capacity building for carbon markets);	3 months	30 / 45, no travels	<b>Output:</b> 3 scoping reports (eligibility, high-level impact, gap list, risk flags)

### Rationale

Building on Activity 1 (GIS eligibility screening), the pre-feasibility studies assess the specific carbon project potential of each Protected Area (PA). They confirm whether a PA has the minimum viable scale and a credible value proposition—based on ex-ante estimates and expected non-carbon benefits—and identify which standards and methodologies are the best fit. The studies also assess additionality (i.e., which concrete activities would measurably change outcomes compared to business-as-usual) against the requirements of the selected standard/methodology, provide an initial justification of market demand and pricing logic, and include a high-level review of safeguards, risks, and the relevant legal and regulatory framework.

This is particularly important because Viet Nam's carbon market framework is evolving rapidly, and forest carbon standards and requirements are still being developed. If a PA designs a concept solely around voluntary-market assumptions, it may later conflict with national approval requirements or emerging integrity criteria. The pre-feasibility work will therefore be conducted jointly with the PAs to translate this context into a shared understanding of what is required: the evidence and documentation needed, the approvals likely, and the safeguards and benefit-sharing arrangements that must be in place.

## **Sub-Activities A.2**

### **Kick-off + document review**

- Document request list, joint kickoff call with PAs to clarify approach & role
- Document review (management plans, zoning, patrol/restoration activities, existing inventories, agreement with communities) and stakeholder mapping
- Identify key constraints and enabling conditions (institutional, social, operational)

### **Preliminary methodology & Impact Screening**

- Shortlist plausible project types and respective methodologies against which the following aspects are to be assessed:
  - carbon pools and sequestration/credit generation potential
  - main drivers, leakage & permanence risks, additionality

### **Regular check-ins and working sessions**

- Carry out methodology & impact screening as joint exercises with PA managers to build "hands-on" capacities
- Link to PA-level capacity building under A.3

### **Produce Pre-Feasibility Assessment**

- Develop Pre-FS Assessment Reports for each site
- Provide a comparative synthesis recommending one PA for full feasibility, identify respective gaps, and next steps

## **Expected outputs A.2**

- Three Pre-FS Assessment Reports (one for each site)
- Comparative synthesis recommending one PA for full feasibility, identifying respective gaps and next steps

### 3.3. Activity 3: Capacity Building

#### Overview

Links to OP activities	duration	Level of Effort (natl / intl)	Output / Outcome
<b>OP 2.5</b> (capacity building for carbon markets);  <b>OP 3.4</b> (training incl. carbon accounting)	3 months	30 / 30,  Plus, travel costs for two int. experts	<b>Output:</b> 1 national training + three site-based “hands-on” trainings aligned with pre-feasibility A.2  <b>Outcome:</b> SUFs can engage developers/regulators confidently and plan MRV/readiness steps realistically.

#### Rationale

Activity 3 is at the core of the Carbon workstream, building on Activities 1 & 2 and equipping Protected Area (PA) management boards to engage confidently in carbon project development. It is built around four practical learning objectives: (i) carbon market opportunities and how projects are developed, (ii) general requirements for project developers (standards, methodologies, and national approval), (iii) the typical timeline and step-by-step process, and (iv) what benefits forest owners can realistically expect—and what they must fulfil to access funding.

The activity is focused on two elements:

1. **One structured training (national level)** on carbon market opportunities and the project development process: typical steps and timelines, roles and responsibilities (PA vs developer vs regulator), expected costs/effort, MRV implications, and what forest owners must be able to provide and maintain over time.
2. **Embedded site-based coaching (per PA, delivered as hands-on exercises during scoping)** on developer requirements: standards/methodologies, minimum documentation and evidence needed, likely national approval steps, and practical checklists for additionality, baseline logic, leakage/permanence risk considerations, safeguards, and benefit-sharing requirements.

Both training sessions and their content are delivered and prepared in a way that enables the project to digitize and further institutionalize them, ensuring sustainability and accessibility for relevant managers nationwide (**OP 1.4**).

## **Training products & sustainability**

- Slide decks, detailed training notes, checklists, and short case examples drawn from the three sites with respective contents:
  - 1 national training (agenda, materials, attendance list, short evaluation)
  - 3 site-tailored coaching packages (requirements checklist + readiness action plan per PA based on Pre-FS Findings)
- Package content for reuse in MEPA's standardized/digitized training modules (1.4).

## **Expected outcomes**

- SUFs can engage developers/regulators confidently and plan MRV/readiness steps realistically.

### 3.4. Activity 4: Full Feasibility Study for one PA

#### Overview

Links to OP activities	duration	Level of Effort (natl / intl)	Output / Outcome
<b>OP 1.2</b> (study to increase carbon storage); <b>OP 1.3</b> lessons learnt to improve carbon absorption <b>OP 2.3</b> TA for a pilot to mobilize private sector finance	4 months	30 / 55, Plus, travel costs for two int. experts	<b>Output:</b> feasibility report (detailed eligibility/applicability, roadmap, risk & cost drivers, MRV concept). <b>Outcome:</b> Forest Carbon project development case-study for dissemination

#### Rationale

Most current discussions on carbon project development in Vietnam lack insights from on-the-ground experience. Developing a detailed Carbon Project Feasibility Study enables both the project and a dedicated PA to capture the learning experience and use it as a basis for more informed discussions on Forest Carbon Project Development in Vietnam. A concept designed purely around voluntary-market assumptions may later conflict with national approval expectations or emerging integrity criteria. The feasibility study, therefore, translates this moving context into concrete terms: what evidence is needed, what approvals are likely required, and what safeguards and benefit-sharing elements must be in place before a project proponent can credibly proceed.

In practice, the feasibility study assesses the project design requirements and scaling potential and identifies the most suitable certification methodology and its applicability/eligibility conditions. It then builds the core elements needed to compile the Project Description/Design Document (PD/PDD) by assessing baseline, leakage, non-permanence risk, and additionality, and by producing an ex-ante estimate of emission reductions/removals. Normative guidance follows the latest VCS methodology required by Verra, therefore enabling the project to develop an FS example with high-integrity requirements.

The project, therefore, produces two main outputs through this:

- It provides actionable technical assistance for a pilot to mobilize private sector finance (by taking up the FS and developing a complete carbon project), which fulfills OP2.3 and provides a credible exit strategy for the project
- In a synthesis of the entire workstream, it provides up-to-date and practical experiences for carbon project development in the Vietnamese context, which may contribute to informed carbon market discussions in Vietnam.

## **Sub Activities A.4**

The Feasibility study will follow international carbon standards, currently being adapted for the Vietnamese Carbon Standard. It will coordinate with the PA to align with their circumstances and opportunities.

### **Kick-off & methodology selection**

Based on the Eligibility Assessment and Pre-FS, jointly review existing data and initial findings to agree on an appropriate methodology and standard for classifying the project type, ensuring credible GHG emission reduction/removal quantifications and framework requirements for application during the feasibility study.

### **Detailed Impact Screening (Desk-based)**

Based on Eligibility Assessment and Pre-FS, a detailed assessment of:

- Eligibility of potential carbon project activities and quantification of their emission reduction potential (incl. carbon pools/sources) and additionality and permanence risks
- Initial safeguards screening (potential social & environmental impacts of the project)
- Initial assessment of implementation capacity, assessing the PAs technical, human and financial capacity to implement a potential carbon project
- Estimation of the financial viability of the potential project

### **Field mission**

Based on prior steps, supplement desk-based assessments with first-hand & on-the-ground data collection (forest inventory, PA capacity assessment, safeguards assessments)

### **Reporting**

- Develop a detailed Feasibility Assessment Report
- Develop a synthesis report for the entire workstream, assessing project development procedures and potentials in the context of Vietnam's Carbon Market developments

### **Outputs**

- Detailed Feasibility Report
- Synthesis report on Carbon Project workstream

### **Outcomes**

- Forest Carbon project development case-study for dissemination
- Use-ready feasibility study for one capacitated PA to consider further carbon project development

