

ACT-62177

FINANCING AGREEMENT

between

THE EUROPEAN UNION

and

THE SOCIALIST REPUBLIC OF VIET NAM

" EU – Vietnam Forestry Support Programme"

FINANCING AGREEMENT

SPECIAL CONDITIONS

Government of the Socialist Republic of Viet Nam, hereinafter referred to as "the Partner", represented by the Ministry of Agriculture and Environment (MAE),

of the one part, and

The European Commission, hereinafter referred to as "**the Commission**", acting on behalf of the European Union, hereinafter referred to as "**the EU**",

of the other part (individually a "Party" and collectively the "Parties"),

have agreed as follows:

Article 1 - Nature of the action

- 1.1. The EU agrees to finance and the Partner agrees to accept the financing of the following action:

EU – Viet Nam Forestry Support Programme

OPSYS number: ACT-62177

This action is financed from the EU Budget under the following basic act: Neighbourhood, Development and International Cooperation Instrument – Global Europe

- 1.2. The total cost of the action is estimated at EUR 20 000 000. The Commission undertakes to provide a contribution up to a maximum estimated amount of EUR 20 000 000.
- 1.3. The Partner shall not co-finance the action.



Article 2 – Execution period

- 2.1. The execution period of this Financing Agreement as defined in Article 15 of Annex II (General Conditions) shall commence on the entry into force of this Financing Agreement and end 96 months after this date.
- 2.2. The duration of the operational implementation period is fixed at 72 months.
- 2.3. The duration of the closure period is fixed at 24 months.

Article 3 – Addresses

All communications concerning the implementation of this Financing Agreement shall be in writing, shall refer expressly to this action as identified in Article 1.1 of these Special Conditions and shall be sent to the following addresses:

a) for the Commission

Delegation of the European Union to Viet Nam

Lotte Centre, 24th floor

54 Lieu Giai,

Giang Vo, Ha Noi, Viet Nam

b) for the Partner

Ministry of Agriculture and Environment (MAE)

10 Ton That Thuyet

Cau Giay, Ha Noi, Viet Nam

Article 4 – OLAF contact point

The contact point of the Partner having the appropriate powers to cooperate directly with the European Anti-Fraud Office (OLAF) in order to facilitate OLAF's operational activities shall be:

Government Inspectorate

Address: 20 Hoang Quan Chi, Cau Giay, Ha Noi, Viet Nam

Email: ttcp@thanhtra.gov.vn

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Article 5 - Annexes

5.1. This Financing Agreement is composed of:

(a) these Special Conditions;

(b) Annex I: Technical and Administrative Provisions, detailing the objectives, expected results, activities, description of the budget-implementation tasks entrusted and budget of this action;

(c) Annex II: General Conditions;

(d) Annex III: Reporting Template - not applicable to and not included in this Financing Agreement.

(e) Annex IV: Management Declaration Template - not applicable to and not included in this Financing Agreement.

5.2. In the event of a conflict between, on the one hand, the provisions of the Annexes and, on the other hand, the provisions of these Special Conditions, the latter shall take precedence. In the event of a conflict between, on the one hand, the provisions of Annex I (Technical and Administrative Provisions) and, on the other hand, the provisions of Annex II (General Conditions), the latter shall take precedence.

Article 6 – Provisions derogating from or supplementing Annex II (General Conditions)

Articles 18, 25.3, 25.4 and 25.5 of Annex II (General Conditions) do not apply to those activities entrusted to an entity pursuant to Annex I under this Financing Agreement.

Article 16 of Annex II (General Conditions) is supplemented as follows: the provisions of this article will be in compliance with the relevant provisions of Vietnamese law.

Article 17.4 of Annex II (General Conditions) is supplemented as follows: the provisions of this article will be in compliance with the relevant provisions of Vietnamese law.

Article 20.1 of Annex II (General Conditions) is not applicable to this Financing Agreement.

Article 20.2 of Annex II (General Conditions) is not applicable to this Financing Agreement.

Article 26.2 of Annex II (General Conditions) is not applicable to this Financing Agreement.

Article 7 – Entry into force

This Financing Agreement shall enter into force on the date on which it is signed by the last Party.

Done in 4 original copies, 2 copies being handed to the Commission and 2 to the Partner.

Done in the English language.

For the Partner:



Nguyen Quoc Tri
Deputy Minister,
Ministry of Agriculture and Environment

Date: 31/12/2025
Place: Ha Noi

For the Commission:



Julien Guerrier
Head of EU Delegation to Vietnam

Date: 31/12/2025

ANNEX I TO FINANCING AGREEMENT N° ACT - 62177

TECHNICAL AND ADMINISTRATIVE PROVISIONS (TAPS)

1. SYNOPSIS

1.1. Action Summary Table

1. Title CRIS/OPSYS business reference Basic Act	EU – Viet Nam Forestry Support Programme OPSYS number: ACT-62177 Financed under the Neighbourhood, Development and International Cooperation Instrument -Global Europe
2. Team Europe Initiative	Yes. TEI 1 (Climate-resilient, low-carbon circular economy) In collaboration with France, Finland, Germany and Italy
3. Zone benefiting from the action	The action shall be carried out in Viet Nam.
4. Programming document	Multi-Annual Indicative Programme (MIP) for Viet Nam in 2021 -2027.
5. Link with relevant MIP(s) objectives / expected results	MIP Priority Area 1: Climate-responsive Digital Circular Economy, and Specific Objective 1.3: Conserved natural resources.
PRIORITY AREAS AND SECTOR INFORMATION	
6. Priority Area(s), sectors	DAC 312 – Forestry DAC 321 - Industry DAC 410 – General Environment Protection
7. Sustainable Development Goals (SDGs)	Main SDGs: SDG 15 - Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss and SDG 13 - Take urgent action to combat climate change and its impact Other significant SDGs and where appropriate, targets: SDG 1 - End poverty in all its forms everywhere SDG 5 - Gender Equality
8 a) DAC code(s)	31220 - Forestry development; afforestation for industrial and rural consumption; exploitation and utilisation; erosion control, desertification control; integrated forestry projects – 30 % 41030 – Biodiversity; including natural reserves and actions in the surrounding areas; other measures to protect endangered or vulnerable species and their habitats (e.g. wetlands preservation) – 30 % 31210 - Forestry policy and administrative management; forestry sector policy, planning and programmes; institution capacity building and advice; forest surveys; unspecified forestry and agroforestry activities – 20 % 32130 - Small and medium-sized enterprises (SME) development; direct support to improve the productive capacity and business management of micro, small and medium-

	sized enterprises in the industrial sector, including accounting, auditing, advisory services, technological transfer and skill upgrading – 20 %				
8 b) Main Delivery Channel	11003: Donor Government – Public corporations 41300: Other UN				
9. Targets	☐ Migration ☒ Climate ☒ Social inclusion and Human Development ☒ Gender ☒ Biodiversity ☐ Education ☐ Human Rights, Democracy and Governance				
10. Markers (from DAC form)	General policy objective @	Not targeted	Significant objective	Principal objective	
	Participation development/good governance	☐	☒	☐	
	Aid to environment @	☐	☐	☒	
	Gender equality and women's and girl's empowerment	☐	☒	☐	
	Reproductive, maternal, new-born and child health	☒	☐	☐	
	Disaster Risk Reduction @	☒	☐	☐	
	Inclusion of persons with Disabilities @	☐	☒	☐	
	Nutrition @	☒	☐	☐	
	RIO Convention markers	Not targeted	Significant objective	Principal objective	
	Biological diversity @	☐	☐	☒	
	Combat desertification @	☒	☐	☐	
	Climate change mitigation @	☐	☐	☒	
	Climate change adaptation @	☐	☐	☒	
	11. Internal markers and Tags	Policy objectives	Not targeted	Significant objective	Principal objective
		Digitalisation @	☐	☒	☐
digital connectivity digital governance digital entrepreneurship digital skills/literacy digital services		YES ☐ ☐ ☒ ☐ ☐	NO ☒ ☒ ☐ ☒ ☒	/	
Connectivity @		☒	☐		☐
digital connectivity		YES ☐	NO ☒	/	

	energy	☐	☒	/
	transport	☐	☒	
	health	☐	☒	
	education and research			
	Migration @	☒	☐	☐
	Reduction of Inequalities @	☐	☒	☐
	Covid-19	☒	☐	☐
BUDGET INFORMATION				
12. Amounts concerned	Budget line(s) (article, item): 14.020131 Total estimated cost: EUR 20 000 000 Total amount of EU budget contribution EUR 20 000 000 The contribution is for an amount of EUR 20 000 000 from the general budget of the European Union for 2024, subject to the availability of appropriations following the adoption of the relevant annual budget, or as provided for in the system of provisional twelfths.			
MANAGEMENT AND IMPLEMENTATION				
13. Type of financing	Indirect management with the entity (ies) to be selected in accordance with the criteria set out in section 3.1.1			

1.2. Summary of the Action

Viet Nam has 14.7 million hectares of forest, of which 10.2 million hectares are natural forests and 4.6 million hectares are plantations. The forest cover rate, currently 42%, has been steadily increasing since 1990. The increase is mainly the result of commercial timber plantations, primarily monoculture, short rotation Acacia. While the forest cover has increased, the quality of natural forests has been deteriorating. Viet Nam's natural forests are mainly poor and medium in terms of growing stock. Encroachment into natural forests continue, largely because of uncontrolled expansion of coffee, rubber and other agricultural commodity production, and because of illegal logging. Viet Nam considers forests an important resource for the socio-economic development and well-being of communities in the country. At present, there are about 25 million people with 20% - 40% annual income from forests. Forests also play a particularly critical role in watershed and coastal protection. Viet Nam is ranked 16th among the countries with the highest biodiversity in the world. Ecosystem services provided by forests are particularly concentrated in remote, upland areas, where nearly 10% of the population are poor or of ethnic minority.

The **Overall Objective** of this action is to contribute to green, sustainable and inclusive growth as well as to reduce vulnerability to climate change in Viet Nam.

The **Specific Objectives** of this action are:

1. To strengthen climate change mitigation and adaptation capacity in Northwest and Central Highlands regions through climate-sensitive, sustainable conservation, restoration and management of forests.
2. To promote climate-sensitive, environmentally sustainable forest-based value chains with more equitable and gender-balanced involvement of all stakeholders.

The action will contribute to climate change mitigation and adaptation through restoring carbon sinks, removing Green House Gas (GHG) emissions, and increase climate resilience through strengthening forest (among the safeguarding ecosystems) restoration and conservation, and improving forest-based value chains. The action will

support the implementation of Viet Nam's Nationally Determined Contributions (NDC) and its conditional target to remove 46.6 MT CO₂eq through activities on land use, land use change and forestry by 2030, by deploying sustainable forest management practices to prevent further deforestation and forest degradation. The action will raise awareness of communities and citizens, advocating for the environment and for international standards and inclusiveness, and pursuing transparency and accountability for pioneering innovative schemes on climate and environmental action with a focus on sustainable forestry. While the action will address nationwide problems, it will focus on two regions: the Central Highlands and the Northwest. These regions are the poorest out of the eight ecological regions in Viet Nam, and investment in forestry development has been very low, mainly due to the long distance to round wood markets. The two regions are vital in restoring the natural forests that provide significant environmental services and support the implementation of Viet Nam's NDC.

Under the **Team Europe Initiative (TEI)** "Climate-resilient, low-carbon circular economy" the EUD has been actively in coordination with those EU Member States (EU MS) most active in the sector and their financial institutions (e.g. France, Finland, Germany, Italy) to engage with them as appropriate. The intervention logic has been designed to ensure synergies between the development programmes of EU Member States. The main component of the Action is expected to be implemented in partnership with EU MS agencies with extensive experience and expertise in the forestry sector.

The Action will contribute to Priority Area 1, 'Climate-Responsive Digital Circular Economy', and in particular Specific Objective 1.3, 'Conserved Natural Resources', of the Viet Nam Multiannual Indicative Programme (MIP) 2021- 2027 and as such is fully part of the Team Europe Initiative 1 'Climate-resilient, Low-Carbon Circular Economy'. The Action will be in line with the EU Gender Action Plan-GAP III¹ and its thematic areas of engagement "Promoting economic and social rights and empowering girls and women" and "Addressing the challenges and harnessing the opportunities offered by the green transition and the digital transformation", as well as with the Resolution No. 28/NQ-CP dated March 3, 2021 of the government on Promulgating the National Strategy on Gender Equality for the period 2021 – 2030.

The Action will contribute mainly to SDG 15 (Protect, Restore, and Promote Sustainable Use of Terrestrial Ecosystems, Sustainably Manage Forests, Combat Desertification, and Halt and Reverse Land Degradation and Halt Biodiversity Loss) and SDG 13 (Take urgent action to combat climate change and its impact). It will also contribute to SDG 1 (End poverty in all its forms everywhere) and SDG 5 (Gender Equality).

¹ EU Gender Action Plan (GAP) III – An ambitious agenda for gender equality and women's empowerment in EU external action, JOIN(2020) 17 of 25.11.2020.



2. DESCRIPTION OF THE ACTION

2.1. Objectives and Expected Outputs

The **Overall Objective** of this action is to contribute to green, sustainable and inclusive growth as well as to reduce vulnerability to climate change in Viet Nam.

The **Specific Objectives** of this action are:

1. To strengthen climate change mitigation and adaptation capacity in Northwest and Central Highlands regions through climate-sensitive, sustainable conservation, restoration and management of forests.
2. To promote climate-sensitive, environmentally sustainable forest-based value chains with more equitable, inclusive and gender-balanced involvement of all stakeholders.

The **Outputs** to be delivered by this action contributing to the Specific Objectives 1 and 2 are:

1. Landscape-level models restoring carbon sinks and increasing GHG removals through sustainable and inclusive multi-purpose forest management are reviewed and scaled up in two target regions.
2. Climate-sensitive, inclusive, and sustainable forest management planning (SFMP), including solutions supporting climate change adaptation through alternative incomes, are piloted with selected communities and small holders in vulnerable situation.
3. Effective, collaborative, and responsive forest protection methods are reviewed and replicated in selected landscapes and communities to reduce unauthorised use.
4. Capacity on production, organisation and human resources as well as knowledge on business and investment planning, on requirements related to NDC, VNTLAS, EVFTA, and EUDR among target groups in targeted provinces is strengthened, ensuring women participation.
5. Support systems on Information and Communication Technology (ICT) for monitoring the change of forest cover, the implementation of the NDC, traceability of forest-based products, and forest-based products market is developed/updated and piloted in target areas.
6. Assistance to finalize the policy framework and implementation to strengthen the conservation, restoration and sustainable management of forests while promoting value chains based on socially environmentally sustainable and climate-sensitive forests is implemented.
7. Feasibility studies on climate sensitive, forest-based products value chains requirements at landscape and regional level are carried out and available for investment.

2.2. Indicative Activities

Activities relating to Output 1:

To develop, pilot and replicate models/solutions of sustainable forest protection, restoration and management and multi-purpose forest for four types of natural forest owners including community, special-use forest management boards, protection forest management boards and forestry companies. These models focus on key topics in sustainable and multi-purpose forest management, protection and use, including: biodiversity monitoring; sustainable finance; connecting and collaborating between forest owners, communities and stakeholders in developing sustainable forest-based livelihood models; forest restoration; community-based ecotourism; developing native tree nurseries; development and sustainable use of non-timber forest products.

Activities relating to Output 2:

To support selected forest owners in developing and revising sustainable forest management plans, which support climate change adaptation, landscape approach and enable new opportunities of alternative financial resources for forest owners. The key activities include conducting necessary assessments for developing profiles of each forest

owner; carbon stock assessment; assessing and identifying financial needs and possible diversified income for forest management and protection and biodiversity conservation; and review and adjust sustainable forest management plans as a basis for the implementation of piloting model interventions on forest management, protection, use and development of multi-purpose forest.

Activities relating to Output 3:

To strengthen capacity for forest owners and promote the participation of and build capacity for local communities in forest protection through advance forest patrol and protection solutions (enhancing monitoring systems, patrolling data, application of information technology), exploring the potential of new payment for ecosystem services for forest protection.

Activities relating to Output 4:

To implement Training of Trainers (TOT) and training programs on forest management, protection and development covering topics such as: sustainable finance, forest restoration, biodiversity management and monitoring, development of non-timber forest products, ecotourism and knowledge related to the development of forest-based value chains such as NDC, VNTLAS, EVFTA, EUDR and deforestation-free supply chains for local governments and forest owners (especially smallholders and communities), agricultural/industrial crop producers and forest product processing facilities at the landscape level. In addition, forest owners and other stakeholders will also have the opportunity to share, exchange and learn from other models in sustainable forest management.

Activities relating to Output 5:

To upgrade relevant forest management information systems and support the update or development of applications for the integration of sustainable forest management and EUDR enforcement at central level. Support forest owners to update data to input to the current forestry digital management information system as required.

Activities relating to Output 6:

To support the review and adjustment of regulations and development of relevant technical guidelines and regulations on forest management and restoration, forest quality improvement, development of non-timber forest product value chains and ecotourism in order to promote the multi-purpose forest and forest investment. The implementation of activities in the program will take into account the concerns and interests of small holder, ethnic minority communities and women as well as the characteristics of the two regions and the target landscapes.

Activities relating to Output 7:

To carry out feasibility studies on forest-based value chains representing 02 ecological regions and identify priority areas for conducting further studies to diversify the use of products as a basis for the development of forest-based product value chains; organize provincial and regional networking events to share research results and promote investment opportunities to develop value chains for key products.

The commitment of the EU's contribution to the **Team Europe Initiative** to which this action refers, will be complemented by other contributions from Team Europe members. It is subject to the formal confirmation of each respective member's meaningful contribution as early as possible. In the event that the TEIs and/or these contributions do not materialise, the EU action may continue outside a TEI framework.

2.3. Mainstreaming

Environmental Protection & Climate Change

The action aims to support the implementation of Viet Nam's international commitments on climate adaptation and mitigation, the protection of forest ecosystems and watersheds and the implementation of the Green Growth Action Plan.

Outcomes of the SEA screening (relevant for budget support and strategic-level interventions)

The Strategic Environmental Assessment (SEA) screening concluded that no further action was required.

Outcomes of the EIA (Environmental Impact Assessment) screening (relevant for projects and/or specific interventions within a project).

The EIA (Environment Impact Assessment) screening classified the action as Category C (no need for further assessment).

Outcome of the CRA (Climate Risk Assessment) screening (relevant for projects and/or specific interventions within a project).

The Climate Risk Assessment (CRA) screening concluded that this action is [no or low risk (no need for further assessment)].

Gender equality and empowerment of women and girls

As per the OECD Gender DAC codes identified in section 1.1, this action is labelled as G1. This implies that the gender equality is a significant cross cutting objective and mainstreamed across project outputs and indicators. The action, specifically under outcome two, will empower women's and girl's to participate in and benefit financially from environmentally sustainable forest-based value chains. The Action will be consistent with EU Gender Action Plan-GAP III and CLIP. Ensuring that both women and men have equal access to and control over resources, job opportunities, and decision-making processes, by providing women with access to training and resources, as well as promoting their leadership and participation will be addressed by the Action.

Human Rights

A human rights-based approach and its key principles within the action will abide by the UN Guiding Principles on Human Rights.

Disability

As per OECD Disability DAC codes identified in section 1.1, this action is labelled as D1.

This implies that some activities of the project are designed to create opportunities for people with disabilities to participate in the production of local products through the One Commune – One Product (OCOP) models of forest-based products (Activity under output 1 of outcome 1, integrated livelihood solutions for groups in vulnerable situation and living in or near the forest). If done well, demonstrating humanity, the activities of people with disabilities create material and spiritual products for ECO-CO tourism (Activity under output 1 of outcome 1, integrated livelihood solutions for groups in vulnerable situation and living in or near the forest)

Reduction of inequalities

The project will be implemented in the Central Highlands and the Northwest regions, which are the 2 least developed regions in the country. In project area the proportion of ethnic minority communities is predominant, gender inequality is still quite widespread. On March 3, 2021, the Government issued the Resolution No. 28/NQ-CP on Promulgating the National Strategy on Gender Equality for the period 2021 – 2030. The resolution sets out the target that the rate of female directors or owners of businesses is expected to reach at least 27 percent by 2025 and 30 percent by 2030, and other indicators of gender equality. To contribute to reducing the gender gaps, the project has set specific targets, indicators of impacts, outputs and results through the implementation of 8 specific activities. The project will contribute to improved institutions and policies related to gender equality in forestry sector.

Democracy

The 2022 Law on the Implementation of Grassroots Democracy lays a firm foundation for the implementation of democracy, the people's right to mastery and self-governance role, thus contributing to effectively implementing the motto "*People know, people discuss, people do, people monitor*". The project has designed to ensure democratic practice by outcomes, outputs and activities on the following 3 main aspects:

- i) Stakeholder participation, with special emphasis on community involvement in decision-making (problem identification, planning), implementation, evaluation, monitoring and benefit sharing is mentioned in the project activities that meet project outcomes and impacts.
- ii) Development and application of ICT decision support systems for forest cover change monitoring, including independent monitoring by the communities and non-State actors (NSAs), the implementation of the NDC, traceability of forest-based products, and forest-based products market updated, developed, and piloted in target areas to meet output 1 of outcome 2.

iii) Strengthen the role, voice and substantive actions of non-State actors (NSAs) by supporting and promoting local associations and establishing an alliance for associations of forest-based products. This aspect will be implemented through a number of Grant activities.

Conflict sensitivity, peace and resilience

The Central Highlands and the Northwest region are 2 regions that are quite stable politically and socially, without internal contradictions that lead to upsetting the social order or affecting peace. As in the whole country, the political, security and administrative environments for investment attraction are quite favorable and tends to improve. However, the above analysis of the problems in the Central Highlands and the Northwest region have pointed to conflicts over land use between state institutions such as state-owned forestry companies, forest management boards and communities, and individuals. The Government has been adopting policies to gradually ensure that communities and households have productive land by transferring a part of land area managed by state forestry companies to households and communities or allocating land areas currently managed by the Commune People's Committee to households and communities.

Disaster Risk Reduction

The Central Highlands is a plateau with 2 major risks, which are drought leading to forest fires and lack of water for daily life and production. Both of these risks have a huge impact on fire prevention, forest fire fighting and agricultural production in the Central Highlands. The Northwest is a highland area with a very steep slope, so there are also 2 risks, which are forest fires in the dry season and landslides, flash floods in the rainy season. The immediate solution to minimize the impact of natural disaster risks for both these regions is to enhance the predictability of forest fires, warning of landslides and flash floods. The medium-term and long-term solution is to implement the activities of this project, because the activities of the projects themselves aim to help repel and limit natural disasters.

2.4. The Intervention Logic

The underlying intervention logic for this action is that, if landscape-level multipurpose forest management models, restoring carbon sinks and increasing GHG emission removals, are deployed (output 1, outcome 1) in accordance to climate-sensitive, integrated, sustainable forest management plans (output 2, outcome 1) while at the same time improving the effectiveness of forest protection by introducing modern technology for near real time monitoring (output 3, outcome 1), then it is possible to achieve the outcome 1, mitigation and adaptation to climate change through strengthened, sustainable conservation, restoration, and management of forests. This is assuming that the local forestry administration agrees to participate, and provide human resources, in piloting the new models. This is considered feasible because the local administration has expressed commitment to the action during the design process, and because the action is well in line with the national and regional programmes and priorities.

Furthermore, if the production capacity of forest-based products processing facilities, and the human capacity amongst forest owners and forest enterprises is improved, and if they are sufficiently informed of the requirements of the NDC implementation, VNTLAS and EUDR (output 1, outcome 2), and can access ICT decision support systems to ensure traceability of products (output 2, outcome 2), then this will promote climate sensitive, environmentally sustainable forest-based value chains and more equitable and gender balanced involvement of stakeholders (outcome 2). Climate-sensitive, effective, inclusive value chains can be scaled up if the legal framework and collaboration between producers is improved (output 3, outcome 2) and if new types of bio-economy products turn out to be feasible (output 4, outcome 2). These results rely on the assumptions that enterprises are willing to invest in increasing production capacity and that suitable financing mechanisms are available. It is possible to attain the outcome considering rapid growth in wood processing industry and the increasing financing mechanisms available for investors.

If the restoration and conservation of forests is strengthened and the forest-based value chains improved as explained above, it will lead to increased climate resilience, reduced GHG emissions, and sustainable, green and inclusive growth (Impact).

B Af

2.5. Logical Framework Matrix

This indicative logframe constitutes the basis for the monitoring, reporting and evaluation of the intervention.

On the basis of this logframe matrix, a more detailed logframe (or several) may be developed at contracting stage. In case baselines and targets are not available for the action, they should be informed for each indicator at signature of the contract(s) linked to this AD, or in the first progress report at the latest. New columns may be added to set intermediary targets (milestones) for the Output and Outcome indicators whenever it is relevant.

- At inception, the first progress report should include the complete logframe (e.g. including baselines/targets).
- Progress reports should provide an updated logframe with current values for each indicator.
- The final report should enclose the logframe with baseline and final values for each indicator.

The indicative logical framework matrix may evolve during the lifetime of the action depending on the different implementation modalities of this action. The activities, the expected Outputs and related indicators, targets and baselines included in the logframe matrix may be updated during the implementation of the action, no amendment being required to the Financing Decision.

PROJECT MODALITY (3 levels of results / indicators / Source of Data / Assumptions - no activities)

Logical Framework – EU Vietnam Forestry Support Programme

Results	Results chain: Main expected results	Indicators:	Baselines (Values and years)	Targets (Values and years)	Sources of data	Assumptions
Impact	The overall objective is to contribute to green, sustainable and inclusive growth as well as to reduce vulnerability to climate change in Viet Nam.	Overall Objective Indicator 1 Trends in the overall forest cover rate in the Central Highlands and Northwest Region and 5 provinces (trends are improved, or existing positive trends are maintained). <i>Units of measure:</i> - % annual forest cover rate (including natural and planted forest); - % change in the area (ha) of forest cover since 2010.	2010 ^[2] & 2023 ^[3] <u>Central Highlands</u> 2010: 52.5% 2023: 46.3% Change in area of forest cover 2010-23: - 9.7% <u>Northwest Region</u> 2010: 41.8% 2023: 48.8% Change in area of forest cover 2010-23: +15.8% Change in forest coverage 2010-23: +15.8%	Targets for natural forest area by 2030 in the Forestry Master Plan 2021-2030: [] Central Highlands: 2,187,100 ha Kon Tum (now in Quang Ngai) 560,100 ha; Gia Lai 534,250 ha; Dak Lak: 447,760 ha. Northwest Region: 1,617,140 ha Son La 595,250 ha; Dien Bien: 430,470 ha.	a) Forest resource monitoring system managed by VNF (FRMS-FORMIS). b) Annual statistics on forest status at national and provincial level published by the VNF. c) Final evaluation – to assess impacts of the programme in relation to Overall Objective.	Relevant authorities ensure effective land use planning. Relevant authorities control unauthorized conversion of forest land to other uses and can resolve land use and forest use conflicts. Changes in the programme locations (i.e. 11 selected Forest Owners) reflect broader trends at province and regional levels.
		Overall Objective Indicator 2 Trends in the area and quality of natural forest in the Central Highlands and Northwest Region and 5 provinces (trends are improved, or existing positive trends are maintained). <i>Units of measure:</i>	Baseline in 2018 ^[4] & 2023 ^[5] <u>Central Highlands</u> 2018-2023: -113,388 ha/5-years Average: -22,677 ha/yr 2023: 2,093,587 ha. <u>Northwest Region</u>	Rich & medium forest – 45%; poor forest – 55% are improved through restoration by 2030. [] Target for GHG emissions will be set during the baseline. Net forest emissions in the Northwest Region in		

Logical Framework – EU Vietnam Forestry Support Programme

Results	Results chain: Main expected results	Indicators:	Baselines (Values and years)	Targets (Values and years)	Sources of data	Assumptions
		- Change in the area of natural forest over rolling 5 year periods (ha/5-years); - Average annual loss or gain in the area of natural forest in the 5 year period (ha/year). - Assessments of forest quality (% rich, medium, poor natural forest). Overall Objective Indicator 3 GHG emissions avoided and forest carbon sequestration increase projected as a contribution from Land Use, Land-Use Change and Forestry (LULUCF) in the Central	2018-2023: +71,967 ha/5-years Average: +14,939 ha/yr 2023: 1,602,800 ha. Baseline study to determine reference levels (current and projected) with regard to avoided GHG emissions in programme areas	period 2022 to 2030 are 28.8 million tCO₂e. []	programme in relation to Overall Objective. a) Baseline study to be carried out within six months from start of programme. b) Updated NDC/MRV reports (by MAE and provinces).	applied by provinces and Forest Owners.

² Decision No.1828/QĐ-BNN-TCLN (11/08/2011) of MARD on statement of the forest status in 2010.

³ Decision No.816 /QĐ-BNN-KL (20/03/2024) of MARD on the statement of forest status in 2023.

⁴ Decision No.911/QĐ-BNN-TCLN (19/03/2019) of MARD on statement of the forest status in 2018.

⁵ Decision No.816 /QĐ-BNN-KL (20/03/2024) of MARD on the statement of forest status in 2023.

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Logical Framework – EU Vietnam Forestry Support Programme						
Results	Results chain: Main expected results	Indicators:	Baselines (Values and years)	Targets (Values and years)	Sources of data	Assumptions
		Highlands and Northwest Region and 5 provinces. <i>Units of measure:</i> Volume of avoided emissions in tCO ₂ e. - Increase of CO ₂ sequestration as a projection.	(regions and provinces).		c) Final evaluation – to assess impacts of the programme in relation to Overall Objective.	
Outcome 1 (Specific objective 1)	To strengthen climate change mitigation and adaptation capacity in Northwest and Central Highlands regions, through climate-sensitive, sustainable conservation, restoration and management of forests.	Indicator 1 Improved natural forest management and restoration models and policy recommend-actions that are tested and developed by the programme are adopted / replicated at province and/or national levels. <i>Units of measure:</i> - Evidence of such as policy decisions, approved technical instructions and guidelines, programme investments etc.	0	Over the 5-year programme period: - Minimum 7 types of forest restoration and management models tested and developed. - 7 types of forest restoration and management models are implemented at least 21 communities of 11 selected FOs (2 communities per organizational FOs). - Up to 15 studies or assessment on the implementation of regulations and technical guidelines	a) Progress monitoring reports – to include summaries of relevant policy decisions and technical guidelines etc. b) Mid-term and final evaluation – to assess the programme strategy and progress towards achieving the Specific Objective.	Solutions can be found for the effective allocation, management and control of degraded natural forest areas that are currently under the temporary management of the Commune People's Committees. Viable land use and silvicultural techniques for the restoration of degraded natural forests can be developed and are

Logical Framework – EU Vietnam Forestry Support Programme

Results	Results chain: Main expected results	Indicators:	Baselines (Values and years)	Targets (Values and years)	Sources of data	Assumptions
		Indicator 2 Forest restoration and management models that are tested and developed by the programme are positively assessed by stakeholders (leaders and local officials; forestry professionals; forest owners and managers; community level stakeholders). <i>Units of measure:</i> % of stakeholders that positively or negatively assess the models	Baseline values to be established as part of detailed programme planning with the Forest Owners in Year 1, including the calculation of existing carbon stocks; the assessment of forest quality in sample plots; and the identification of significant habitats. ^[6]	are conducted to provide input for competent agencies in the amendment or revision of relevant document. Around two-thirds (65%) of stakeholders positively assess the models (end of project)	Mid-term and final evaluation – to include a stakeholder opinion survey on relevance, effectiveness, and the outcomes and level of success of the models	applied by provinces and FOs. Sources of investment for forest restoration become available for wider application.

⁶ 'Significant habitats' with one or more of the following attributes: comparatively high wildlife density; high species diversity; important wildlife breeding areas; wildlife seasonal ranges or refuge areas along migratory routes; important movement corridors for wildlife; and limited area or high vulnerability to encroachment or damage.

Logical Framework – EU Vietnam Forestry Support Programme

Results	Results chain: Main expected results	Indicators:	Baselines (Values and years)	Targets (Values and years)	Sources of data	Assumptions
		(disaggregated by position and gender). Indicator 3 Improvements in the environmental, conservation, and restoration status of the natural forest areas under the 11 Forest Owners in 5 provinces. <i>Units of measure:</i> - Forest Owner level monitoring indicators: - Landscape monitoring, including GIS tools to monitor avoided deforestation and habitat integrity; - Assessment of forest carbon stocks. - Assessment of quality of natural forest (% rich, medium, poor).		Over the 5-year programme period: Deforestation – zero. Habitat integrity – no loss of significant or vulnerable habitats or indicator species. Carbon stocks – increase by ‘X’ %. Forest quality – recorded improvement in sample plots.	a) Forest Owner level monitoring indicators. b) Province statistics reported by DAE. Progress monitoring reports – to include a summary and analysis of the results from 11 FOs and 5 provinces.	
Outcome 2 (specific	To promote climate-sensitive, environmentally sustainable forest-based	Indicator 1 Forest product-based	Baseline situation of the selected value chains to be determined		Progress monitoring reports – to include a summary of relevant	Local authorities, enterprises and communities

Logical Framework – EU Vietnam Forestry Support Programme

Results	Results chain: Main expected results	Indicators:	Baselines (Values and years)	Targets (Values and years)	Sources of data	Assumptions
objective 2)	value chains with more equitable, inclusive and gender-balanced involvement of all stakeholders.	value chains and local projects promoted by the programme are climate-sensitive and environmentally sustainable. <i>Units of measure:</i> Forest Owner level monitoring indicators: - Overall production (quantity/year) and turnover (VND/year) of the value chains and local initiatives supported by the programme; - Conventions or regulations agreed by communities, FOs, and enterprises on climate sensitivity and environmental sustainability for the local projects. - Evidence of relevant technical guidance provided by the programme.	as part of detailed programme planning with the Forest Owners in Year 1.	02 guidelines prepared for (i) environmentally friendly tourism and (ii) NTFPs by end of Year 1. Over the 5-year programme period: - 02 NTFP value chains per FO or locality - Conventions agreed by communities, FOs and enterprises – 100% of local initiatives.	technical guidance and conventions etc. a) Mid-term and final evaluation – to assess the programme strategy and progress towards achieving the Specific Objective.	acknowledge and support the climate-sensitive and sustainable elements in the development of a forest-based value-chain

Logical Framework – EU Vietnam Forestry Support Programme

Results	Results chain: Main expected results	Indicators:	Baselines (Values and years)	Targets (Values and years)	Sources of data	Assumptions
		Indicator 2 Local people, including men and women and ethnic minorities, can participate equitably in the development of the forest product value chains and local initiatives. <i>Units of measure:</i> Forest Owner level monitoring indicators: - Number and proportion of house-holds and people that are regularly engaged or employed in the value chains and local initiatives (disaggregated by ethnic group and gender). - Average annual incomes from forest products and services (VND/year) recorded for a sample of households,	Baseline situation of the selected value chains to be determined as part of detailed programme planning with the Forest Owners in Year 1.	To be determined upon the baseline.	a) Forest Owner level monitoring indicators. b) Provincial statistics reported by DAE. c) Progress monitoring reports – to include a synthesis of results from 5 provinces and 11 Forest Owners	

ANNEX II - GENERAL CONDITIONS

Contents

Part One: Provisions Applicable to Activities for which the Partner is the Contracting

Authority.....	2
Article 1 - General principles	2
Article 2 - Deadline for the signature of procurement contracts by the Partner.....	4
Article 3 - Exclusion and administrative actions.....	4
Article 4 - Partial delegation.....	5
Article 5 - [empty]	7
Article 6 - [empty]	7
Article 7 - Publication of information on procurement contracts by the Partner	7
Article 8 - Recovery of funds	7
Article 9 - Financial claims under procurement contracts.....	9
Article 10 - Cost overruns and ways of financing them	9

Part Two: Provisions Applicable to Budget Support

Article 11 - Policy dialogue.....	9
Article 12 - Verification of conditions and disbursement	9
Article 13 - Transparency of budget support.....	10
Article 14 - Recovery of budget support	10

Part Three: Provisions Applicable to this Action as a Whole, Irrespective of the Management

Mode.....	10
Article 15 - Signature, Execution period and contracting deadline	10
Article 16 - Verifications and checks by the Commission, the European Anti-Fraud Office (OLAF), the European Public Prosecutor Office (EPPO) and the European Court of Auditors.....	11
Article 17 - Obligations of the Partner regarding information, irregularities, fraud and corruption	11
Article 18 - Suspension of payments	12
Article 19 - Approval of key experts under service contracts - use and ownership of supplies financed by the EU contribution	13
Article 20 - Right of establishment and residence.....	13
Article 21 - Tax provisions.....	13
Article 22 - Confidentiality.....	14
Article 23 - Use of studies	14
Article 24 - Consultation between the Partner and the Commission.....	14
Article 25 - Amendment of this Financing Agreement	14
Article 26 - Suspension of this Financing Agreement.....	15
Article 27 - Termination of this Financing Agreement	16
Article 28 - Dispute settlement arrangements	16

Part One: Provisions Applicable to Activities for which the Partner is the Contracting Authority

Article 1 - General principles

- 1.1 The purpose of Part One is to define the tasks entrusted to the Partner in indirect management as described in Annex I (Technical and Administrative Provisions) and to define the rights and obligations of the Partner and of the Commission in carrying out these tasks.

Part One shall apply to the tasks related to the EU contribution alone or in combination with the funds of the Partner or of a third party where such funds are pooled and thus implemented in joint co-financing.

These tasks encompass the implementation by the Partner as contracting authority of procedures for the award of procurement contracts as well as the awarding, signing and enforcing of the resulting procurement contracts.

As contracting authority, the Partner shall act under partial delegation. Under partial delegation, the Partner acts as contracting authority for procurement contracts, whereby the Commission controls ex ante all award procedures and executes all related payments to the contractors.

- 1.2 The Partner shall remain responsible for the fulfilment of the obligations stipulated in this Financing Agreement even if it designates other entities identified in Annex I (Technical and Administrative Provisions) to carry out certain tasks, including entities pertaining to the Partner's government or administrative structure. Such entities shall respect the rights and obligations laid down in Part One for the Partner as contracting authorities. The Commission, in particular, reserves the right to suspend payments, and to suspend and/or terminate this Financing Agreement on the basis of the acts, omissions and/or situations of any designated entity. References in the Financing Agreement to Partner also encompass those entities.
- 1.3 The Partner shall set up and ensure the functioning of an effective and efficient internal control system. The Partner shall respect the principles of sound financial management, transparency, non-discrimination, visibility of the European Union in the implementation of the action and avoid situations of conflict of interest.

A conflict of interest exists where the impartial and objective exercise of the functions of any responsible person is compromised for reasons involving family, emotional life, political or national affinity, economic interest or any other direct or indirect personal interest.

Internal control system is a process aimed at providing reasonable assurance that operations are effective, efficient and economical, that the reporting is reliable, that assets and information are safeguarded, that fraud and irregularities are prevented, detected and corrected, and that risks relating to the legality and regularity of the financial operation are adequately managed, taking into account the multiannual character of the activities as well as the nature of the payments concerned.

- 1.4 The Partner shall conduct the procurement award procedures and conclude the resulting contracts in the language of this Financing Agreement. The project shall be implemented under the responsibility of the Partner with the approval of the Commission.
- 1.5 The Partner shall take the necessary measures to ensure the visibility of EU funding for the activities entrusted to it or for other activities under this action in line with the requirements in the 2022 "Communicating and Raising EU visibility: Guidelines for External Action" or any successor document. These measures shall either be defined in Annex I (Technical and Administrative Provisions) or shall be agreed later between the Partner and the Commission.
- 1.6 Under partial delegation, the Partner shall keep all relevant financial and contractual supporting documents from the date of the entry into force of this Financing Agreement or as from an earlier

date which is stipulated as the start date of the period of execution for five years as from the end of the execution period, in particular, the following:

Procurement procedures:

- a. Prior information notice and contract notice with proof of publication and any corrigenda;
- b. Appointment of shortlist panel;
- c. Shortlist report (incl. annexes) and requests to participate;
- d. Letters to non-shortlisted candidates;
- e. Invitation to tender or equivalent;
- f. Tender dossier including annexes, clarifications, minutes of the meetings, proof of publication;
- g. Appointment of the evaluation committee;
- h. Tender opening report, including annexes;
- j. Evaluation / negotiation report, including annexes and bids received¹;
- k. Notification letter;
- l. Supporting documents;
- m. Cover letter for submission of contract;
- n. Letters to unsuccessful candidates;
- o. Award (including shortlist notice) / cancellation notice, including proof of publication;
- p. Signed contracts, addenda, and relevant correspondence.

- 1.7 The Partner shall ensure an appropriate protection of personal data. Personal data means any information relating to an identified or identifiable natural person.

Personal data shall be:

- a. Processed lawfully, fairly and in a transparent manner in relation to the data subject;
- b. Collected for specified, explicit and legitimate purposes and not further processed in a manner that is incompatible with those purposes;
- c. Adequate, relevant and limited to what is necessary in relation to the purposes for which they are processed;
- d. Accurate and, where necessary, kept up to date;
- e. Processed in a manner that ensures appropriate security of the personal data; and
- f. Kept in a form which permits identification of data subjects for no longer than is necessary for the purposes for which the personal data are processed. Personal data included in documents to be kept by the Partner in accordance with Article 16.1 has to be deleted once the deadline set out in Article 16.1 has expired.

Any operation involving the processing of personal data, such as collection, recording, organisation, storage, adaption or alteration, retrieval, consultation, use, disclosure, erasure or destruction, shall be based on rules and procedures of the Partner and shall only be done as far as it is necessary for the implementation of this Financing Agreement.

In particular, the Partner shall take appropriate technical and organisational security measures concerning the risks inherent in any such operation and the nature of the information relating to the natural person concerned, in order to:

- a. Prevent any unauthorised person from gaining access to computer systems performing such

¹ Elimination of unsuccessful bids five years after the closure of the procurement procedure

operations, and especially unauthorised reading, copying, alteration or removal of storage media; unauthorised data input as well as any unauthorised disclosure, alteration or erasure of stored information;

- b. Ensure that authorised users of an IT system performing such operations can access only the information to which their access right refers;
- c. Design its organisational structure in such a way that it meets the above requirements.

Article 2 - Deadline for the signature of procurement contracts by the Partner

- 2.1 The procurement contracts shall be signed during the operational implementation period of this Financing Agreement.

When implementing a multi-donor Action, the procurement contracts shall be concluded within the contracting deadline set out in the Special Conditions.

When the Action is not a multi-donor Action, procurement contracts shall be concluded at the latest within three years of the entry into force of this Financing Agreement.

Additional procurement contracts resulting from an amendment to this Financing Agreement which increases the EU contribution shall be signed at the latest within three years of the entry into force of that amendment to this Financing Agreement, or for a multi-donor Action within the fixed contracting deadline for the additional EU contribution.

The three years-deadline for non-multi-donor Actions may not be extended.

- 2.2 However, the following transactions may be signed at any time during the operational implementation period:

- a. amendments to procurement contracts already signed;
- b. procurement contracts to be concluded after early termination of existing procurement contracts;
- c. contracts relating to audit and evaluation, which may also be signed during the closure period.

- 2.3 After expiry of the deadlines referred to in Article 2.1, the financial balance for the related activities entrusted to the Partner for which contracts have not been duly signed shall be decommitted by the Commission.

- 2.4 No such decommitment shall apply to the funds budgeted for audit and evaluations referred to in Article 2.2.c).

Likewise, no such decommitment shall apply to any financial balance of the contingency reserve or to funds available again after early termination of a contract referred to in Article 2.2.b), which both may be used to finance contracts referred to in Article 2.2.

Article 3 - Exclusion and administrative actions

- 3.1 When applying the procedures and standard documents laid down and published by the Commission for the award of procurement contracts, the Partner shall accordingly ensure that no EU financed procurement contract is awarded to a legal or natural person in one of the exclusion situations provided for in the relevant procedures and standard documents of the Commission.
- 3.2 The Partner shall inform the Commission when an economic operator is in a situation referred to in Article 3.1.

- 3.3 Where the Partner becomes aware of one of the situations referred to in Article 3.1 in the implementation of the tasks described in Annex I, the Partner shall, under the conditions of its national legislation, impose upon the economic operator, an exclusion from its future procurement award procedures and/or a financial penalty proportional to the value of the contract concerned. Such financial penalties or exclusions shall be imposed following an adversarial procedure ensuring the right of defence of the person concerned.

The Partner may be exempted from the obligations under the first paragraph where:

- the Partner's national legislation does not allow to impose an exclusion and/or a financial penalty,
- the protection of the EU's financial interests requires to impose an administrative action within deadlines incompatible with the Partner's internal procedures,
- the imposition of an administrative action requires a mobilisation of resources beyond the Partner's means,
- its national legislation does not allow to exclude an economic operator from all EU financed procurement award procedures.

In such cases, the Partner will notify its impediment to the Commission. The Commission may decide to impose to the economic operator an exclusion from future EU financed award procedures and/or a financial penalty not exceeding 10 % of the total value of the contract concerned.

Article 4 - Partial delegation

Procurement award procedures

- 4.1 The tasks shall be carried out by the Partner in accordance with the procedures and standard documents laid down and published by the Commission for the award of procurement contracts, in force at the time of the launch of the procedure in question.

Ex ante control

- 4.2 To allow ex ante control, the Partner shall submit tender dossiers or negotiated procedure to the Commission for approval before launching invitations to tender or negotiations. Likewise, the Partner shall invite the Commission to the opening of tenders and shall provide the Commission with copies of tenders received. The Partner shall notify the Commission of the results of the examination of tenders or negotiation and shall submit the award proposal, as well as the draft procurement contracts to the Commission for approval.

During the implementation of the procurement contracts, the Partner shall equally submit draft addenda and draft administrative orders thereto, to the Commission for prior approval.

The Partner shall invite the Commission for provisional and final acceptance.

Report and Management Declaration

- 4.3 The report on the implementation of the tasks entrusted to the Partner shall follow the template provided in Annex III and the management declaration shall follow the template provided in Annex IV. An independent external audit opinion on the management declaration, performed in accordance with internationally accepted auditing standards, does not have to be provided in this case as the Commission shall conduct the audits for this action. These audits will verify the truthfulness of the assertions made in the management declaration and the legality and regularity of the underlying transactions made.

Payment procedures

- 4.4 The Partner shall provide the Commission with the approved payment requests within the

following deadlines, starting from the date of receipt of the payment request, not counting the periods of suspension of the time-limit for payment:

- (a) 15 calendar days for pre-financing specified in the procurement contract;
- (b) 45 calendar days for other payments.

The Commission shall act in accordance with Articles 4.9 and 4.10 within the period amounting to the time-limit for payment provided for in the procurement contract minus the above deadlines.

- 4.5 Upon receipt of a payment request from a contractor, the Partner shall inform the Commission of its receipt and shall immediately examine whether the request is admissible, i.e. whether it contains the identification of that contractor, the contract concerned, the amount, the currency and the date. If the Partner concludes that the request is inadmissible, it shall reject it and inform the contractor of this rejection and of its reasons within 30 days of receipt of the request. The Partner shall also inform the Commission of this rejection and its reasons.
- 4.6 Upon receipt of an admissible payment request, the Partner shall examine whether a payment is due, i.e. whether all contractual obligations justifying the payment have been fulfilled, including examining a report, where applicable. If the Partner concludes that a payment is not due, it shall inform the contractor thereof and of the reasons. The dispatch of this information suspends the time-limit for payment. The Commission shall receive a copy of the information so dispatched. The Commission shall also be informed of the reply or corrective action of the contractor. That reply or action aimed at correcting the non-compliance with its contractual obligations shall restart the time-limit for payment. The Partner shall examine this reply or action pursuant to this paragraph.
- 4.7 If the Commission disagrees with the Partner's conclusion that a payment is not due, it shall inform the Partner thereof. The Partner shall re-examine its positions and, if it concludes that the payment is due, it shall inform thereof the contractor. The suspension of the time-limit for payment shall be lifted upon dispatch of this information. The Partner shall also inform the Commission. The Partner shall further proceed as provided for in Article 4.8.

If disagreement between the Partner and the Commission persists, the Commission may pay the undisputed part of the invoiced amount provided that it is clearly separable from the disputed amount. It shall inform the Partner and the contractor of this partial payment.

- 4.8 Where the Partner concludes that the payment is due, it shall transfer the payment request and all necessary accompanying documents to the Commission for approval and payment. It shall provide an overview of how many days of the time-limit for payment are left and of all periods of suspension of this time-limit.
- 4.9 After transfer of the payment request pursuant to Article 4.8, if the Commission concludes that the payment is not due, it shall inform the Partner and, in copy, the contractor thereof and of the reasons. Informing the contractor shall have the effect of suspending the time-limit for payment, as provided for in the contract concluded. A reply or corrective action of the contractor shall be treated by the Partner in accordance with Article 4.6.
- 4.10 Where the Partner and the Commission conclude that the payment is due, the Commission shall execute the payment.
- 4.11 Where late-payment interest is due to the contractor, it shall be allocated between the Partner and the Commission pro rata to the days of delay in excess of the time limits stipulated in Article 4.4, subject to the following:
 - (a) the number of days used by the Partner is calculated from the date of the registration of an admissible payment request referred to in Article 4.6 to the date of the transfer of the request to the Commission referred to in Article 4.8 and from the date of information by the Commission referred to Article 4.9 to the following transfer of the request to the Commission referred to in Article 4.8. Any period of suspension of the time-limit for

payment shall be deducted.

- (b) the number of days used by the Commission is calculated from the date following that of transfer of the request by the Partner referred to in Article 4.8 to the date of payment and from the date of transfer to the date of informing the Partner pursuant to Article 4.9.

- 4.12 Any circumstances unforeseen by the above procedure shall be solved in a spirit of cooperation between the Partner and the Commission by analogy to the above provisions while respecting the contractual relations of the Partner with the contractor.

Where feasible, one party shall cooperate at the request of the other party in providing useful information for the assessment of the payment request, even before the payment request is formally transferred to or returned from the first party.

- 4.13 A procurement contract which has not given rise to any payment within two years of its signature shall be automatically terminated and its funding shall be decommitted, except in case of litigation before judicial courts or arbitral bodies.

Article 5 - [empty]

Article 6 - [empty]

Article 7 - Publication of information on procurement contracts by the Partner

Where the Commission carries out payments to contractors, it shall ensure the publication of information on procurement contracts according to its rules.

The Partner shall promptly inform the Commission of the initiation of any arbitration proceedings resulting from a procurement contract and promptly communicate to the Commission any resulting arbitral award. The Partner agrees that, at the request of the arbitral tribunal, the Commission shall publish any arbitral award resulting from a procurement contract, after anonymisation, on the Commission's external website.

Article 8 - Recovery of funds

- 8.1 The Partner shall be responsible for the recovery of any unduly paid funds. For that purpose, the Partner shall take any appropriate measures.

The following amounts paid to the Partner shall be returned to the Commission:

- (i) amounts unduly paid and recovered by the Partner by any means;
 - (ii) amounts resulting from execution of financial guarantees;
 - (iii) contractual damages paid or awarded to the Partner.
- 8.2 Without prejudice to the responsibility of the Partner to recover funds unduly paid, the Partner agrees that the Commission may, in accordance with the provisions of this Financing Agreement, formally establish an amount as being unduly paid and proceed to its recovery by any means on behalf of the Partner, including by calling on a guarantee of a contractor of which the Partner is the contracting authority or by offsetting the funds to be recovered against any amounts owed to the contractor financed by the EU. To this end, the Partner shall provide to the Commission all necessary documentation and information.
- 8.3 Where the Partner considers that any amounts need to be recovered, it shall seek the Commission's agreement thereon.

Where the Commission agrees with the Partner or where the Commission on its own initiative

considers that amounts need to be recovered as a result of an ex-post control, including audits, OLAF report, the Commission shall communicate to the Partner the legal basis, reasons and amount of the recovery.

Within one month of the Commission communicating to the Partner the amounts to be recovered, the Partner shall issue the related prior information letter to the relevant contractor(s). The prior information letter shall indicate:

- the reasons for the planned recovery;
- a deadline of two weeks for the contractor to submit his observations;
- that the prior information letter constitutes a request for amicable settlement within the meaning of the general conditions of the contract;
- that, if after receiving the contractor's comments, the Partner considers the recovery still justified, the Partner will instruct the Commission to issue a debit note on its behalf;
- that such a debit note will require payment before the expiry date, after which interest on late payment will be due at the rate fixed in the debit note;
- that the Partner allows also the Commission to proceed to recovery on its behalf, by any means available, including by calling the relevant guarantee and offsetting the amount to be recovered against any amounts owed to the contractor financed by the EU;
- that the Partner confirms that reimbursement to the Commission shall discharge the contractor from repaying to the Partner.

8.4 Within two months of issuing the prior information letter, the Partner will communicate such observations (or the absence thereof), as well as the Partner's assessment whether recovery is still considered justified, to the Commission.

Subsequently, as the case may be, the Commission shall issue a debit note to the contractor.

In case of recovery of the amount of the Commission's debit note, either by means of voluntary payment by the contractor or through off-setting or calling of a guarantee, the Commission shall inform the Partner thereof.

Where the amount is not fully recovered, the Commission shall inform the Partner.

8.5. Within three months of that information, the Partner shall initiate judicial or arbitral proceedings against the contractor as provided for in the relevant contract, unless such proceedings would be unjustified because:

- the foreseeable cost of recovery would exceed the amount to be recovered; or
- the amount cannot be recovered in view of its age, of delay in the dispatch of the debit note, of the insolvency of the debtor, or of any other insolvency proceedings.

The Partner shall inform the Commission whether the recovery proceedings have been initiated (including where necessary before a national court) and, subsequently, whether they have been successful.

8.6 Where the Partner is a grant beneficiary of an entity with which the Commission concluded a contribution agreement, the Commission may recover funds from the Partner which are due to the entity but which the entity was not able to recover itself.

8.7 Where the Partner is in breach of its obligation to recover the funds unduly paid, and fails to take

the appropriate measures to recover these funds, including by failing to call a guarantee, to timely send the prior information letter to the contractor or to initiate relevant legal actions against the contractor, the Commission may recover the funds unduly paid from the Partner.

- 8.8 The Commission may accept, based on a justified request from the Partner, to extend the deadlines mentioned in Articles 8.3, 8.4 and 8.5.

Article 9 - Financial claims under procurement contracts

The Partner undertakes to confer with the Commission before taking any decision concerning a request for compensation made by a contractor and considered by the Partner to be justified in whole or in part. The financial consequences may be borne by the EU only where the Commission has given its prior authorisation. Such prior authorisation is also required for any use of funds committed under the present Financing Agreement to cover costs arising from disputes relating to contracts.

Article 10 - Cost overruns and ways of financing them

- 10.1 Individual overruns of the budget headings of the activities implemented by the Partner shall be dealt with by reallocating funds within the overall budget, in accordance with Article 25 of these General Conditions.
- 10.2 Wherever there is a risk of overrunning the amount foreseen for the activity implemented by the Partner, the Partner shall immediately inform the Commission and seek its prior authorisation for the corrective activities planned to cover the overrun, proposing either to scale down the activities or to draw on its own or other non-EU resources.
- 10.3 If the activities cannot be scaled down, or if the overrun cannot be covered either by the Partner's own resources or other resources, the Commission may, at the Partner's duly substantiated request, decide to grant additional EU financing. Should the Commission take such a decision, the excess costs shall be financed, without prejudice to the relevant EU rules and procedures, by the release of an additional financial contribution to be set by the Commission. This Financing Agreement shall be amended accordingly.

Part Two: Provisions Applicable to Budget Support

Article 11 - Policy dialogue

The Partner and the EU commit to engage in a regular constructive dialogue at the appropriate level on the implementation of this Financing Agreement.

Where the Partner is a signatory to the OACPS-EU Partnership Agreement, this dialogue may form a part of the broader political dialogue provided for in Article 3 of the OACPS-EU Partnership Agreement, or legal instrument replacing the OACPS-EU Partnership Agreement.

Article 12 - Verification of conditions and disbursement

- 12.1 The Commission shall verify the conditions for the payment of the tranches of the budget support component, as identified in Annex I (Technical and Administrative Provisions).

Where the Commission concludes that the conditions for payment are not fulfilled, it shall inform the Partner thereof without undue delay.

- 12.2 Disbursement requests submitted by the Partner shall be eligible for EU financing provided that

they are in accordance with the provisions set out in Annex I (Technical and Administrative Provisions) and that they are submitted during the operational implementation period.

- 12.3 The Partner shall apply its national foreign exchange regulations in a nondiscriminatory manner to all disbursements of the budget support component.

Article 13 - Transparency of budget support

The Partner hereby agrees to the publication by the Commission, of this Financing Agreement and any amendment thereof, including by electronic means, and of such basic information on the budget support which the Commission deems appropriate. Such publication shall not contain any data in violation of the EU laws applicable to the protection of personal data.

Article 14 - Recovery of budget support

All or part of the budget support disbursements may be recovered by the Commission, with due respect to the principle of proportionality, if the Commission establishes that payment has been vitiated by a serious irregularity attributable to the Partner, in particular if the Partner provided unreliable or incorrect information, or if corruption or fraud was involved.

Part Three: Provisions Applicable to this Action as a Whole, Irrespective of the Management Mode

Article 15 – Signature, Execution period and contracting deadline

- 15.1 The execution period of this Financing Agreement shall comprise two periods:

- an operational implementation period, in which the operational activities of the action are carried out. This period shall start on the entry into force of this Financing Agreement or on the date stipulated in the Special Conditions and end with the opening of the closure period;
- a closure period, during which final audit and evaluation are carried out and contracts for the implementation of this Financing Agreement are technically and financially closed. The duration of this period is stipulated in Article 2.3 of the Special Conditions. It starts after the end of the operational implementation period.

These periods shall be reflected in the contracts and agreements to be concluded by the Partner and by the Commission in the implementation of this Financing Agreement.

- 15.2 Costs related to the operational activities shall be eligible for EU financing only if they have been incurred during the operational implementation period. Costs related to final audits and evaluation, to closure activities shall be eligible until the end of the closure period.
- 15.3 Any balance remaining from the EU contribution shall be automatically decommitted no later than six months after the end of the execution period.
- 15.4 In exceptional and duly substantiated cases, a request may be made for the extension of the operational implementation period or the closure period, as well as correlatively of the execution period. If agreed upon, the Financing Agreement shall be amended accordingly.
- 15.5 Article 2 of these General Conditions shall apply to procurement contracts, as well as grant and contribution agreements awarded by the Commission as contracting authority. The agreements for blending operations may be concluded at any time within the operational implementation period.
- 15.6 In case any of the Parties signs the Financing Agreement, amendments to the latter or any other document required for the implementation of the Financing Agreement using qualified electronic

signature(s), the Parties shall accept the validity of such qualified electronic signature and recognise the latter as equivalent to a hand-written signature, provided that it is compliant with Regulation (EU) No 910/2014 of the European Parliament and of the Council of 23 July 2014 on electronic identification and trust services for electronic transactions in the internal market and repealing Directive 1999/93/EC.

Article 16 - Verifications and checks by the Commission, the European Anti-Fraud Office (OLAF), the European Public Prosecutor Office (EPPO) and the European Court of Auditors

- 16.1 The Partner shall assist and support the verifications and checks carried out by the Commission, OLAF, EPPO and the European Court of Auditors at their request.

The Partner agrees to the Commission, EPPO, OLAF and the European Court of Auditors conducting documentary and on-the-spot controls on the use made of EU financing under the activities under this Financing Agreement and carrying out a full audit, if necessary, on the basis of supporting documents of accounts and accounting documents and any other documents relating to the financing of the activities, throughout the duration of this Financing Agreement and for five years from the end of the execution period.

- 16.2 The Partner also agrees that EPPO and OLAF may carry out on-the-spot checks and verifications in accordance with the procedures laid down by EU law for the protection of the EU's financial interests against fraud and other irregularities.

To that end, the Partner shall grant officials of the Commission, EPPO, OLAF and the European Court of Auditors and their authorised agents access to sites and premises at which operations financed under this Financing Agreement are carried out, including their computer systems, and to any documents and computerised data concerning the technical and financial management of those operations, and to take every appropriate measure to facilitate their work. Access by authorised agents of the Commission, EPPO, OLAF and the European Court of Auditors shall be granted on conditions of strict confidentiality with regard to third parties, without prejudice to public law obligations to which they are subject. Documents must be accessible and filed in a manner permitting easy inspection, the Partner being bound to inform the Commission, EPPO, OLAF or the European Court of Auditors of the exact location at which they are kept.

- 16.3 The Partner shall be notified of on-the-spot missions by agents appointed by the Commission, OLAF or the European Court of Auditors.

Article 17 - Obligations of the Partner regarding information, irregularities, fraud and corruption

- 17.1 The Partner shall notify the Commission without delay of any circumstances likely to adversely affect the implementation and management of the action, or to delay or jeopardise the performance of the activities, including any credible allegations of violations of human rights or of conduct leading to sexual or other exploitation or abuse and/or sexual harassment.

- 17.2 The Partner shall ensure and check regularly that the actions financed from the budget are effectively carried out and implemented correctly. It shall take appropriate measures to prevent, detect and correct irregularities and fraud and where necessary, bring prosecutions and recover funds unduly paid. The Partner shall inform the Commission when an economic operator has been found in serious breach of its contractual obligations.

"Irregularity" shall mean any infringement of this Financing Agreement, implementing contracts or of EU law resulting from an act or omission by anyone who has, or would have, the effect of prejudicing the funds of the EU, either by reducing or losing revenue owed to the EU, or by an unjustified item of expenditure.

"Fraud" shall mean any intentional act or omission concerning:

- the use or presentation of false, incorrect or incomplete, statements or documents which has

as its effect the misappropriation or wrongful retention of funds from the general budget of the EU;

- non-disclosure of information in violation of a specific obligation, with the same effect;
- the misapplication of such funds for purposes other than those for which they are originally granted.

17.3 The Partner undertakes to take every appropriate measure to prevent, detect and punish any practices of active or passive corruption during the implementation of the Financing Agreement.

"Passive corruption" shall mean the deliberate action of an official, who, directly or through an intermediary, requests or receives advantages of any kind whatsoever, for himself or for a third party, or accepts a promise of such an advantage, to act or refrain from acting in accordance with his duty or in the exercise of his functions in breach of his official duties, which has, or would have, the effect of harming the EU's financial interests.

"Active corruption" shall mean the deliberate action of whosoever promises or gives, directly or through an intermediary, an advantage of any kind whatsoever to an official, for himself or for a third party, to act or refrain from acting in accordance with his duty or in the exercise of his functions in breach of his official duties, which has, or would have, the effect of harming the EU's financial interests.

17.4 The Partner shall inform the Commission without delay of cases of established fraud and irregularities and their follow-up as well as of any information relating to suspected cases of fraud, corruption or any other illegal activity affecting the financial interests of the Union.

17.5 If the Partner does not take appropriate measures to prevent fraud, irregularities, corruption, or of any other illegal activity affecting the financial interests of the Union, the Commission may adopt precautionary measures including the suspension of this Financing Agreement.

Article 18 - Suspension of payments

18.1 Without prejudice to the suspension or termination of this Financing Agreement according to Articles 26 and 27, respectively, the Commission may suspend payments partially or fully, if:

- a) the Commission has established or suspects that the Partner has committed substantial errors, irregularities or fraud in the procurement award procedure or in the implementation of the action, or the Partner has failed to comply with its obligations under this Financing Agreement, including obligations regarding the implementation of the Communication and Visibility plan as well as ;
- b) the Commission has established or suspects that the Partner has committed systemic or recurrent errors, irregularities, fraud or breach of obligations under this or other Financing Agreements, provided that those errors, irregularities, fraud or breach of obligations have a material impact on the implementation on this Financing Agreement or call into question the reliability of the Partner's internal control system or the legality and regularity of the underlying expenditure;
- c) the Commission has established or suspects that the Partner has failed to respect the principles of international law, including the principles as referred to in the United Nations Charter, the principles of democracy, human dignity, equality, the rule of law or good governance, or respect for human rights, including the rights of persons belonging to minorities, and freedom or for internationally recognised nuclear safety standards, in serious cases of corruption or if the Partner is guilty of grave professional misconduct proven by any justified means. Grave professional misconduct is to be understood as any of the following:
 - a violation of applicable laws or regulations or ethical standards of the profession to which a person or entity belongs, including any conduct leading to sexual or other

- exploitation or abuse and/or sexual harassment, or
 - any wrongful conduct of a person or entity which has an impact on its professional credibility where such conduct denotes wrongful intent or gross negligence.
 - d) it is necessary to prevent significant damage to the financial interests of the EU.
- 18.2 The Commission shall immediately inform the Partner about the suspension of payments and of the reasons for this suspension.
- 18.3 The suspension of payments shall have the effect of suspending payment time-limits for any payment request pending.
- 18.4 In order to resume payments the Partner shall endeavour to remedy the situation leading to the suspension as soon as possible and shall inform the Commission of any progress made in this respect. The Commission shall, as soon as it considers that the conditions for resuming payments have been met, inform the Partner thereof.

Article 19 - Approval of key experts under service contracts - use and ownership of supplies financed by the EU contribution

- 19.1 Where the Commission is the contracting authority for a service contract and requests the Partner's approval of proposed key expert(s), the Partner shall not withhold its approval unless it submits duly substantiated and justified objections to the proposed key expert(s) in writing to the Commission within 15 days of the date of the request for approval. Beyond that date, the key expert(s) shall be deemed to be approved.
- 19.2 Where the Commission is the contracting authority for a supply contract, the Partner shall assume full ownership and liability with regard to the supplies delivered, immediately after their provisional acceptance.
- 19.3 The equipment, vehicles and remaining major supplies purchased with the EU contribution shall be used by the Partner, including after the execution period of this Financing Agreement, with respect for human dignity, freedom, democracy, equality, the rule of law and respect for human rights, including the rights of persons belonging to minorities.

Where the equipment, vehicles and remaining major supplies purchased with the EU contribution are transferred by the Partner to a third party, the Partner undertakes to require such third party to comply with the obligations set forth in the preceding subparagraph.

Article 20 - Right of establishment and residence

- 20.1 Where justified by the nature of the procurement contract, grant or contribution agreement, the Partner shall entitle natural and legal persons participating in invitations to tender for works, supply or service contracts or calls for proposals and organisations expected to sign contribution agreements with a provisional right of establishment and residence in the Partner's territory(ies). This right shall remain valid for one month after the contract is awarded.
- 20.2 The Partner shall also entitle procurement contractors, grant beneficiaries, organisations having signed contribution agreements and natural persons whose services are required for the performance of this action and members of their families with similar rights during the implementation of the action.

Article 21 - Tax provisions

The EU contribution under this agreement shall not generate or activate the collection of specific taxes, duties or charges (i.e. taxes, duties or charges that are levied specifically and exclusively on EU funding).

Article 22 - Confidentiality

- 22.1 The Partner agrees that documents and information related to the Action and held by any entity may be forwarded to the Commission, by that entity, for the sole purpose of implementing this or another Financing Agreement.
- 22.2 Without prejudice to Article 16 of these General Conditions, the Partner and the Commission shall preserve the confidentiality of any document, information or other material directly related to the implementation of this Financing Agreement that is classified as confidential.
- 22.3 The Parties shall obtain each other's prior written consent before publicly disclosing such information.
- 22.4 The Parties shall remain bound by the confidentiality until five years after the end of the execution period.
- 22.5 The Partner shall also comply with the obligations under Article 1.7 where the Commission provides personal data to the Partner, for example in the context of procedures and contracts managed by the Commission.

Article 23 - Use of studies

The contract related to any study financed under this Financing Agreement shall include the right for the Partner and for the Commission to use the study, to publish it and to disclose it to third parties.

Article 24 - Consultation between the Partner and the Commission

- 24.1 The Partner and the Commission shall consult each other before taking any dispute relating to the implementation or interpretation of this Financing Agreement further pursuant to Article 28 of these General Conditions.
- 24.2 Where the Commission becomes aware of problems in carrying out procedures relating to management of this Financing Agreement, it shall establish all necessary contacts with the Partner to remedy the situation and take any steps that are necessary.
- 24.3 The consultation may lead to the amendment, suspension or termination of this Financing Agreement.
- 24.4 The Commission shall regularly inform the Partner of the implementation of activities described in Annex I which do not fall under Parts One and Two of these General Conditions.

Article 25 - Amendment of this Financing Agreement

- 25.1 Any amendment of this Financing Agreement shall be made in writing, including an exchange of letters.
- 25.2 If the request for an amendment comes from the Partner, the latter shall submit that request to the Commission at least three months before the amendment is intended to enter into force, except in cases which are duly substantiated by the Partner and accepted by the Commission. In the exceptional cases of an adjustment of the objectives of the action and/or an increase in the EU contribution, such request shall be submitted at least six months before the amendment is intended to enter into force.
- 25.3 If the adjustment both does not significantly affect the objectives of the activity implemented pursuant to Part One of these General Conditions, and if it concerns matters of detail which do not affect the technical solution adopted, and if it does not include the reallocation of funds, or if it concerns reallocations of funds for an amount equivalent to the amount of the contingency reserve, the Partner shall inform the Commission of the adjustment and its justification in writing

as soon as possible and may apply that adjustment.

- 25.4 The use of the contingency reserve provided for an action shall be subject to the Commission's prior written approval.
- 25.5 Where the Commission considers that the Partner ceases to perform satisfactorily the tasks entrusted pursuant to Article 1.1 of these General Conditions and without prejudice to Articles 26 and 27 of these General Conditions, the Commission may decide to retake the tasks entrusted from the Partner in order to continue the implementation of the activities on behalf of the Partner after informing the latter in writing.

Article 26 - Suspension of this Financing Agreement

26.1 The Financing Agreement may be suspended by the Commission in any of the following cases:

- a. the Partner breaches an obligation under this Financing Agreement.
- b. the Partner breaches any obligation set under the procedures and standard documents referred to in Articles 1 and 4 of these General Conditions.
- c. the Partner fails to respect the principles of international law, including the principles as referred to in the United Nations Charter, the principles of democracy, human dignity, equality, the rule of law or good governance, or respect for human rights, including the rights of persons belonging to minorities, and freedom or for internationally recognised nuclear safety standards, in serious cases of corruption or if the Partner is guilty of grave professional misconduct proven by any justified means.
- d. in cases of force majeure, as defined below.

"Force majeure" shall mean any unforeseeable and exceptional situation or event beyond the Parties' control which prevents either of them from fulfilling any of their obligations, not attributable to error or negligence on their part (or the part of their contractors, agents or employees) and proves insurmountable in spite of all due diligence. Defects in equipment or material or delays in making them available, labour disputes, strikes or financial difficulties cannot be invoked as force majeure. A party shall not be held in breach of its obligations if it is prevented from fulfilling them by a case of force majeure of which the other party is duly informed. A party faced with force majeure shall inform the other party without delay, stating the nature, probable duration and foreseeable effects of the problem, and take any measure to minimise possible damage. Neither of the Parties shall be held liable for breach of its obligations under this Financing Agreement if it is prevented from fulfilling them by force majeure, provided it takes measures to minimise any possible damage.

- e. in cases such as crisis or change of position at national level, including its policy priorities.

- 26.2 The Commission may suspend this Financing Agreement without prior notice.
- 26.3 The Commission may take any appropriate precautionary measure before suspension takes place.
- 26.4 When the suspension is notified, the consequences for the on-going procurement contracts and grant and contribution agreements shall be indicated.
- 26.5 A suspension of this Financing Agreement is without prejudice to the suspension of payments and termination of this Financing Agreement by the Commission in accordance with respectively Article 18 and 27 of the General Conditions.
- 26.6 The Parties shall resume the implementation of the Financing Agreement once the conditions allow with the prior written approval of the Commission. This is without prejudice to any amendments of this Financing Agreement which may be necessary to adapt the action to the new implementing conditions, including, if possible, the extension of the operational implementation period, or the termination of this Financing Agreement in accordance with Article 27.

Article 27 - Termination of this Financing Agreement

- 27.1. If the issues which led to the suspension of this Financing Agreement have not been resolved within a maximum period of 180 days, either party may terminate this Financing Agreement at 30 days' notice.
- 27.2. Without prejudice to Article 27.1 above, if at any time, the Commission believes that the purpose of this Financing Agreement can no longer effectively or appropriately be performed, this Financing Agreement may be terminated by serving 30 days written motivated notice.
- 27.3. This Financing Agreement shall be automatically terminated, if no implementing contract has been signed within the deadlines of Article 2.
- 27.4. The consequences of such terminations on the ongoing activities may be analysed, where relevant, and determined on a case by case basis.

Article 28 - Dispute settlement arrangements

- 28.1 Any dispute concerning this Financing Agreement which cannot be settled within a six-month period by the consultations between the Parties provided for in Article 24 of these General Conditions may be settled by arbitration at one of the Parties' request.

Where the Partner is an OACPS State or an OACPS regional body or organisation, the dispute shall be submitted, prior to arbitration and after the mutual consultations. Each party shall designate an arbitrator within 30 days of the request for arbitration. Failing that, either party may ask the Secretary-General of the Permanent Court of Arbitration (The Hague) to designate a second arbitrator. The two arbitrators shall in their turn designate a third arbitrator within 30 days. Failing that, either party may ask the Secretary-General of the Permanent Court of Arbitration to designate the third arbitrator.

- 28.2 The procedure laid down in the 2012 Permanent Court of Arbitration Rules for Arbitration shall apply. The arbitrators' decisions shall be taken by a majority within a period of three months.
- 28.3 Each party shall be bound to take the measures necessary for the application of the arbitrators' decision.

* * *

Logical Framework – EU Vietnam Forestry Support Programme

Results	Results chain: Main expected results	Indicators:	Baselines (Values and years)	Targets (Values and years)	Sources of data	Assumptions
		(disaggregated by ethnic group and gender). Indicator 3 Organisational and economic linkages between smallholder producers, forest owners, and trading and processing entities are strengthened for the forest based product value chains and local initiatives. <i>Units of measure:</i> Evidence of organisational and economic development linkages (e.g. production contracts, joint venture agreements, producer association charters, social enterprise registration etc.).	0	Over the 5-year programme period: at least 11 development linkages for SOEs and forest management board.	a) Progress monitoring reports – to include a summary of evidence on economic and organisational linkages. b) Mid-term and final evaluation – to assess the programme strategy and progress towards achieving the Specific Objective.	
Output 1 relating to Outcome 1	Landscape-level models restoring carbon sinks and increasing GHG removals through sustainable and inclusive multi-purpose	Indicator 1 Forest management and restoration models that are tested and developed by the programme are fully assessed, documented and			a) Progress monitoring reports – to include a synthesis of results, lessons and experience from the 5 provinces and 11 Forest Owners. b) Published technical	

Logical Framework – EU Vietnam Forestry Support Programme

Results	Results chain: Main expected results	Indicators:	Baselines (Values and years)	Targets (Values and years)	Sources of data	Assumptions
	forest ⁷ management are reviewed and scaled up in two target regions.	disseminated as a basis for potential wider replication. <i>Units of measure:</i> - Number and typology of models that are applied by FOs to 3 types of natural forests (Special use, Protection, and Production) towards the goal of promoting carbon sinks. - Assessment of the unit investment cost requirements for the models (e.g. VND/ha). - Evidence of effective documentation of the models – technical guidelines, reports, workshop proceedings, case-studies, policy briefings etc. Indicator 2 Local people have equal	0	Over the 5-year programme period: Minimum 7 types of forest restoration and management models tested and developed. - 7 types of forest restoration and management models are implemented at at least 21 communities of 11 selected FOs (2 communities per organizational FOs, 01 model for community forest FO in Son La). - Investment cost requirements calculated for 7 types of models. - Documentation of models.	guidelines, reports, workshop proceedings, case-studies, policy briefing notes etc.	

⁷ The models will be reviewed by the experts/project team and verified through seminars/workshops for lesson learnt, avoid duplication, and for possible scale up.

Logical Framework – EU Vietnam Forestry Support Programme

Results	Results chain: Main expected results	Indicators:	Baselines (Values and years)	Targets (Values and years)	Sources of data	Assumptions
		opportunities to participate in the forest management and restoration models and related activities. <i>Units of measure:</i> - Number and proportion of households / persons that directly participate in implementing the models (disaggregated by ethnic group and gender); - Number and proportion of PFES contracts held by male, female, or joint heads of households (% / year).	0	Over the 5 year project period: - The participation rate of women shows positive upward trends. - The participation rate of ethnic minority households reflects the population distribution in the locality (commune and village).	a) Forest Owner level monitoring indicators. b) Progress monitoring reports – to include a summary of results from 5 provinces and 11 Forest Owners.	
Output 2 relating to Outcome 1	Climate sensitive, inclusive and sustainable forest management planning (SFMP), including solutions supporting climate change adaptation through alternative incomes, are piloted and scaled up with selected communities and	Indicator 1 Forest owners or communities have prepared climate-sensitive, inclusive SFMP+ based on their requirements. <i>Units of measure:</i> - Number of prepared	10 Forest Owners selected for the programme currently have approved Sustainable Forest Management Plans.	- Minimum 8 forest owners, communities, or groups with prepared SFMP+ by end of the project.	a) Progress monitoring reports – to include a synthesis of relevant results, lessons and experience on SFMP+. b) SFMP+ guidelines, workshop reports, case-studies, policy briefing notes etc.	Forest owners, and national and provincial forestry administrations, have the demand and agree with piloting and scaling-up improved approaches to SFMP+.

Logical Framework – EU Vietnam Forestry Support Programme

Results	Results chain: Main expected results	Indicators:	Baselines (Values and years)	Targets (Values and years)	Sources of data	Assumptions
	small holders in vulnerable situation ⁸ .	SFMP+ - Evidence of effective development and dissemination of solutions for climate-sensitive, inclusive SFMP+ through appropriate information and communication channels.	(Ban Quyen, Son La province does not have SFMP for now)			
Output 3 relating to Outcome 1	Effective, collaborative, and responsive forest protection methods are reviewed and replicated in selected landscapes and communities to reduce unauthorised use.	Indicator 1 Forest Owners and village communities in the programme area are applying more effective forest protection and reporting methods. <i>Units of measure:</i> - Forest Owner level monitoring indicators - Updated and agreed community regulations on forest protection. - Record of the number of patrol teams and members, and	The current situation in programme area will be reviewed together with the Forest Owners and village communities at the beginning of the programme.	By end of Year 3 of the programme: 100% of the FOs, and over 50% of the village communities in the forest areas under the programme, are applying improved forest protection and reporting methods.	a) Forest Owner level monitoring indicators. b) Progress monitoring reports – to include a synthesis of results from 5 provinces and 11 Forest Owners.	Forest owners and communities have sufficient PFES funding to effectively manage and protect forests.

⁸ The SFMP will be developed by the experts/project team in consultation with forest owners/forest owner group through interviews/surveys and seminars/workshops.

Logical Framework – EU Vietnam Forestry Support Programme

Results	Results chain: Main expected results	Indicators:	Baselines (Values and years)	Targets (Values and years)	Sources of data	Assumptions
		frequency of patrols. - Record of the number and type of cases of unauthorized forest use.				
Output 4 relating to Outcome 2	Capacity on production, organisation and human resources as well as knowledge on business and investment planning, on requirements related to the NDC, VNTLAS, EVFTA, and EUDR among target groups in targeted provinces is strengthened, ensuring women participation.	Indicator 1 Capacity building plans for human resources and organisational development are prepared, implemented, and reviewed together with the Forest Owners and other target groups. <i>Units of measure:</i> - Record of the number, type, and topics of capacity building activities (training courses, organizational development activities, exchange visits, networking events etc.). - Record of the number of participants (data disaggregated by position and gender).	Capacity and training needs assessments and plans will be prepared together with the FOs and other target groups at the beginning of the project. 0	Capacity building plans prepared by the end of Year 1 of programme. Progress on implementing the plans reviewed on an annual basis (Year 2-5). The proportion of women participating in training courses should be at least 35% by Year 3 and 40% by Year 5. The proportion of ethnic minorities participating in training courses should be at least proportional to the population distribution in the localities.	a) Progress monitoring reports – to include updates on progress of implementing the capacity building plans and activities. b) Training course evaluation reports.	Relevant stakeholders are willing to participate in building human- and organisational capacity. Targets for the individual capacity building activities are agreed with different stakeholders as part of the planning process.

Logical Framework – EU Vietnam Forestry Support Programme

Results	Results chain: Main expected results	Indicators:	Baselines (Values and years)	Targets (Values and years)	Sources of data	Assumptions
		Indicator 2 Training courses and other capacity building activities are positively assessed by the participants in terms of the relevance of the contents, and quality of the pedagogic methods. <i>Units of measure:</i> - % of participants that positively assess the capacity building activities (data disaggregated by position and gender).		Over two-thirds of the participants (65%) are satisfied or very satisfied with the relevance and quality of the capacity building activities.	a) Progress monitoring reports – to include a summary of the results of quality assessments. b) Training course evaluation reports.	
Output 5 relating to Outcome 2	Support systems on Information and Communication Technology (ICT) for monitoring the change of forest cover, the implementation of the NDC, traceability of forest-based products, and forest-based products market is developed/updated and piloted in target areas.	Number of information systems upgraded in FORMIS Platform in VNFOREST, and developed to support forest owners and forest-based products processing facilities. *** <i>Units of measure:</i> - Approved operational guidelines, governance arrangements, and/or	There are currently four relevant information systems in FORMIS platform (FRMS, Forest Industry Monitoring System (FIMS), Data Sharing System (DSS), Social Safeguards Monitoring System (SSMS); but no information systems to support forest owners and forest-based processing industries.	By the end of the programme: Upgraded information systems on FORMIS Platform; and up to two information systems for forest owners and forest-based product processing industry.	a) Progress monitoring reports – to include updates on upgrading and operationalization of the ICT systems. b) Approved operational guidelines, governance arrangements, and/or financing plans.	Financing is made available for the sustainable operations and maintenance of the ICT systems beyond the life of the programme.

Logical Framework – EU Vietnam Forestry Support Programme

Results	Results chain: Main expected results	Indicators:	Baselines (Values and years)	Targets (Values and years)	Sources of data	Assumptions
		financing plans, are available for the ICT systems supported by the programme. - Record of the number and type of capacity building activities, and number of participants (disaggregated by position and gender), to support introduction of the ICT systems.		<i>Targets for capacity building activities under Output 2.1 above.</i>		
Output 6 relating to Outcome 2	Assistance to finalize the policy framework and implementation to strengthen the conservation, restoration and sustainable management of forests while promoting value chains based on socially environmentally sustainable and climate-sensitive forests is implemented	Indicator 1 Number of technical guidelines that are developed or amended with support from the programme. <i>Units of measure:</i> - Itemization of the support and inputs provided by the programme to the preparation process. - Lists of agencies and numbers of people participating in the process (e.g.	The technical guidelines supported by the programme will be identified by MAE/VNF at the beginning of the programme or annually.	Up to 6 inputs (study, technical exchanges, field trips, workshop, consultation meetings, etc.) to the preparation process of 10 technical instructions and guidelines..	Progress monitoring reports – to include a summary of the legal documents and guidelines supported by the programme.	Support dependent on the legislative priorities and schedule of MAE/VNF.

Logical Framework – EU Vietnam Forestry Support Programme

Results	Results chain: Main expected results	Indicators:	Baselines (Values and years)	Targets (Values and years)	Sources of data	Assumptions
		stakeholder consultations), disaggregated by position and gender. Indicator 2 Ethnic minority development and gender equality recommendations are made for technical guidelines in line with Government requirements <i>Units of measure:</i> - Briefing papers and recommendations are made available to the drafting teams.	0	Recommendations to be made available for guidelines supported by the programme.	a) Progress monitoring reports – to include a summary of the recommendations made and follow-up. b) Approved technical guidelines.	
Output 7 relating to Outcome 2	Feasibility studies on climate sensitive, forest-based products value chains at landscape and regional level are carried out and available for investment.	Indicator 1 Number of Feasibility Studies (FS) that are successfully completed and disseminated to relevant stakeholders; and the interest of potential investors in the investment opportunities.	The forest-based product value chains for the FS will be selected in consultation with the provinces and Forest Owners at the beginning of the programme.	Five feasibility studies to be conducted during the programme period.	a) Progress monitoring reports – to include follow-up on the Feasibility Studies. b) Final Feasibility Studies reports.	Relevant stakeholders along the value chains are interested and willing to share information (work plan, budget, challenges,...) and ideas

Logical Framework – EU Vietnam Forestry Support Programme						
Results	Results chain: Main expected results	Indicators:	Baselines (Values and years)	Targets (Values and years)	Sources of data	Assumptions
		<i>Units of measure:</i> - Final FS reports approved by VNF. - Distribution lists of the FS reports; and lists of participants at events to share the results (disaggregated by position and gender). - Investment enquiries, plans, applications etc. (if any available during the programme period).				

3. IMPLEMENTATION ARRANGEMENTS

3.1. Implementation Modalities

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures⁹.

3.1.1. Indirect Management with one or more entrusted entities

This action may be implemented in indirect management with one or more international entrusted entities, which will be selected by the Commission's services in consultation with the partner country based on consensus, using the following criteria:

- Verifiable track record in technical expertise and project management in relevant thematic areas (including but not limit to climate change, sustainable forest management and value chains development)
- Verifiable track record in working with relevant stakeholders (government agencies, private sectors, civil society organisation and community) in Viet Nam.
- Previous experience implementing EU-funded projects successfully in Viet Nam.
- Possibility to demonstrate Team Europe spirit and brand.
- Experiences working on ODA projects that include the national implementation modality in Viet Nam would be an asset.

3.2. Indicative Budget

Indicative Budget components	EU contribution (Amount in EUR)
Implementation modalities – cf. section 3.1	
Specific objective 1	
Outcome 1 (Outputs 1, 2 and 3)	12 800 000
Specific objective 2	
Outcome 2 (Outputs 4, 5, 6 and 7)	6 700 000
Evaluation – cf. section 4.2	500 000
Audit – cf. section 4.3	
Total	20 000 000

3.3. Organisational Set-up and Responsibilities

The project implements activities at both national and provincial levels. The organisational set-up has been thoroughly analysed and consulted with stakeholders to ensure ownership at both national and provincial levels.

A Project Steering Committee (PSC) will be established with responsibility for leading, guiding the project and for budget approving. The PSC will operate on the basis of consensus and ensure close consultation and coordination among its members. The PSC will meet yearly and ad hoc, as required. The PSC shall be made up of at least:

⁹ www.sanctionsmap.eu. Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

- A high level representative from MAE and EU (co-Chairs).
- Members: representatives of provincial people's committees (PPCs) of the target provinces and representatives from the Leadership of MAE departments.
- Other participants invited by co-Chairs.

The Ministry of Agriculture and Environment (MAE), as the project governing body and the national implementation partner, responsible to the Government for the implementation of the project's objectives, shall oversee and approve the overall and annual work plans, coordinate with the donor, the implementing partners (entrusted entities) and the authorities in targeted provinces to monitor progress and quality and use the project's results.

As part of its prerogative of budget implementation and to safeguard the financial interests of the Union, the Commission, represented by the EU Delegation, may participate in the above governance structures set up for governing the implementation of the action and may sign or enter into joint declarations or statements, for the purpose of enhancing the visibility of the EU and its contribution to this action and ensuring effective coordination.

4. PERFORMANCE MEASUREMENT

4.1. Monitoring and Reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process, and part of the implementing partner's responsibilities. To this aim, the implementing partners shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (Outputs and direct Outcomes) as measured by corresponding indicators, using as reference the logframe matrix (for project modality) and the partner's strategy, policy or reform action plan list (for budget support).

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

All monitoring and reporting shall assess how the action is considering the principle of gender equality, human rights-based approach, and rights of persons with disabilities including inclusion and diversity. Indicators shall be disaggregated at least by sex.

Roles and responsibilities for data collection, analysis and monitoring:

The entrusted entity will be responsible for setting up the internal project performance monitoring system against the logical framework performance indicators. Regular monitoring will be carried out in collaboration with the implementing partners at central and province levels. Progress reports will be prepared annually and published within one month after the reporting period.

Meaningful and inclusive participation of stakeholders will be ensured through the Project Steering Committee and the implementing partners in both central and provincial levels. Where appropriate, landscape level monitoring meetings and self-assessment workshops will be arranged to track the performance in participation with community-level stakeholders including e.g., commune peoples' committees, and civil society organisations.

A baseline study will be carried out within six months from the start of project implementation. The entrusted entity, in collaboration with the implementing partners, will engage service providers to carry out specialised baseline surveys as indicated in the logical framework.

The change of forest cover including the area and the forest quality, which is a fundamental performance indicator, will be monitored in collaboration with the forest protection departments. The monitoring mechanism will be embedded in the national forest cover change monitoring set up and carried out through the Forest Resource Monitoring System (FRMS), which is in nationwide use. The action will support the strengthening of the use of the FRMS and set up an internal data verification mechanism to ensure satisfactory reliability of the forest cover change reports.

The action will foster inter-ministerial coordination between MAE and the General Statistic Office (GSO), particularly at district and province levels to harmonise the reporting parameters and the performance statistics.

4.2. Evaluation

Having regard to the nature of the action, a mid-term and final evaluations will be carried out for this action or its components via independent consultants contracted by the Commission.

The mid-term evaluation will be carried out for problem solving and learning purposes, in particular with respect to the effectiveness of action implementation strategy.

The final evaluation will be carried out for accountability and learning purposes at various levels (including for policy revision), taking into account in particular the fact that the action is expected to create innovative models for forest management and support the Vietnamese government in attaining the challenging NDC targets.

The Commission shall inform the implementing partner at least 30 days in advance of the dates envisaged for the evaluation missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

All evaluations shall assess to what extent the action is taking into account the human rights-based approach as well as how it contributes to gender equality and women's empowerment and disability inclusion. Expertise on human rights, disability and gender equality will be ensured in the evaluation teams.

The evaluation reports may be shared with the partners and other key stakeholders following the best practice of evaluation dissemination. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, apply the necessary adjustments.

Evaluation services may be contracted under a framework contract.

4.3. Audit and Verifications

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audit or verification assignments for one or several contracts or agreements.



5. STRATEGIC COMMUNICATION AND PUBLIC DIPLOMACY

The 2021-2027 programming cycle will adopt a new approach to pooling, programming and deploying strategic communication and public diplomacy resources.

In line with the 2022 “Communicating and Raising EU Visibility: Guidance for External Actions”, it will remain a contractual obligation for all entities implementing EU-funded external actions to inform the relevant audiences of the Union’s support for their work by displaying the EU emblem and a short funding statement as appropriate on all communication materials related to the actions concerned. This obligation will continue to apply equally, regardless of whether the actions concerned are implemented by the Commission, partner countries, duty bearers, grant rights-holders or entrusted or delegated entities such as UN agencies, international financial institutions and agencies of EU member states.

However, action documents for specific sector programmes are in principle no longer required to include a provision for communication and visibility actions promoting the programmes concerned. These resources will instead be consolidated in Cooperation Facilities established by support measure action documents, allowing Delegations to plan and execute multiannual strategic communication and public diplomacy actions with sufficient critical mass to be effective on a national scale.



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