



Vietnam



Sustainable Biomass Program (SBP)

Regional Risk Assessment for Vietnam Forest

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Interim RRA

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Abbreviations

Abbreviations

CITES	Convention on International Trade in Endangered Species of Wild Fauna and Flora
FAO	Food and Agriculture Organization
FMU	Forest management unit
FSC	Forest Stewardship Council
GHG	Greenhouse gases
HCV	High value conservation
LULUCF	Land Use, Land Use Change and Forestry
MARD	Ministry of Agriculture and Rural Development
MONRE	Ministry of Natural Resources and Environment
NDC	Nationally Determined Contributions
PA QLRBV	Sustainable forest management plan
PEFC	Forest Certification Organization
QLRBV	Sustainable forest management
RRA	Regional risk assessment
SBA	Raw material area
SBP	Sustainable Biomass Program
VAFS	Vietnam Forestry Science Institute
VFCS	National Forest Certification System
EUTR	European Union Timber Regulation
GIS	Geographic information system
GMO	Genetically modified organisms
ILO	International Labor Organization
IPM	Integrated Pest Management
NFI	National Forest Inventory
OHAS	Occupational health and safety
RED	European Renewable Energy Directive

Foreword

The Regional Risk Assessment (RRA) is an important part of the Sustainable Biomass Programme (SBP) in identifying and managing risks associated with sourcing sustainable feedstock for biomass production. The RRA covers the entire geographical area and identifies the risks associated with the feedstock sourced from that area, requiring each biomass producer to conduct a risk assessment for their own feedstock area, resulting in an efficient and consistent risk assessment process. The RRA also ensures the active participation of multiple stakeholders in the assessment area.

The SBP framework is designed to ensure that raw materials are sourced legally and sustainably. The purpose of an SBP-interim RRA is to assess an entire geographic area and identify the risks associated with sourcing raw materials for biomass pellet or wood chip production from that area. The SBP Regional Risk Assessment (RRA) Procedure Version 1.2 sets out the requirements and process to be followed for developing and endorsing SBP risk assessments for regions or countries. The SBP RRA process requires the active participation of a wide range of stakeholders.

The Vietnam Academy of Forestry Sciences (VAFS) has undertaken a RRA for Vietnam by 2024 to verify the legality and sustainability of raw materials. A Working Group (WG) was formed by a group of experts in the fields of forestry policy, environment, carbon, forest economics and social forestry.

The WG conducted a risk assessment to ensure that relevant Vietnamese laws, policies and practices, as well as practical knowledge of forestry in Vietnam, were accurately captured in the RRA. Key information included existing laws, reports from government agencies and other stakeholders were collected from various databases and statistical data sources, as well as based on the experience and knowledge of consultants. A wide range of stakeholders were consulted during the process and informed through consultation workshops, face-to-face consultations, and public media consultations.

1 Introduction

The Sustainable Biomass Program (SBP) has interim or endorsed Regional Risk Assessments (RRAs) for a number of countries and territories, including Vietnam.

The Regional Risk Assessment (RRA) is a way to identify and validate the risks associated with sourcing raw materials. The scope of this RRA is feedstock sourced from forests in Vietnam. The RRA-Vietnam was completed based on the following documents:

- SBP Standard 1: Feedstock Compliance, v2.0, May 2023
- SBP Standard 2: Feedstock Verification, v2.0, May 2023
- SBP Regional Risk Assessment Procedure, v1.2, May 2021

SBP Standard 1 specifies the globally applicable legality and sustainability indicators that must be assessed. The 42 indicators cover a range of legal, environmental, social and economic requirements that must be assessed within the SBA. The SBP RRA Procedures specify the requirements for completing a Regional Risk Assessment.

Section 2 of this report provides the feedstock context for the RRA-Vietnam. This section is intended to help establish the context of the bio-physical, social and economic values in Vietnam. The required documents listed above require that each Indicator be assessed as a single indicator. Typically, some of these indicators are interlinked and/or complex. The Working Group has provided more detailed information for this section than for other approved RRAs to (1) clarify the linkages and (2) reduce duplication of evidence. This section is provided to support the assessment of the 42 Indicators (Appendix 1: Detailed Findings for Indicators).

The RRA-Vietnam methodology developed by the Working Group is described in Section 3. The Working Group has developed a rigorous and objective process to simplify both the assessment process and the understanding of the conclusions for the 42 Indicators. Before reviewing the Indicators, the Working Group recommends that readers review the Methodology (Section 3) to understand the logic of information collection, assessment, and rationale for the final risk assignment. As required by the SBP RRA Process, the draft RRA-Vietnam has been released for Stakeholder Consultation.

The Working Body's approach to Stakeholder Consultation is discussed in Section 4. Additionally, Appendix 5: Stakeholder Consultation Report, as required by the RRA Process, is provided. The Stakeholder Consultation Report provides stakeholder comments, as well as the Working Body's response, including any changes made to the indicators and/or risk designations.

Section 5 of the RRA-Vietnam provides the conclusion of the risk assessment process in Table 19: Summary of risk designations and the details are described in Appendix 1: Detailed findings for indicators. Once the RRA-Vietnam is published by the SBP, each Biomass Producer (BP) must use the results of the RRA-Vietnam to complete a Supply Base Evaluation (SBE). The SBE must demonstrate that the BP complies with its findings and implements mitigation measures to manage any specific risks so that the risks are controllable.

2 Regional background and statement of scope

2.1 Regional background

2.1.1. General information

Vietnam is located in Southeast Asia, with a total area of about 33.13 million hectares. Three-quarters of Vietnam's territory is mountainous and in the tropical monsoon climate zone. Vietnam has a coastline of more than 3,260 km. The terrain and climate characteristics have created diverse landscapes and microclimates, divided into 8 forestry ecological regions with different natural conditions. The average population in 2023 is 100.3 million people, ranking 15th in the world, in which the ratio of male and female population is quite balanced (males account for 49.9%, females 50.1%). The average population of urban areas is 38.2 million (38.1%), and the rural regions are 62.1 million (accounting for 61.9%). Vietnam has had a consistently high economic growth rate over the past 30 years, with GDP growth in the 2011-2023 period reaching about 5.9%/year, 430 billion USD in 2023, and GDP per capita reaching 4,285 USD.

By 2020, Vietnam plans 15.4 million hectares of land for forestry, accounting for nearly 49% of the country's natural area¹ (Figure 1) , in which the forested land area announced in 2023 is 14,860,309 ha (natural forest 10,129,751 ha and plantation forest 4,730,557 ha), corresponding to a national coverage rate of 42.02%².

The development of Vietnam's forestry industry has changed over many periods along with the development of the country and is summarized as follows:

- French colonial period (1858-1945): The French colonial state issued exclusive policies on timber and forest product exploitation, mainly for office construction and brought back to France. During this period, the forest area and reserves were greatly reduced. However, the colonial state also issued and implemented several regulations and policies with positive factors, such as establishing regulations on exploitation licenses, establishing stable forest areas, temporary forest areas, prohibited forests, and especially starting to pay attention to afforestation with a total area of about 13,700 hectares of forest planted during this period³. The total forest area in 1943 was recorded as 14.3 million hectares (coverage 43.8%; Figure 2)⁴.
- War period (1946-1975): During this period, natural forests continued to be exploited and were incredibly severely damaged by the war. From 1961 to 1971, the total area sprayed with Agent Orange was 3.06 million hectares of Vietnamese territory with the primary purpose of clearing natural forests, leading to the death of the forests and their inability to recover (Link). However, in the North, 219,000 hectares were planted during this period thanks to the tree-planting movement launched by President Ho Chi Minh in 1959⁵. However, the forest area decreased to 11.17 million hectares (coverage 33.8%; Figure 2) in 1975⁶.
- Post-war recovery period (1976-1990, before the promulgation of the Law on Forest Protection and Development in 1991): In order to restore the economy and rebuild the country after the war, natural forests continued to be heavily exploited. However, this period also saw the strong development of plantation forests, with the total plantation forest area reaching 1.05 million hectares. Scientific research on afforestation and forest restoration began to receive attention⁷. However, the forest area decreased to 9.18 million hectares (coverage of 28.2%; Figure 2) in 1990⁸.

¹National Assembly (2021). Resolution No. 39/2021/QH15 on National Land Use Planning for 2021 - 2030, with a vision to 2050.

²MARD (2024). Decision No. 816/QĐ-BNN-KL announcing the national forest status in 2023.

³MARD (2004). Forestry Handbook - Forestry Chapter. Transport Publishing House.

⁴Wil De Jong, Do Dinh Sam, Trieu Van Hung (2006). Forest rehabilitation in Vietnam: histories, realities and future. Jakarta, Indonesia, CIFOR.

⁵MARD (2004). Forestry Handbook - Forestry Chapter. Transport Publishing House.

⁶Wil De Jong, Do Dinh Sam, Trieu Van Hung (2006). Forest rehabilitation in Vietnam: histories, realities and future. Jakarta, Indonesia, CIFOR.

⁷MARD (2004). Forestry Handbook - Forestry Chapter. Transport Publishing House.

⁸Wil De Jong, Do Dinh Sam, Trieu Van Hung (2006). Forest rehabilitation in Vietnam: histories, realities and future. Jakarta, Indonesia, CIFOR.

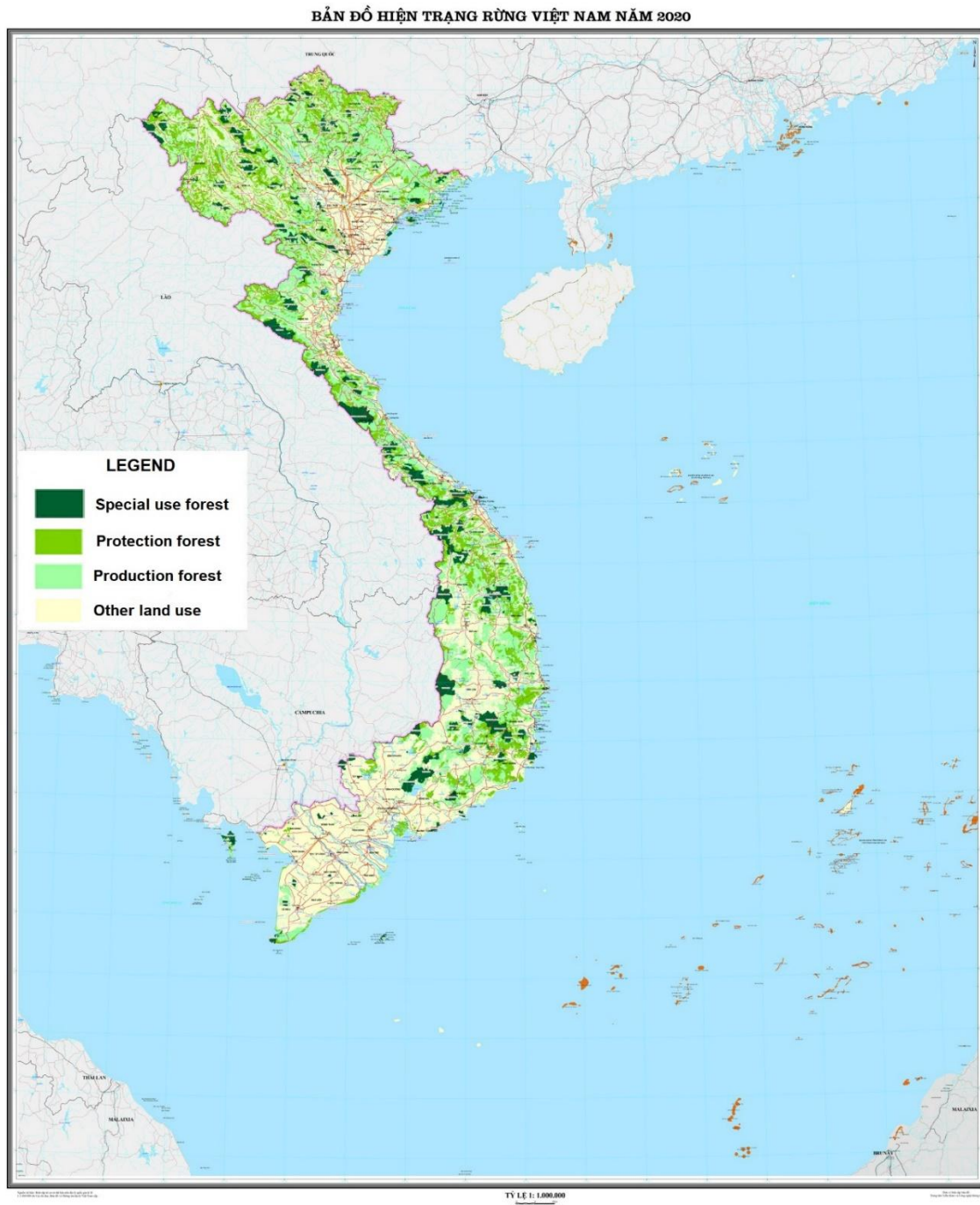


Figure 1. Current status of Vietnam's forests 2020

- Period 1991 to present (2024): The country's economy began to develop thanks to the renovation policy in 1986. The Government started to focus on forest protection and development by promulgating the Law on Forest Protection and Development in 1991 and 2004, the Forestry Law in 2017, the Vietnam Forestry Development Strategy for the periods 2006-2020 and 2021-2030; forest restoration programs/projects such as Greening program for bare hills (1992-1997); Project to plant 5 million hectares of new forests (1998-2010), Sustainable forestry development program (periods 2011-2015; 2016-2020; 2021-2025). During this period, Vietnam also received support from many countries and international organizations in forest restoration and Forestry development. Vietnam has signed many international conventions and internalized them into legal documents related to forest protection and development such as the Convention on International Trade in Endangered

Species of Wild Fauna and Flora (CITES, 1973); the United Nations Convention to Combat Desertification (UNCCD, 1992); the United Nations Framework Convention on Climate Change (UNFCCC, 1992); the Convention on Biological Diversity (CBD, 1992); the Convention on Wetlands of International Importance, Especially as Waterfowl Habitat (RAMSAR, 1971). In addition, Vietnam has also signed bilateral agreements with many countries related to forest protection, such as the VPA/FLEGT with the EU and the legal timber agreement with the United States. Vietnam also participates as a member of many intergovernmental and non-governmental organizations in forest protection and development, such as ITTO, AFoCO, CITES, UNCCD, INBAR, and PEFC, and signed cooperation agreements on forest protection and development with many countries in the region, such as Japan, Korea, Laos and Cambodia.

Up to now, the legal system related to the forestry sector has been effective and continues to improve. Along with that, there are a series of related policies to mobilize the participation and contribution of resources from the entire political system and society to forest management, protection and development, striving to make the forestry sector an important economic-technical industry in the country's development. Some significant results include greening bare land, increasing forest cover to 42% (Figure 2), completely stopping exploitation from natural forests since 2014 and well protecting 10.13 million hectares of natural forests; developing 4.7 million hectares of plantation forests, with a stable annual output of concentrated plantation forest timber exploitation of about 20 million m³; The export value of wood and forestry products has increased continuously by 10-15% per year, reaching 15.8 billion USD in 2023, ranking 5th in the world, 2nd in Asia and 1st in Southeast Asia. The forestry sector has attracted a large workforce, especially households, individuals and communities, to participate in forest protection and development, providing stable raw materials for the wood and forestry processing and export industry. In addition, forests also play an essential role in protecting upstream areas, maintaining water sources for production, daily life and hydropower; protecting coastal areas; conserving biodiversity and natural landscapes; limiting the damage caused by natural disasters; improving livelihoods for people in remote, isolated and border areas; maintaining security, national defence and social order.

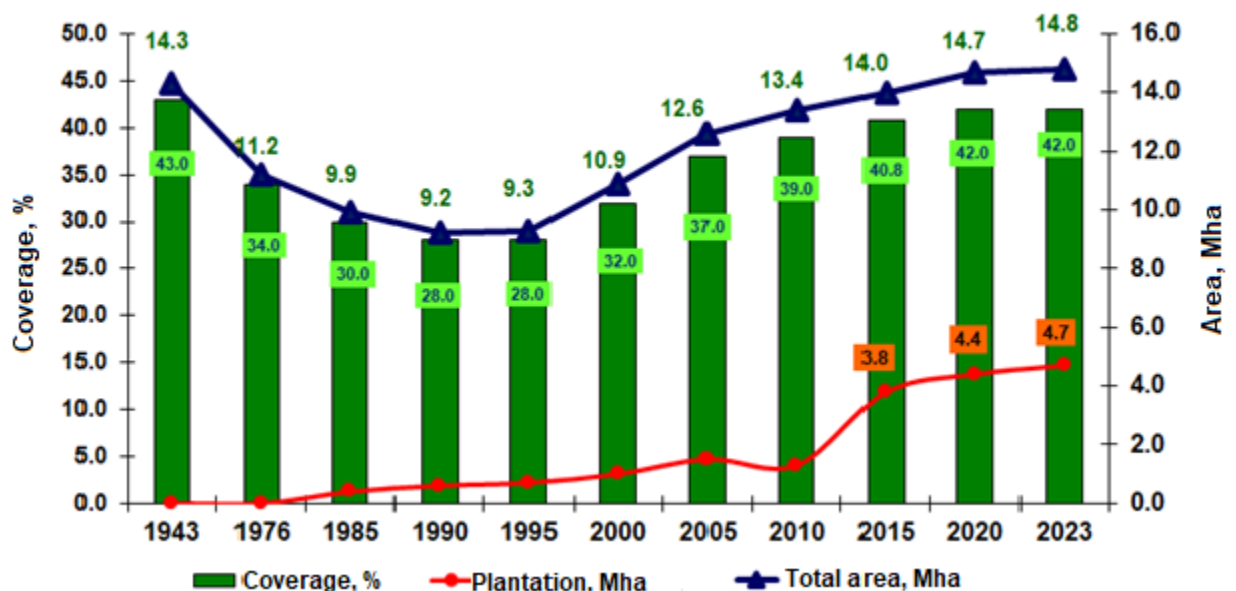


Figure 2. Evolution of forest cover through stages

2.1.2. Forest land planning and 3 types of forests:

Regarding forestry land use planning, the Land Laws of 1987, 1993, 2003, 2013, and the Land Law 2024 ([Link](#)) have gradually improved regulations on land use planning. According to the Land Law 2024, forestry land is classified in the agricultural land group, including special-use, protective and production forest land. Resolution No. 39/2021/QH15 on National Land Use Planning for 2021 - 2030, with a vision to 2050 ([Link](#)),

the National Assembly approved the 5-year national land use plan 2021-2025 on November 13, 2021. According to the approved land use plan, the total area of forestry land is 15,404.66 thousand hectares (including protective forest land, special-use forest land and production forest land), accounting for 55% of the total area of agricultural land group. (Table 1)

Table 1. Land planning in 2030⁹

TT	Land use	Status 2020 (thousand hectares)	Planning to 2030 (thousand hectares)	Compare increase (+), decrease (-) (thousand hectares)
1	Special-use forest land	2,293.77	2,455.54	+161.77
2	Protection forest land	5,118.55	5,229.59	+111.04
3	Production forest land	7,992.34	8,164.64	+172.30
	<i>In which: Land with production forest is natural forest</i>	<i>3,977.43</i>	<i>3,950.45</i>	<i>-26.98</i>
	Total:	15,404.66	15,849.77	+445.11

Regarding the planning of 3 types of forests, implementing the Law on Forest Protection and Development of 1991 (Article 7), Vietnam's forestry land is planned to develop three types of forests with different functions. After many changes in the Law, such as the Law on Forest Protection and Development of 2004 (Article 4), the Land Law of 2013 (Article 10) and the Forestry Law of 2017 (Article 5) ([Link](#)), the Land Law of 2024 (Article 9) and a series of sub-law documents regulating classification criteria (Decree No. 156/2018/ND-CP; Articles 6, 7 and 8 ([Link](#)), currently the three types of forests in Vietnam are classified as follows:

- **Special-use forests:** are mainly used to conserve natural forest ecosystems, forest biological gene sources, scientific research, conservation of historical - cultural relics, beliefs, and scenic spots combined with ecotourism; recreation, entertainment except for strictly protected areas of special-use forests; provision of forest environmental services. Special-use forests include (a) National parks, (b) Nature reserves, (c) Species - habitat conservation areas, (d) Landscape protection areas including forests preserving historical - cultural relics and scenic spots, religious forests; forests protecting the environment of urban areas, industrial parks, export processing zones, economic zones, high-tech zones; (dd) Research and scientific experimentation forests; national botanical gardens; national seed forests.
- **Protection forests:** are mainly used to protect water resources, protect land, prevent erosion, landslides, flash floods, flash floods desertification, limit natural disasters, regulate climate, contribute to environmental protection, national defence, security, combine ecotourism, resort, and entertainment; provide forest environmental services; classified according to the level of importance. Protection forests include: (a) Headwater protection forests; forests protecting water sources of residential communities; border protection forests; (b) Windbreak and sandbreak protection forests; wave-break and sea-encroachment protection forests.
- **Production forests:** are used mainly to provide forest products; combined forestry, agriculture and fishery production and business; ecotourism, resorts and entertainment; and provision of forest environmental services. From those regulations, Vietnam's forest area is classified into 3 types of forests as follows:

⁹Resolution No. 39/2021/QH15 on National Land Use Planning for the 2021 - 2030 period, with a vision to 2050

Table 2. Current status of Vietnam's forest area by 3 forest types in 2023¹⁰

TT	Forest type	Area by 3 forest types (ha)			
		Special	Protection	Production	Total
1	Natural forest	2,114,190 (Under the logging banned)	4,062,583 (Under the logging banned)	3,952,978 (Under the logging banned)	10,129,751
2	Plantation forest	94,700 (Under the logging banned)	631,362	4,004,496	4,730,557
	Total	2,208,890	4,693,945	7,957,474	14,860,309

2.1.3 Land use rights and forest ownership

Regarding land use rights and forest ownership, Article 8 of the 2017 Forestry Law stipulates 07 groups of legal owners called forest owners, including:

- Special use forest management boards, protective forest management boards.
- Economic organizations including enterprises, cooperatives, cooperative alliances and other economic organizations established and operating in accordance with the provisions of law, except for the cases specified in Clause 7 of this Article.
- Units of the People's Armed Forces assigned forests (hereinafter referred to as armed units).
- Scientific and technological organizations, training and vocational education in forestry.
- Households and individuals.
- Residential communities.
- Foreign-invested enterprises leased land by the State to plant production forests.

Regarding forest ownership, implementing the Law on Forest Protection and Development and the amended Land Law over the periods, Vietnam has effectively implemented the policy of land allocation, forest allocation, and forest leasing to different subjects to attract resources for forestry development. Regulations on forest ownership under Article 7 of the 2017 Forestry Law stipulate: (1) The State is the representative owner of forests owned by the entire people, including (a) Natural forests; (b) Plantation forests invested in entirely by the State; (c) Plantation forests recovered by the State or donated; (2) Organizations, households, individuals, and communities owning production forests are plantation forests, including: (a) Forests invested in by organizations, households, individuals, and communities; (b) Forests received as transfers, donated, or inherited.

Regarding forest allocation and forestry land use rights, the 2017 Forestry Law and the 2024 Land Law stipulate that the State allocates special-use and protective forests and land use rights for a long-term, stable period, without collecting forest use fees, to special-use forest management boards, protective forest management boards, armed forces, scientific and technological, training and education organizations, and relevant communities. The State allocates production forests for a long-term, stable period, without collecting forest use fees, to special-use and protective forest management boards if there is an area of production forest interspersed in special-use and protective forests; allocates production forests and land use rights to households and individuals (without collecting land use fees with an area not exceeding 25 hectares and a term not exceeding 50 years); allocates production forests and land use rights for a long-term, stable period,

¹⁰Ministry of Agriculture and Rural Development (2024). Decision No. 816/QĐ-BNN-KL announcing the national forest status in 2023.

without collecting land use fees, to communities and armed forces. The State leases natural and planted production forests to economic organizations, households and individuals with one-time or annual rental payments for forestry production; combined forestry, agriculture and fishery production; ecotourism, resort and entertainment business for a term not exceeding 50 years.

The current status of forests classified by owner is in Table 3 from those regulations. Accordingly, production forests are mainly managed by economic organizations, households, individuals, residential communities and commune People's Committees, partly by Forest Protection Management Boards and other organizations. Economic organizations managing plantation forests include state-owned enterprises and private enterprises. State-owned enterprises are mainly predecessors of state-owned forest farms that were previously fully invested by the state to manage both protection forests and production forests but were converted into state-owned forestry companies from around 2004 onwards after the Government issued Decree No. 200/2004/ND-CP on the arrangement, innovation and development of state-owned forest farms ([Link](#)). According to this Decree, state-owned forest farms will only manage production forest land, and transfer the area of protection forests to the Forest Protection Management Boards. Thus, in terms of scale and management capacity, state forestry companies are often more prominent in scale, from several thousand to tens of thousands of hectares, have a tradition and experience in good forest management, are often pioneering organizations in the province or region in accessing new varieties and technical advances, creating typical forestry production models in the area. Private enterprises were usually established after 2003 after the Law on Forest Protection and Development allowed private organizations to lease land for afforestation and forestry production. Private enterprises are often smaller in scale, from several hundred to several thousand hectares, have weaker technical capacity and experience in forest management than state enterprises, and may only be equivalent to small forest owners such as households, individuals and communities. However, since these are economic organizations, they shall develop the sustainable forest management according to the regulations (Circular 28/2018/TT-BNNPTNT and Circular 13/2023/TT-BNNPTNT). In contrast, small forest owners such as households, individuals and communities are exempted from some forest management regulations (for example, they are not required to develop a forest management plan, they can do so voluntarily). Therefore, in assessing forest management risks, it is necessary to consider the different levels of risk between these subjects.

Table 3. Forest area by forest owner¹¹

TT	Owner Manager	FOREST AREA BY ORIGIN (ha)		
		Total	Natural forest	Plantation forest
1	Special-use forest management board (State)	2,172,482	2,073,897	98,585
2	Forest protection management board (State)	3,122,326	2,566,128	556,198
3	Economic organization (Public and private)	1,784,825	1,158,360	626,465
4	Armed Forces (State)	188,368	120,979	67,389
5	Organization of Science and Technology, Training and Education (State)	112,004	54,246	57,758
6	Domestic households and individuals	3,115,587	1,294,487	1,821,099
7	Residential community	1,094,476	956,169	138,308
8	Foreign invested enterprise (Private)	15,093	1,925	13,168

¹¹ Ministry of Agriculture and Rural Development (2024). Decision No. 816/QĐ-BNN-KL announcing the national forest status in 2023.

9	Commune (temporarily forest area)	People's managing	Committee unallocated	3,255,148	1,903,561	1,351,587
	Total:			14,860,309	10,129,751	4,730,557

2.1.4 Forest protection and forest use

1) Forest protection

Vietnam focused on forest protection very early, including the 1972 Ordinance on Forest Protection of the National Assembly Standing Committee, which strictly regulates the responsibility for forest protection, prohibited activities in the forest and forest protection measures. Subsequently, the Laws on Forest Protection and Development of 1991 and 2003 and the Forestry Law 2017 strictly regulate forest protection. The Forestry Law 2017 stipulates prohibited acts in forestry activities that affect forests, forest protection work and responsibility for forest protection. Forest protection work includes:

- Protecting forest ecosystems.
- Protecting forest plants and animals.
- Preventing and fighting forest fires and preventing microorganisms that harm forests.

In general principles of forest protection, the State allocates or leases forests to ensure that forest areas have owners and are jointly responsible for organizing forest protection. In contrast, forest owners are primarily responsible for protecting the assigned forest areas. In addition, it also stipulates that all people must be accountable for protecting forests such as fire prevention and fighting, environmental protection, biodiversity, etc. Regarding the State's responsibility for forest protection, the forest rangers are responsible for protecting special-use forests, protection forests, and forests that have not been assigned or leased. The forest rangers are responsible for supporting and guiding forest owners in forest protection and propagating and mobilizing people to protect forests. For forest owners, Article 41 of the Forestry Law allows forest owners to establish specialized forest protection forces to protect forests. Thanks to strict regulations on forest protection, Vietnam's forest protection work has been increasingly improved. The results show that forest cover has increased sharply over the past 30 years, from 28.2% in 1995 to 42.2% in 2023, in which the area of natural forests is well maintained, increasing from 9.86 million hectares in 2002 to 10.1 million hectares in 2023. The number of violations of forestry laws, deforestation, and forest fires is decreasing.

2) Use of forests

The 2017 Forestry Law stipulates the use of forests for three types of forests: special-use, protection and production. For special-use forests, forest products cannot be exploited, except in the case of scientific research forests exploited according to approved scientific and technological tasks; however, this area is tiny. For protection forests, which are natural forests, only fallen trees, trees affected by pests and diseases, and non-timber forest products can be used but do not affect the protection capacity. For planted protection forests, thinning main species shall be carried out in accordance with the regulations of the Minister of Agriculture and Rural Development on silvicultural measures or Selective harvesting of main species shall not exceed 20% of the reserve in the plot each time, after the harvesting, ensure a minimum canopy cover of 0.6 and an even distribution in the plot.. After use, forest owners shall regenerate or replant forests in the next season and continue to manage and protect them. For the production forests that are natural forests, although Article 58 of the 2017 Forestry Law allows the exploitation of natural forests when there is an approved sustainable forest management plan, implementing Directive No. 13-CT/TW dated January 12, 2017, of the Secretariat on strengthening leadership in forest management, protection and development, natural forests in Vietnam are forbidden from harvesting. For the production of forests that are plantation forests, forest owners are allowed to exploit and comply with regulations on the management and traceability of forest products according to Circular No. 26/2022 of the Ministry of Agriculture and Rural Development and Circular 22/2023, amending several Circulars on Forestry.

Thus, the wood exploited is mainly from planted production forests. According to the statistics of the last 5 years, the annual concentrated timber output on forestry planning land has increased continuously in the period 2019-2023 from 16.35-21.63 million m³, corresponding to the area of exploitation and reforestation

from 268.4-296.3 thousand hectares¹² (Table 4). The annual exploitation output increased mainly due to the increase in the area of plantation forests and annual exploitation and partly due to improved forest productivity. Thanks to the excellent implementation of research and transfer of varieties and technical advances in silviculture, the forest productivity of significant tree species such as Acacia and Eucalyptus has recently improved significantly. According to the [Ministry of Agriculture and Rural Development \(2023\)](#), the average forest productivity nationwide is about 18 m³ / ha/year, a significant increase compared to the previous forest productivity of only about 10 m³ /ha/year in 2009 and 15 m³ / ha/year in 2018 ([Link](#)).

Table 4. Forestry area and annual timber harvesting

TT	Region	Forest area (thousand hectares)					Timber harvesting (million m ³)				
		2019	2020	2021	2022	2023	2019	2020	2021	2022	2023
1	Red River Delta	12.2	12.6	13.6	16.6	15.6	0.50	0.52	0.67	0.86	0.94
2	Northern midlands and mountains	91.6	89.6	95.8	96.8	92.6	4.32	4.42	4.86	5.33	6.04
3	North Central and Central Coast	137.2	142.3	149.2	161.8	157.2	9.56	10.26	10.85	11.75	12.12
4	Central Highlands	12.4	11.9	19.0	17.1	17.4	0.70	0.71	0.75	0.90	1.08
5	Southeast	6.9	5.9	4.9	6.9	6.7	0.48	0.47	0.45	0.52	0.56
6	Mekong Delta	8.1	7.6	7.5	7.3	6.8	0.80	0.81	0.80	0.90	0.88
	Nationwide:	268.4	269.9	290.0	306.5	296.3	16.35	17.18	18.39	20.27	21.63
	In which classified by economic type:										
	- State:	34.9	32.9	35.4	36.2		1.80	1.85	1.95	2.12	
	- Outside the state:	232.2	234.9	252.3	268.5		14.47	15.18	16.33	18.02	
	- Foreign investment:	1.3	2.1	2.3	1.8		0.09	0.14	0.12	0.12	

However, plantation forests have recently revealed some problems that have begun to affect forest productivity, such as forest pests and diseases and soil degradation due to unsustainable farming. Some diseases of Acacia plantations have started to affect forest productivity, such as Ceratocystis wilt disease, which kills about 10-20% of planted trees in sampling plots (Pham Quang Thu et al., 2021), Acacia core rot disease caused by Ganoderma fungus, Eucalyptus leaf blight caused by Cylindrocladium fungus, etc. Moreover, the application of silvicultural techniques to meet regulations on sustainable forest management has yet to receive due attention. Most of the plantations are fast-growing pure-species plantations with short harvesting cycles (about 4-7 years), so the sustainability of the plantations is low. Technical measures to prepare the planting site such as burning organic materials after harvesting, using herbicides and not applying soil erosion management, especially in sloping areas, are still quite common, causing soil degradation. The overuse of chemical fertilizers instead of organic management is also the cause of soil ecological degradation. These issues are also significant risks leading to forest productivity degradation. Currently, the Ministry of Agriculture and Rural Development is firmly directing the work of forest management, and we hope these issues will be better managed in the future.

¹²General Statistics Office (2024). Statistical Yearbook 2023. Statistical Publishing House.

In addition, Vietnam has a large area of land for perennial trees outside the forestry planning, providing a significant amount of wood that is exploited annually (referred to as trees outside the forest). Vietnam has about 900 thousand hectares of rubber forests, mainly grown on agricultural land, and it is estimated that about 5 million m³ of wood is exploited annually from the liquidation of old rubber forests. Vietnam is also a country with a large area of industrial trees (300,000 hectares of cashew¹³ and 710,000 hectares of coffee), concentrated fruit trees (mango, durian, longan, lychee, grapefruit, citrus, ... about 600,000 hectares¹⁴) and scattered trees in agroforestry models, household gardens, shade trees, ... It is estimated that about 5 million m³ of wood is exploited annually from industrial trees, old fruit trees and scattered trees in household gardens, agroforestry. A risk assessment needs to be done for this area.

2.1.5. Forest protection and development policies, Forestry industry development orientation

1) Forest protection and development policy

Since promulgating and implementing the Law on Forest Protection and Development in 1991, Vietnam has issued many policies to protect and develop forests effectively. Notable policies include:

- Land and forest allocation: After more than 30 years of implementation, most of Vietnam's forest and forestry land areas have been managed by owners, thereby creating a driving force to mobilize many resources in society for afforestation and forest development. However, there are still many significant problems in land and forest allocation and granting of proper land use certificates. Many forest land areas have been allocated, but land use proper certificates have not been granted; many areas are disputed, especially the land areas of state-owned forestry companies previously allocated to households participating in afforestation. However, the households did not return the land after each contract cycle. From 1st August 2024, Land Law 2024 takes effect and create more favourable conditions for handling these problems.
- Forest restoration and sustainable forestry development programs: The program to reforest bare hills (1992-1997) initiated the contract for natural forest protection, with 1.6 million hectares assigned to households; 400 thousand hectares were newly planted, and 300 thousand hectares were protected and regenerated. The program to plant 5 million hectares of new forests (1998-2010) planted 2.45 million hectares; promoted regeneration with an additional 1.28 million hectares of depleted natural forests; and planted 940 thousand hectares of industrial and fruit trees. The sustainable forestry development programs (2010-2015; 2016-2020; 2021-2025) continued to invest in forest protection contracts, natural forest restoration, production forest planting and sustainable forest management. In addition, Vietnam also receives a lot of support from other countries and international organizations in forest protection and development, helping Vietnam have a stable forest area and forestry production today.
- Payment for forest environmental services: Implementing the payment policy for forest environmental services in Decree No. 99/2010/ND-CP, for the first time in Vietnam, the ecological value of the forest ecosystem is institutionalized, forming forest environmental services to be brought into social life, creating a scientific basis, a legal basis, forming sustainable socialized financial resources to serve forest protection and development. Currently, payment for forest environmental services is regulated in the 2017 Forestry Law; detailed instructions are in Decree No. 156/2018/ND-CP of the Government. An average of 3,650 billion VND of forest environmental services (equivalent to 146 million USD/year) is collected annually, especially in 2023, when 4,130 billion VND will be collected, contributing significantly to the forest protection contract fee.
- Forest Carbon Credit Transfer: Vietnam does not have a mandatory market for carbon credits. The transfer of emission reduction results is implemented through bilateral negotiation agreements between relevant parties according to the voluntary market. For the forest carbon credit market, the Prime Minister has assigned the Ministry of Agriculture and Rural Development to implement 02 emission reduction result transfer agreements (ERPA) as follows: 1) North Central ERPA was signed on October 22, 2020 between the Ministry of Agriculture and Rural Development and the World Bank (WB) as the Trustee of the Forest Carbon Partnership Facility (FCPF) to transfer 10.3 million tons of GPT carbon dioxide (CO₂) in the North Central region for the period 2018-2024. In 2018-2019, Vietnam completed the transfer of 10.3 million tons of CO₂ to the WB and received 51.5

¹³Vietnam Cashew Association (2021)

¹⁴Vietnam Fruit Industry Outlook Report 2024. Kirin Capital

million USD. Vietnam continues to coordinate with the World Bank to measure and confirm the amount of credits in Phase 2 (2020-2022); Phase 3 (2023-2024); 2) ERPA South Central and Central Highlands: On October 31, 2021, at COP26, witnessed by Prime Minister Pham Minh Chinh, Minister of Agriculture and Rural Development Le Minh Hoan signed a Letter of Intent with the Enhanced Forest Finance Organization (Emergent) - the Trustee of the Alliance for Reducing Emissions through Forest Finance (LEAF). Accordingly, Vietnam will transfer to LEAF/Emergent 5.15 million tons of CO₂ to reduce emissions from forests in the South Central and Central Highlands regions in 2022-2026.

Through more than 30 years of efforts to implement development policies, the forestry sector has achieved many results in forest management, protection and development, increasing the national forest coverage rate from 28.7% in 1990 to 42.02% in 2023, with the export value of wood and forest products reaching 14.39 billion USD in 2023.

2) Orientation of forestry development

In the coming time, Vietnam will focus on implementing the Vietnam Forestry Development Strategy for the period 2021 - 2030, with a vision to 2050 (Link), specifically as follows:

The Vietnam Forestry Development Strategy for the period 2021 - 2030, with a vision to 2050, was approved by the Prime Minister under Decision 523/QĐ-TTg on April 1, 2021, with the general view of sustainable forestry development based on effective management and use of forest resources. The Strategy has set specific goals such as:

- Economically: Forestry production value growth rate: 5.0% to 5.5%/year; Wood and forest product export value: 18 to 20 billion USD in 2025, 23 to 25 billion USD in 2030; Production forest planting of about 340,000 ha/year in 2030; Planting protective forests and special-use forests with native, precious and rare tree species: an average of 4,000 - 6,000 ha/year; Restoring protective forests and special-use forests: an average of 15,000 ha/year; Timber output from plantation forests strives to reach 35 million m³ in 2025, 50 million m³ in 2030; Developing forest environmental services, diversifying and expanding revenue sources in accordance with legal regulations; total revenue from forest environmental services increases by an average of 5%/year; Improve the quality of natural forests, productivity and efficiency of plantation forests and agroforestry systems; the area of forests with sustainable forest management certification reaches over 0.5 million hectares in the 2021 - 2025 period, over 1 million hectares in the 2026 - 2030 period; By 2025, the income value from planted production forests increases by 1.5 times and by 2030 increases by 2 times/unit area compared to 2020.
- Regarding society: The rate of trained forestry workers will reach 45% by 2025 and 50% by 2030, ensuring gender equality. By 2025, 50% and 2030 80% of mountainous households and ethnic minorities living in forested areas will participate in commercial forestry production. By 2025, the average income of ethnic minorities working in forestry will increase by more than 2 times compared to 2020, contributing to reducing the poverty rate in ethnic minority areas by more than 3.0% each year; by 2030, the average income of ethnic minorities will be half of the national average.
- Regarding the environment: The national forest coverage rate is stable at 42% to 43%, effectively contributing to the implementation of the commitment to reduce greenhouse gas emissions as determined by the country, building a green Vietnam. By 2030, 100% of forest areas of forest owners are organizations that are sustainably managed; in the period 2021 - 2025, 10% and the period 2026 - 2030, 20% of natural forest areas are upgraded in quality, improving the efficiency of biodiversity conservation and forest protection capacity; minimizing violations of forestry laws, ensuring environmental security.

2.1.6. Legal timber, Forest Sustainable Management and Forest certification

1) Legal timber:

Vietnam has been interested in legal timber management since very early, as stipulated in the Law on Forest Protection and Development of 1991, 2003 and the Forestry Law 2017. Based on these Laws, the Ministry of Agriculture and Rural Development continuously issues and amends circulars guiding the implementation of legal timber through a management and verification system with the coordination of forest rangers with local authorities and the management of legal timber is increasingly influential.

One of the positive contributions to this improvement is the negotiation of the Voluntary Partnership

Agreement (VPA) on Forest Law Enforcement, Governance and Trade (FLEGT) between Vietnam and the European Union (EU). The two sides began negotiations in October 2010 and signed the Agreement on October 19, 2018. This Agreement is considered a significant step forward in improving forestry governance, reducing illegal logging, strengthening control and enhancing transparency in the timber supply chain and promoting sustainable development in forestry production in Vietnam. During the negotiation process, Vietnam has also actively improved its forest governance system towards meeting the Vietnam Timber Legality Assurance System (VNTLAS) requirements. Immediately after the Agreement was signed, Vietnam internalized regulations related to the provisions of the Agreement; for example, in 2020, the Government issued Decree No. 102/2020/ND-CP on the Vietnam Timber Legality Assurance System; The Ministry of Agriculture and Rural Development also issued circulars guiding the implementation of timber legality such as Circular 21/2021/TT-BNNPTNT regulating the classification of wood processing and exporting enterprises and Circular 26/2022/TT-BNNPTNT regulating the management and traceability of forest products, etc. According to these regulations, all forest products exploited from domestic forests and imported and exported must come from legal sources and be traceable to ensure eligibility for export to the EU.

Vietnam is also working with the United States to promote the implementation of the Agreement on importing and using legally sourced timber. The United States is the largest importer and exporter of timber products from Vietnam, accounting for over 50% of the total import and export value ([Link](#)). This Agreement resulted from an investigation under Section 301 of the US Trade Act initiated by the Office of the United States Trade Representative (USTR) in 2020 and signed in October 2021 to ensure that Vietnam will only use and export timber of legal origin, contributing to forest protection and preventing illegal logging (referred to as the 301 Agreement). After signing, Vietnam has taken measures to strengthen control of the timber supply chain, ensuring that all timber sources used in production and export are of legal origin. Vietnam has strengthened international cooperation to monitor and enforce legal timber regulations, including collaboration with high-risk timber suppliers. The United States supports Vietnam in building capacity and a system to inspect, monitor and certify the legality of timber from import to export products. The system includes tracking the origin of timber from high-risk areas and verifying legal origin before import. Initial results show that Vietnam has implemented better timber supply chain controls, with close supervision from competent authorities. The timber export market to the United States has continued to grow steadily without being negatively affected by the investigation. Overall, the 301 Agreement on legal timber between Vietnam and the United States has brought benefits to Vietnam's timber export industry and contributed to forest protection and sustainable development.

In addition, Vietnam also effectively implements international conventions related to forest product trade, such as the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) and the Convention on Biological Diversity (CBD). Vietnam has established the Vietnam CITES Management Authority under the Forestry Department (Ministry of Agriculture and Rural Development). This agency is responsible for monitoring and licensing international trade in CITES-listed animals and plants, Cooperating with other authorities such as police, customs, and global conservation organizations to prevent smuggling of wild animals and plants. Implementing the CBD Convention, Vietnam has promulgated the Law on Biodiversity 2008 ([Link](#)) and related provisions in the Forestry Law 2017, which stipulate the conservation and sustainable development of ecosystems, species and genetic resources; develop a Decree and strategy on biodiversity conservation to specify the objectives of the CBD Convention, such as the National Strategy on Biodiversity to 2020, vision to 2030 (Decision 1250/QĐ-TTg dated July 31, 2013) and the National Strategy on Biodiversity to 2030, vision to 2050 (Decision 149/QĐ-TTg dated January 28, 2022). In implementing these Conventions, Vietnam coordinates well with international organizations such as WWF, TRAFFIC, UNDP, WWF, IUCN, and ASEAN to carry out propaganda activities, enhance capacity and improve governance systems.

Despite many challenges in legal forest management, Vietnam has made significant progress in implementing timber legality and enhancing the country's international reputation in the forestry sector as well as nature conservation.

2) Sustainable Forest Management and Forest Certification,

Vietnam has approached sustainable forest management and forest certification since 1998 by establishing the National Working Group on Sustainable Forest Management and Forest Certification. However, the working group mainly approached the FSC Forest Certification System to find ways to coordinate operations in Vietnam. After a long period of effort, until 2006, the first forest area (9.753 ha plantation, joint venture between Quy Nhon Forestry Company and New Oji (Japan)) in Vietnam was granted FSC certification. Due to the fragmented nature of forest management in Vietnam, mainly small forest owners, the process of implementing sustainable forest management

and forest certification encountered many difficulties and was implemented slowly. By 2010, more than 6,000 hectares of planted forests of Vietnam Paper Corporation (VINAPACO) were certified. Realizing this problem in 2014, the Ministry of Agriculture and Rural Development (MARD) issued Circular No. 38/2014, guiding the sustainable forest management plan and the set of criteria for sustainable forest management. However, the implementation of SFM and forest certification still needs to be faster, and by 2017 only about 200 thousand hectares of forest were granted FSC certification.

Since promulgating the Forestry Law 2017, forest management and protection have received special attention from the Government and MARD. According to Articles 27 and 28 of the Forestry Law, the MARD has directed all forest owners who are organizations to develop and implement a forest management and protection Plan and, at the same time, promote the issuance of forest certificates. In 2018, MARD advised the Government to promulgate the Forest Management and Protection Plan and Forest Certification ([Decision No. 1288/QĐ-TTg](#)). It helped the Government promote the implementation of the Plan. Some of the primary objectives of the Plan are: (1) The entire forest area managed by forest owners who are organizations must develop and implement a forest management and protection plan; (2) Develop and operate the National Forest Certification System; and (3) By 2025, 500,000 hectares of forest will be certified and by 2030, 1 million hectares of forest will be certified. MARD issued Circular 28/2018 on the Forest Management Plan and the National Criteria for Forest Management in 2018. MARD also issued a series of documents and guidance documents on implementing Forest Management and Forest Certification.

The main results include that after 5 years of implementing Project 1288, by December 2023, 73.3% of forest areas owned by forest owners that are organizations had developed and implemented a forest management and protection plan ¹⁵. In 2019, Vietnam built and operated the National Forest Certification System (VFCS) and became a member of the PEFC Forest Certification System; in 2020, the VFCS System was recognized by PEFC. As of September 2024, the whole country had nearly 576 thousand hectares of certified forests, of which more than 179 thousand hectares were certified with PEFC/VFCS ([link](#)).

2.1.7. Biodiversity conservation

Vietnam's three (03) primary ecosystem groups are terrestrial ecosystems, wetland ecosystems (including inland and coastal wetlands), and marine ecosystems. There are nine essential forest ecosystems, 26 wetland types and 20 marine ecosystems. Ecosystem services have made critical contributions to the economy and human welfare.

00 species of marine organisms. The number of species endemic to Vietnam accounts for a relatively large proportion. Besides the natural ecosystem, Vietnam is one of the centres with diverse local plant and animal genetic resources, including more than 6,000 rice varieties, about 800 plant species and the origin of about 887 animal breeds. Every year, new species for science are still discovered. The increasing number of species proposed for inclusion in the Vietnam Red Book shows that many wild species populations are at risk of decline in terms of individual numbers, population size and habitat. A network of agencies involved in the conservation and management of genetic resources has been established; the number of genetic resources preserved in both in-situ and ex-situ methods is increasing every year.

Currently, the system of nature reserves is being consolidated and expanded. By 2021, there were 179 reserves in Vietnam with a total area of 2,697,073.51 hectares, reviewed according to the provisions of the Law on Biodiversity, including 34 national parks, 58 nature reserves, 26 species and habitat conservation areas, 61 landscape protection areas. In particular, in 2014, the Prime Minister signed and issued the Master Plan for biodiversity conservation of the whole country until 2020, with a vision to 2030. Accordingly, by 2030, there will be 219 reserves with a total area of about 3,067,000 hectares, reviewing and upgrading 38 biodiversity conservation facilities and reviewing and building 21 biodiversity corridors. In addition, many areas of high biodiversity and natural landscapes of Vietnam are recognized by the world, such as 9 Ramsar sites (total area of 120,549 ha); 11 World Biosphere Reserves (total area of 4,380,715 ha); 05 World Natural Heritage sites (total area of 1,531,780 ha); 10 ASEAN Heritage Parks (total area of 355,710 ha) have affirmed the importance of Vietnam's biodiversity in the region and the world.¹⁶

The planned terrestrial protected areas are all natural forests located on special-use forests. Production forests have a lower level of biodiversity than natural forests planned as special-use forests and protection forests.

Institutions and policies for nature conservation and biodiversity are increasingly being improved and operating effectively. Vietnam's policies and laws on biodiversity are gradually being improved to meet the

¹⁵Tran Lam Dong et al. (2024). Draft report on the implementation of forest management and certification in Vietnam.

¹⁶National Biodiversity Report 2022. Ministry of Natural Resources and Environment

country's specific situation. The Law on Biodiversity is still the Law that directly regulates the requirements for biodiversity management and conservation of the whole country. Some Laws have been amended and supplemented, such as the Law on Environmental Protection, Forestry, Fisheries Law, and Planning Law.

2.1.8. Forest carbon

Vietnam has been active in preventing climate change and reducing greenhouse gas emissions by signing the United Nations Framework Convention on Climate Change in 1992, the Kyoto Protocol in 1997, the Paris Agreement (PA) in 2016, and submitting its first Nationally Determined Contribution (NDC) to the UNFCCC in 2015, with an update in 2020 and the latest in 2022.

According to Vietnam's NDC updated in 2022, the total estimated emissions under the Business-As-Usual (BAU) scenario by 2030 are 927.9 Mt CO₂e, of which the land use, land use change and forestry (LULUCF) sector is the only sector with negative net emissions (i.e. carbon sink). The amount of carbon sink increase is rising (-37.5 Mt CO₂e in 2014 and is expected to reach -49.2 Mt CO₂e in 2030). The emission reduction target set for the unconditional contribution is 15.8% of total greenhouse gas emissions in 2030 compared to the BAU, equivalent to 146.3 Mt CO₂e, and the conditional contribution is 43.5% of total greenhouse gas emissions in 2030 compared to the BAU, equivalent to 403.7 Mt CO₂e. The LULUCF sector is estimated to contribute up to 3.5% (32.5 Mt CO₂e) to the emission reduction target for the unconditional contribution and up to 5.0% (46.6 Mt CO₂e) to the emission reduction target for the conditional option.

To achieve that goal, seven (7) mitigation measures in LULUCF have been identified in Vietnam's NDC, including (i) Protection of natural inland forests (F1), (ii) Protection of coastal forests (F2), (iii) Afforestation and reforestation of protection forests and special-use forests (F3); (iv) Improvement of forest carbon stocks of poor natural forests (F4); (v) Improvement of productivity and carbon stocks of plantation forests (F5); (vi) Scaling up of agroforestry measures (F6); and (vii) Sustainable forest management (F7). Unconditional contributions will reduce an estimated 79.1 Mt CO₂e of emissions, and conditional contributions will reduce 166.4 Mt CO₂e of emissions through implementing the seven mitigation measures stated in Vietnam's NDC during the 2021-2030 period.

Vietnam's legal framework at the national and sectoral levels (including LULUCF) also strongly supports and manages emissions reductions to achieve the net zero emissions target by 2050 as committed to the international community. Critical directions for responding to climate change, including emission reduction targets for sectors and countries are outlined in the National Climate Change Strategy (Decision No. 896/QĐ-TTg dated July 26, 2022), the National Implementation Plan for the Glasgow Declaration focusing on reversing deforestation and forest degradation (Decision No. 993/QĐ-TTg dated August 25, 2023), the Ministry of Agriculture and Rural Development (MARD) NDC implementation plan at LULUCF (Decision No. 1693/QĐ-BNN-KHCN dated April 28, 2023), and regulations on measuring and reporting the implementation of greenhouse gas mitigation actions and greenhouse gas inventories in forestry and land use (Circular No. 23/2023/BNNPTNT dated December 15, 2023). Sectoral and national GHG inventories conducted every two years starting from 2020 are stipulated in the Law on Environmental Protection 2020 and Decree No. 06/2022/ND-CP dated January 7, 2022. Measurement, reporting and verification (MRV) and GHG inventories, including mitigation measures stated in the NDC for the forestry sector, are subject to Circular No. 23/2023/BNNPTNT dated December 15, 2023.

In Vietnam, forest biomass and carbon stocks are investigated and assessed every 5 years according to the Forestry Law 2017 (Articles 33; 34, 35); Circular No. 33/2018/TT-BNNPTNT dated November 16, 2018 on forest investigation, inventory, and monitoring (Articles 22; 23; 24) and some updated regulations in Circular No. 16/2023/TT-BNNPTNT dated December 15, 2023 (Article 1). By the above rules, carbon stocks of forest types have been periodically investigated according to the Project on Investigation, Assessment and Monitoring of National Forest Resources since 1991 and have so far been implemented in 5 cycles (Cycle V for 2016-2020) and are implementing Cycle 6 (2022-2025) (Decision No. 2327/QĐ-BNN-LN dated June 13, 2023). Carbon stocks vary by forest type, regardless of natural forests and plantation forests, and tend to be stable or increase in the period 2010-2020 (comparison between Cycle IV (2010-2015) and Cycle V (2016-2020)). In particular, the carbon stock of plantation forests increased significantly between the two cycles (i.e. an increase of 10 tC.ha⁻¹ in the Northwest region, an increase of 15 tC.ha⁻¹ in the Northeast region and the Northern Delta and South Central Coast), a rise of 2 tC.ha⁻¹ in the North Central region and an increase of 13 tC.ha⁻¹ in the Central Highlands, Southeast and Mekong Delta regions).

Forest carbon stocks accounting for LULUCF sector emissions and removals are reported in national greenhouse gas inventories, including national communications (NCs) and biennial update reports (BURs)

submitted to the UNFCCC. They are also reported through REDD+ program implementation results. Vietnam has conducted a national greenhouse gas inventory since 1994, with the latest report in 2016. The results indicate that LULUCF net emissions are negative and have continued to increase since 2010 (-20.7 Mt CO₂e in 2010; -34.2 Mt CO₂e in 2013; -37.5 Mt CO₂e in 2014; and -39.8 Mt CO₂e in 2016), with removals mainly from forests. This result shows the association with stable or increasing carbon stocks of forest types since 2010, as mentioned above. The draft GHG-I results for LULUCF in 2020 show that the total net emissions of this sector are about -48.6 Mt CO₂e, with an increasing trend.

Estimated emissions and removals in REDD+ implementation for the period 1995-2020, according to the REDD+ Technical Report for the period 2010-2018 attached to BUR3 in the Annex submitted to UNFCCC and the national forest inventory for the period 2016-2020, updated estimates of emissions and removals for REDD+ implementation for the period 2010-2020 also show an increasing average annual removal from 1995 - 2020 (annual average -44.5 Mt CO₂e in the period 1995-2000; annual average -49.3 Mt CO₂e in the period 2000-2010; and annual average -69.9 Mt CO₂e for the period 2010-2020). In particular, the significant increase in absorption resulted in negative average annual net emissions over the period 2010–2020 (-39.3 Mt CO₂e).

The timber supply in Vietnam is mainly from plantation forests, as logging from natural forests has been restricted since 2014 and completely banned since 2017. However, raw materials from plantations do not affect the carbon emissions of forests. The amount of carbon lost due to logging is smaller than the amount of carbon absorbed by plantations. For example, the estimated carbon loss due to logging in 2022 is 20.8 Mt CO₂e (about 20.1 million m³ of wood harvested in 2022), and the amount of carbon absorbed from 4.6 million hectares of plantations is 50 Mt CO₂e.

In addition, Vietnam has made significant efforts in forest management and development, especially in increasing plantation forests and supporting the stabilization and enhancement of forest quality and carbon stocks. Improving the productivity and quality of plantation forests is one of the critical objectives contributing to effectively reducing greenhouse gas emissions to serve the NDC target and mitigating the impacts of climate change in the National Strategy on Climate Change to 2050 (Decision No. 896/QD-TTg dated July 26, 2022). The quality of plantation forests has also been improved thanks to regulations on plant variety management (Decree No. 27/2021/ND-CP dated March 25, 2021). Improve the quality of special-use forests, protection forests and production forests that are natural forests to promote the functions of each type of forest, conserve forest ecosystems biodiversity, increase forest carbon stocks and prevent and combat natural disasters, respond to climate change; contribute to socio-economic development and ensure national defence and security (Decision No. 171/QD-TTg dated February 7, 2024, approving the project to improve forest quality to conserve ecosystems and prevent natural disasters by 2030).

2.2 Scope of assessment and sub-scopes

The geographical scope of this assessment report covers the entire territory of Vietnam. The assessment report covers raw materials of timber harvested from plantation forests, including logging by-products. Processed by-products produced from timber (i.e. raw materials) harvested in Vietnam are also within the scope of the assessment. All imported raw materials and processed by-products from raw materials outside Vietnam are excluded from this assessment.

This assessment covers all plantation forests within the planned forestry land area in Vietnam. According to the Forestry Law (2017), "forest" is an ecosystem including forest flora and fauna, fungi, microorganisms, forest soil and other environmental factors, the main component of which is one or several species of trees, bamboo or areca with a height determined by the flora of soil or rocky mountains, wetlands, sandy soil or other characteristic flora; with a minimum inter-regional area of 0.3 ha; a minimum canopy of 0.1. However, for forest products, trees harvested on forestry land (including those smaller than 0.3 ha) are considered forest products and must comply with forest product management regulations.

Trees outside forests are excluded from the scope of this revision. As per SBP's guidance, trees outside forests refers to trees on land not defined as forests under national legislation. According to SBP's Glossary of Terms and Definitions (v2.0), trees outside forests are defined as those 'trees on land not defined as forest under national legislation. This may include agricultural land, including meadows and pasture, built-on land (including settlements and infrastructure), parks and recreational areas and barren land (including sand dunes and rocky outcroppings)'.

As required by SBP Standard 2 and the SBP RRA Procedure, the Working Body assessed the area's homogeneity when determining the geographical scope. Based on the forest management subjects specified

in the Forestry Law 2017, legal regulations on forest management and actual compliance with the law, the Working Body assessed the heterogeneity risk for 03 sub-scope groups.

- Forest management group is a state organization :
 - Special-use forest management board, protective forest management board.
 - State economic organizations include state-owned enterprises (eg: Forestry Company)
 - Units of the people's armed forces assigned forests (hereinafter referred to as armed units).
 - Organization of science and technology, training and vocational education in forestry.
- Forest management group is a private organization :
 - Private economic organizations include private enterprises , cooperatives, cooperative unions and other economic organizations established and operating in accordance with the provisions of law .
 - Foreign-invested enterprises leased land by the State to plant production forests.
- Small forest owner groups, including :
 - Forest managers are individuals.
 - Forest managers are households.
 - Forest management is community.

The working group assessed the sub-scope risks independently. Due to the different types and levels of regulatory oversight for the sub-scopes, comparisons of size and intensity between sub-scopes were not used to determine risk in the RRA for Vietnam.

2.3 Current status of biomass production industry

In the past two decades, wood and wood product exports from Vietnam have grown continuously at over 10% per year, especially in 2022, reaching an export value of 15.67 billion USD, an increase of 10.9% compared to 2021. With the current sustainable growth momentum, the Vietnamese wood industry aims for an export target of 23-25 billion USD by 2030, making Vietnam the world's leading centre for wooden furniture production (Decision No. 523 of the Prime Minister, 2021). There are currently about 6,234 enterprises operating in the field of wood and forest product processing, including about 1,000 foreign-invested enterprises and more than 4,500 enterprises processing and exporting wood and wood products. There are six main groups of exported wood and wood products: furniture, chairs, wood chips, plywood/laminated wood, wood pellets and peeled boards. The two product groups with impressive growth recently are wood chips and wood pellets, accounting for 17.8% and 5% of the total export value of wood and wood products, respectively. Although their proportion is not high, these two products have fast growth. Compared to 2021, wood pellets increased by 39.4% in volume and 90.6% in value, while wood chips increased by 16.2% in volume and 60.4% in value ¹⁷.

Regarding wood pellet production, according to To Xuan Phuc et al. (2023b), Vietnam's wood pellet export volume increased sharply in 2022, reaching over 4.88 million tons, an increase of 39.4% compared to 2021. The export value in 2022 reached over 787 million USD, an increase of more than 90% compared to 2021. This figure has made Vietnam the world's second-largest wood pellet exporter (after the US). Figure 1 shows the sudden growth in Vietnam's wood pellet exports. In 2013, there were only 175 thousand tons; by 2021, it had increased to 3.5 million tons and suddenly increased to 4.9 million tons in 2022. With the increasing demand for clean energy, renewable energy and carbon neutrality in the world, Vietnam's wood pellet export volume is expected to continue to increase sharply in the coming time. (Figure 3)

¹⁷ Cao Thi Cam et al., 2023. Vietnam's wood and wood products import and export in 2022 and trends in 2023. Viet Wood Magazine.

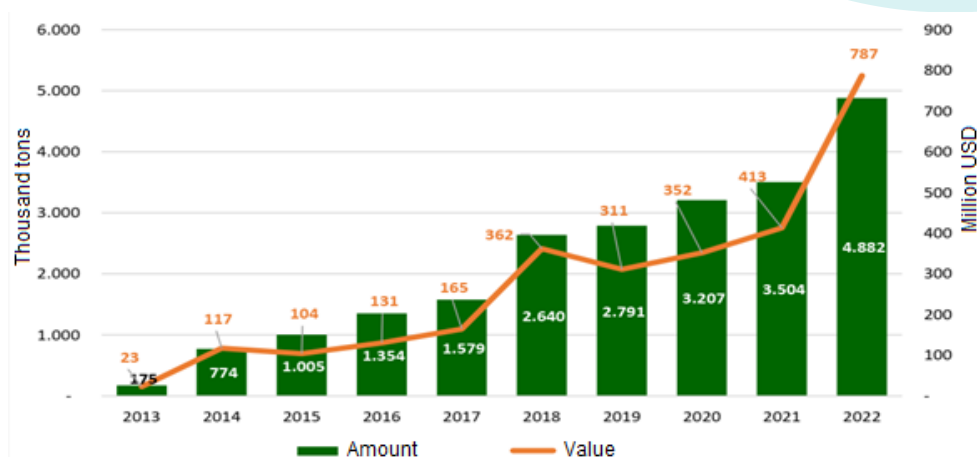


Figure 3. Annual wood pellet export volume and value in the period 2013-2022¹⁸

Regarding export markets, the data in Table 5 shows that almost all of Vietnam's wood pellets are exported to Japan and South Korea. The wood pellets exported to these two markets accounted for 97.5% of the total volume in 2022 and 96.6% of the total volume in 2023, respectively.

Table 5. Vietnam's wood pellet export market in 2022 and 2023 ¹⁹

Market	Export volume in 2022 (tons)	Export volume in 2023 (tons)
Japan	2,495,123	2,803,269
Korea	2,264,725	1,708,986
Other TT	122,622	160,426
Total	4,882,470	4,672,681

¹⁸ To Xuan Phuc et al., 2023. Vietnam's pellet exports in 2022. Viet Wood Magazine.

¹⁹ Cao Thi Cam, Tran Le Huy, 2024. Wood industry import and export in 2023 and trends in 2024. Viet Wood Magazine.

Regarding the number of enterprises and factories producing wood pellets, according to statistics from the General Department of Forestry in 2019 and the Vietnam Timber and Forest Products Association (VIFOREST) in 2021, the country has about 80 wood pellet factories, with a total capacity of nearly 4.5 million tons, mainly concentrated in the Southeast, Northeast and South-Central Coast regions (Figure 4).²⁰ According to unofficial statistics, in 2022 Vietnam have about 300 pellet production facilities with about 70-80% concentrated in the Southern regions where processing centers are located and in the Central Coast regions

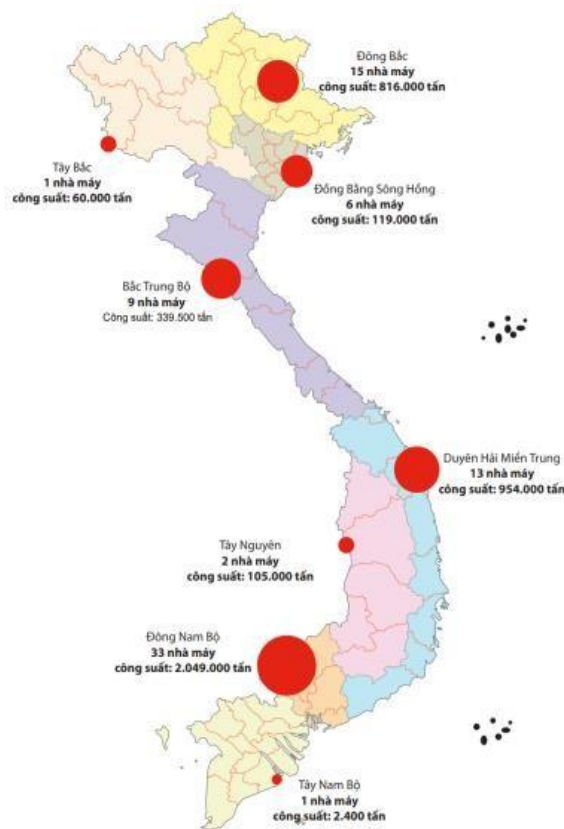


Figure 4. Distribution of factories and wood pellet production capacity by economic region²¹

Regarding wood chip production, the volume and value of Vietnam's wood chip exports increased sharply in 2022. The total volume of wood chip exports in the year reached 15.81 million tons, an increase of 16.21% compared to 2021. The export value reached nearly 2.79 billion USD, an increase of more than 60% compared to 2021. Wood chips are also rapidly increasing, from 7.06 million tons in 2013 to more than double after nine years. In the last three years, the volume of wood chip exports has continuously increased sharply, from 11.61 million tons in 2020 to 13.61 million tons in 2021 and increased sharply to 15.81 million tons in 2022 (Figure 5). Despite many difficulties, the export volume of this product is forecasted to continue to increase in the coming years.

China and Japan are Vietnam's largest wood chip import markets. The wood chip exported to these two markets accounted for 94,9% of the total volume in 2022 and 92,4% of the total volume in 2023, respectively (Table 6).

²⁰ To Xuan Phuc et al., 2020. Why is Vietnam's wood chip industry developing? Macroeconomic imbalance between forest plantation raw material areas and deep processing capacity. Viet Wood Magazine.

²¹ To Xuan Phuc et al., 2021. Production and export of pellets in Vietnam, Current situation and some aspects that need attention. Viet Wood Magazine.

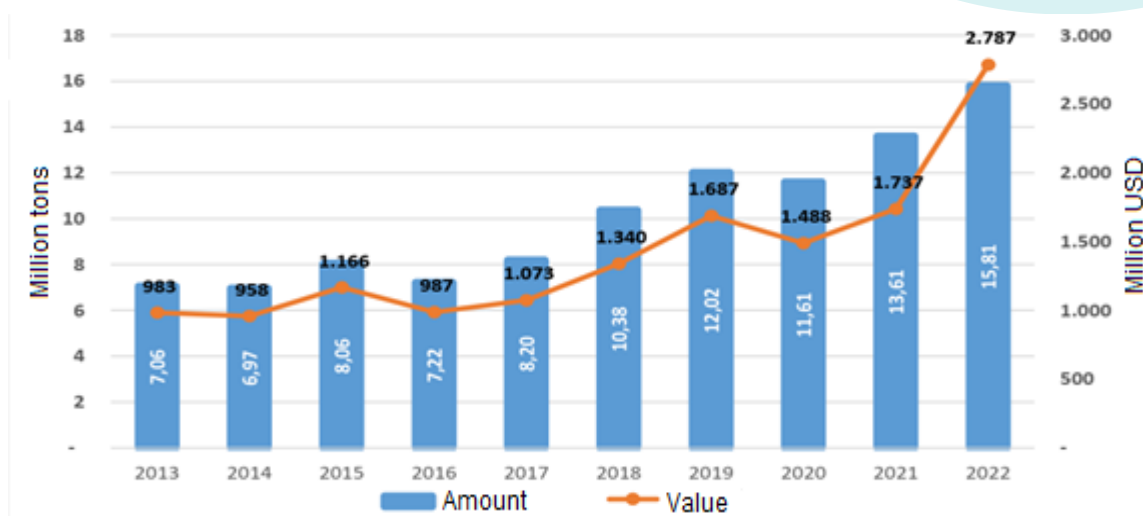


Figure 5. Annual wood chip export volume and value in the period 2013 - 2022²²

Table 6. Wood chip export market in 2022 and 2023²³

Export market	Export volume 2022 (ton)	Export volume 2023 (ton)
China	10,633,123	9,380,868
Japan	4,380,004	3,938,794
Korea	488,979	548,589
Other TT	312,805	550,19
Total	15,814,911	14,418,270

Regarding the number of factories, the number of wood chip facilities has constantly increased in recent years. According to To Xuan Phuc et al. (2020), at the time of 2020 statistics, Vietnam had 213 wood chip factories, with a processing capacity of about 15.8 million tons of dry wood chips/year (Table 6). The number of wood chip factories is most concentrated in the North Central region (76 factories), the Northeast region (59 factories) and the South-Central Coast region (53 factories), accounting for nearly 90% of the total number of factories and total wood chip production capacity nationwide. These are also the regions with large areas of concentrated forest plantations in our country. Regarding the number of factories, the number of wood chip facilities has constantly increased in recent years. According to To Xuan Phuc et al. (2020), at the time of 2020 statistics, Vietnam had 213 wood chip factories, with a processing capacity of about 15.3 million tons of dry wood chips/year (Table 7).

The number of wood chip factories is most concentrated in the North Central region (76 factories), the Northeast (59 factories) and the South-Central Coast (53 factories), accounting for nearly 90% of the total number of factories and total wood chip production capacity nationwide. These are also the regions with the largest concentrated forest plantation areas in our country (Figure 6).

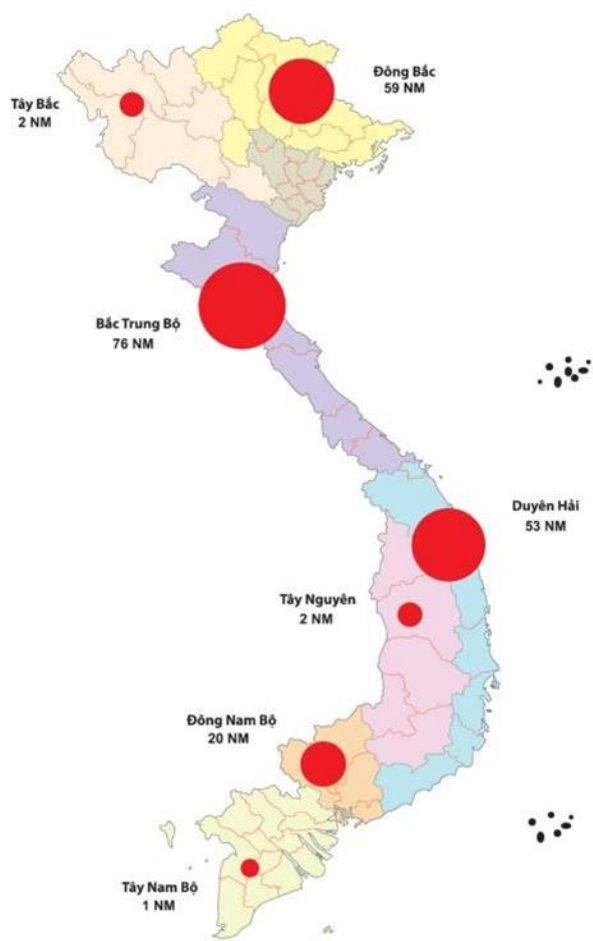
²² To Xuan Phuc et al., 2023. Vietnam wood chip exports in 2022. Viet Wood Magazine.

²³ Cao Thi Cam, Tran Le Huy, 2024. Wood industry import and export in 2023 and trends in 2024. Viet Wood Magazine..

Table 7. Number and capacity of wood chip factories in 2020 by ecological region

Region	Chip business	Proportion (%)	Capacity (tons/year)
North Central Coast	76	35.68	3,841,074
Northeast	59	27.7	3,127,300
Southeast	20	9.39	1,742,500
Coastal/South Central Coast	53	24.88	6,206,942
Northwest	2	0.94	160,000
Southwest	1	0.47	6,000
Central Highlands	2	0.94	220,000
Total	213	100	15,303,816

Figure 6. Distribution of chip factories according to ecological zones²⁴



²⁴ To Xuan Phuc et al., 2023. Vietnam wood chip exports in 2022. Viet Wood Magazine.

3 Methodology

The assessment is carried out in accordance with the requirements of the following standards:

- SBP Standard 1: Feedstock Compliance, v2.0, May 2023
- SBP Standard 2: Feedstock Verification, v2.0, May 2023
- SBP Regional Risk Assessment Procedure, v1.2, May 2021

RRA Approach A risk-based approach follows three distinct steps:

- Data collection
- Risk assessment
- Risk Mitigation

In addition to the guidance provided in SBP documents, the WB completed extensive research on risk-based assessments, including but not limited to SBP-endorsed RRAs. This analysis was incorporated into the WB Risk Evaluation Framework (REF) enabling a consistent, rigorous, and objective process for evaluation leading to a comprehensive risk conclusion for each of the 42 indicators. The RRA Viet Nam aims to provide an effective and verifiable process that will assure end users that feedstock is legally and sustainably sourced. The scope of the RRA Viet Nam covers the first two steps: Data collection (Section 3.1) and risk assessment (Section 3.3).

3.1 Data collection

Necessary data for this RRA development is collected mainly through desktop research from a range of sources. The sources include applicable Vietnam and International legislation and regulations, reports and articles from relevant Vietnam ministries and state authorities, NGOs and industry bodies, various databases as well as technical and scientific reports.

The data used in this RRA were validated by cross-checking them with multiple sources wherever possible. Assistance from Forestry Specialists was also used to validate the data.

3.2 Selection of indicators to be updated

As this is the first version of RRA Vietnam, this section does not apply.

3.3 Risk classification

Based on collected information (evidence), a thorough analysis, was undertaken for each indicator and either a low or specified risk class was assigned. The analysis examined (i) the applicable legislative, regulatory framework or best practices on the specific issues addressed by the criteria and indicator in question, (ii) mechanisms for implementation or enforcement, (iii) monitoring procedures (presence or absence and frequency or quality), and (iv) current situation on compliance if the information was available. Additionally, a risk conclusion and justification were given for the risk class assigned for each indicator.

For assigning the risk class to an indicator, we followed the guidance given in SBP Standard 2: Feedstock Verification (v2.0, article 6.3).

- An indicator is assigned with a low-risk class,
 - if legislation that addresses the requirement(s) in SBP Standard 1 exists and is enforced, and legal compliance within the Supply Base can be demonstrated; or
 - in the absence of existing applicable legislation or lack of legal enforcement, by assessing whether the best practice – that demonstrates conformance with the requirements of SBP Standard 1 – is implemented.
- The indicators that cannot be categorized as low risk are considered a specified risk.

4 Consultation with stakeholders

To ensure transparency and comprehensiveness of reporting, Consultation activities have been conducted in various forms as follows:

- Consultation workshops:

The first consultation workshops were held in Hanoi on August 27, 2024 with the participated of more than 30 delegates representing forestry management agencies, research/educational organizations, NGOs, Certification Assessment Organizations, businesses, associations/unions, forest owners and experts from the Northern regions of Vietnam.

After revising the report according to the comments from the first workshop, the second consultation workshops were held in Ho Chi Minh City on September 23, 2024 with the participation of nearly 30 delegates representing forestry management agencies, research/educational organizations, NGOs, Certification Assessment Organizations, businesses, associations/unions, forest owners and experts from the Central and Southern regions.

Table 8. Summary of stakeholder participated in the 02 workshop

Stakeholder group	Number of stakeholders
Economic interest	11
Social interest	04
Environment interest	03
Certification Bodies	04
National and state forest agencies	01
Research institutions and universities	04
Official representatives of forestry certification schemes	02

- Public consultation by the WB:

The RRA report is sent directly to 25 stakeholders via email and is made public through communication channels such as the SBP website and the VAFS website. This form of consultation ensures that all stakeholders have the opportunity to access information and provide feedback on the report. It also ensures the openness and transparency of the risk assessment. Summary of direct stakeholders in the table. The list of direct stakeholders is determined as required in Appendix 1, SBP Risk Assessment Procedure – Version v1.2.

Table 9. Summary of stakeholder for public consultation (via email)

Stakeholder group	Number of stakeholders
Economic interest	05
Social interest	05
Environment interest	03
Certification Bodies	05
National and state forest agencies	02
Research institutions and universities	03
Official representatives of forestry certification schemes	02

- Public consultation by SBP:

A 30-day public consultation was implemented by SBP beginning in November 2024 and ending in December 2024. The working body analysed all the information gathered during the consultation and documented it in the stakeholder consultation report. Modifications to the draft RRA report were completed as appropriate in response to relevant stakeholder feedback.

5 Risk Conclusion

Index	Sub-scope		
	State organization	Private organization	Small forest owner
1.1.1	Specified risk	Specified risk	Specified risk
1.1.2	Low risk	Low risk	Specified risk
1.1.3	Low risk	Specified risk	Specified risk
1.1.4	Low risk	Low risk	Low risk
1.1.5	Low risk	Low risk	Low risk
2.1.1	Low risk	Low risk	Low risk
2.1.2	Low risk	Low risk	Low risk
2.1.3	Low risk	Low risk	Low risk
2.2.1	Specified risk	Specified risk	Specified risk
2.2.2	Low risk	Low risk	Low risk
2.2.3	Specified risk	Specified risk	Specified risk
2.2.4	Specified risk	Specified risk	Specified risk
2.2.5	Low risk	Low risk	Specified risk
2.2.6	Low risk	Low risk	Low risk
2.2.7	Specified risk	Specified risk	Specified risk
2.2.8	Specified risk	Specified risk	Specified risk
2.2.9	Low risk	Low risk	Low risk
2.2.10	Low risk	Low risk	Low risk
2.2.11	Specified risk	Specified risk	Specified risk
2.2.12	Low risk	Low risk	Low risk
3.1.1	Low risk	Low risk	Low risk
3.2.1	Low risk	Low risk	Low risk
3.2.2	Low risk	Low risk	Low risk
3.2.3	Low risk	Low risk	Low risk
3.3.1	Low risk	Low risk	Low risk
4.1.1	Low risk	Low risk	Low risk
4.1.2	Low risk	Low risk	Low risk
4.1.3	Low risk	Low risk	Low risk
4.1.4	Low risk	Low risk	Low risk
4.1.5	Low risk	Low risk	Low risk
4.1.6	Specified risk	Specified risk	N/A
4.1.7	Low risk	Specified risk	N/A
4.1.8	Specified risk	Specified risk	Specified risk
4.1.9	Low risk	Specified risk	N/A
4.1.10	Specified risk	Specified risk	Specified risk
4.2.1	Specified risk	Specified risk	Low risk
4.2.2	Low risk	Low risk	Low risk
4.2.3	Low risk	Low risk	Low risk
4.2.4	Low risk	Specified risk	Specified risk
4.2.5	Specified risk	Specified risk	Specified risk
4.2.6	Low risk	Specified risk	Specified risk
4.2.7	Low risk	Low risk	Low risk

Annex 1 Detailed findings for Supply Base Evaluation

Principle 1 – Feedstock is legally sourced

Criterion 1.1 – Operators and operations are legal

1.1.1	Operations related to feedstock sourcing and biomass production shall comply with all existing applicable laws and regulations.
<i>Findings</i>	<p>Scale of assessment</p> <p>The scope of assessment includes woody biomass feedstock sourced from plantation forests in Vietnam.</p> <p>Analysis</p> <p>Activities related to sourcing and biomass production of raw material areas in Vietnam include the following aspects:</p> <ul style="list-style-type: none">• Land and resource use rights• Forest management• Environmental and biodiversity protection• Trade and customs applicable to the forestry sector• Payments for harvesting rights and timber, including obligations related to timber harvesting• Fundamental principles and rights at work• Operational Health and Safety (OHAS) <p>Vietnam's legal system has covered all of the above aspects. Directly applicable regulations that need to be considered for biomass supply include:</p> <ul style="list-style-type: none">• Forestry Law No. 16/2017/QH14. This Law regulates the management, protection, development and use of forests; processing and trading of forest products.• Land Law No. 45/2013/QH13 is replaced by Land Law No. 31/2024/QH15 from January 1, 2025. This Law stipulates the land ownership regime, the rights and responsibilities of the State representing the entire ownership of the Vietnamese people to land, unified land management, the land management and land use, the rights and obligations of citizens and land users to land in the territory of the Socialist Republic of Vietnam.• Law on Biodiversity No. 20/2008/QH12: is consolidated into the Law on Biodiversity according to the consolidated document No. 32/VBHN-VPQH. This Law stipulates the conservation and sustainable development of biodiversity and the rights and obligations of organizations, households and individuals in biodiversity conservation and sustainable development.• Law on Fees and Charges No. 97/2015/QH13. This Law stipulates the list of fees and charges; fee and charge payers; fee and charge collection agencies; principles for determining the collection, exemption, reduction, payment, management and use of fees and charges; authority and responsibility of state agencies and other organizations in the management of fees and charges, including fees and charges in the forestry sector.

Annex 1 Detailed findings for Supply Base Evaluation

	<ul style="list-style-type: none"> • Law on Natural Resources Tax No. 45/2009/QH12. This Law stipulates the subjects subject to natural resources tax, natural resources taxpayers, the basis for calculating natural resources tax and the declaration, payment, exemption and reduction of natural resources tax. <p>In addition to the above basic applicable laws, some indirectly applicable regulations include but are not limited to the Law on Environmental Protection No. 72/2020/QH14; Law on Biodiversity No. 20/2008/QH12, Law on Enterprises No. 59/2020/QH14; Labor Code No. 45/2019/QH14.</p> <p>Enforcement and monitoring</p> <p>In Vietnam, the forestry sector is managed by the Ministry of Agriculture and Rural Development (MARD). The management system is based on the national level – the Ministry of Agriculture and Rural Development (MARD), the provincial level (Department of Agriculture and Rural Development) and the district level (District Department of Agriculture and Rural Development). At each level, a Forest Protection Department (or Forest Protection system) is assigned to advise the local People's Committee on forestry management to ensure that all forest management activities comply with current laws. The Ministry of Agriculture and Rural Development manages all forestry activities, issues regulations and supervises all units related to the forestry sector. Therefore, the so-called Forest Management Board is responsible for protecting forests and special-use forests. State forest enterprises are accountable for production forests, while private enterprises, households, individuals and communities are responsible for participating in managing and using production forests.</p> <p>Details of the roles and responsibilities of state management of forestry and forest rangers are stipulated in the Forestry Law 2017: Chapter XI - State management of forestry and forest rangers. The state management system is responsible for managing the forestry sector. Forest rangers from the government to the provincial and district levels are responsible for implementing/monitoring regulations related to raw material areas.</p> <p>Risk conclusion and justification</p> <p>Vietnam has adequate legal regulations covering all supply base and biomass production activities. However, the implementation of legal rules for some aspects is still inadequate (based on the analysis in the relevant indicator), so this indicator is considered a risk identified for all 03 sub-scopes. Specific risks are detailed in the following indicators.</p>
<p><i>Supply Base Verifiers</i></p>	<ul style="list-style-type: none"> – Land use right certificate or equivalent – Sustainable forest management plan – Packing list – Stakeholder consultation – Evidence related to workers' rights, tax obligations, etc.
<p><i>Evidence reviewed</i></p>	<ul style="list-style-type: none"> – Law on Forestry Link – Land Law Link – Law on Biodiversity Link – Law on Severance Tax Link – Law on Environment Protection Link

Annex 1 Detailed findings for Supply Base Evaluation

	<ul style="list-style-type: none"> – Law on Enterprises Link – Labor Code Link 						
<i>Risk rating</i>	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%;">State forest</td> <td style="text-align: right;">Specified risk</td> </tr> <tr> <td>Private organizations</td> <td style="text-align: right;">Specified risk</td> </tr> <tr> <td>Smallholders</td> <td style="text-align: right;">Specified risk</td> </tr> </table>	State forest	Specified risk	Private organizations	Specified risk	Smallholders	Specified risk
State forest	Specified risk						
Private organizations	Specified risk						
Smallholders	Specified risk						
1.1.2	Legal ownership of land and resource use rights shall be respected.						
<i>Findings</i>	<p>Scale of assessment</p> <p>The scope of assessment includes woody biomass feedstock sourced from plantation forests in Vietnam.</p> <p>Analysis</p> <p>According to Vietnamese Law, The State represents the Vietnamese people in land ownership and management..</p> <p>Land use rights in Vietnam are respected and are the obligations of citizens (Article 25, Land Law). The State secures the legal land use rights. The State does not recognize the reclaiming of land allocated according to State regulations for another user (Article 17, Land Law).</p> <p>The rights of land users are stipulated in Article 26, Land Law, specifically as follows: i) People are granted a Certificate of land use rights and ownership of the forest attached to land when meeting the conditions according to regulations; ii) Land users have right with the benefit of labor and investment results on legally used land; iii) Land users have right with the benefits when the State invests in protecting, improving and developing agricultural land (including forestry land); iv) Land users are secured by the State when others violate their legal rights and interests in land; v) Receive compensation, support, and resettlement when the State recovers land according to the provisions of this Law; vi) Complain, denounce, and sue about the violation to people’s legal land use rights and other violation to the land laws. In addition, the rights of forest owners to benefit from exploiting forest products in protective forests, exploiting forest products in production forests, which are natural forests, exploiting plantation forests and forest environmental services are clearly stated in Decree No. 156/2018/ND-CP on enforcement of several articles of the law on Forestry, dated November 16, 2018.</p> <p>Legal provisions on legal land and forest use rights in Vietnam include: i) Having a land use proper certificate or land or forest allocation decision or land or forest lease contract or certification of the competent authority according to the provisions of Law; ii) Where the land is used according to customary or traditional rights ensuring there is no dispute; iii) Land and forest boundaries must be clearly defined on maps and in the field (Set of criteria for sustainable forest management, Circular 13/2023/TT-BNNPTNT dated November 30, 2023 of the Ministry of Agriculture and Agricultural Development (MARD)).</p> <p>Currently, exploiting natural forests in Vietnam is prohibited, so the primary source of biomass supply is plantation forests. According to the statistics of plantation forest area in 2023 of the Ministry of Agriculture and Rural Development (Decision 816/QD-BNN-KL dated March 20, 2024), Vietnam has 4,730,557 hectares of plantation forests, of which 4,004,496 hectares are production forests (accounting for 84.7%), 631,362 hectares are protection forests (accounting for 13.3%),</p>						

Annex 1 Detailed findings for Supply Base Evaluation

	<p>and the remaining 2% of the area is special-use forests. According to Vietnam's regulations, planted special-use forests are not allowed to be exploited except for the subjects specified in Point d, Clause 1, Article 52 and Point b, Clause 4, Article 52 of the Forestry Law 2017; planted protection forests are only allowed to exploit a maximum of 20% of the managed area. In reality, Vietnam's primary source of feedstock is from production forests. In terms of management entities, of the total 4,730,557 hectares of plantation forests, households manage the most significant area with 1,821,099 hectares (accounting for 38.5%), followed by the Commune People's Committee with 1,351,587 hectares (accounting for 28.6%), other entities manage a small area. In fact, with a large number of small forest owners (>1 million small forest owners), the rate of granting forest land use rights certificates to this subject is meagre. However, the Land Law (Article 14) stipulates that the commune level has the right to confirm that the land is not in dispute and is considered a legal document.</p> <p>The allocation of land and forests still overlaps between the area allocated to enterprises and the land managed by the Commune People's Committee but allocated to household for use, leading to conflicts over land boundaries, especially in the Central Highlands region.</p> <p>Enforcement and monitoring</p> <p>Vietnam's land law has been amended and promulgated in 2024. Currently, the Government is issuing Decrees and guiding documents effective from January 1, 2025, however, regulations on rights There is no change in land ownership compared to the 2013 Land Law. The Ministry of Natural Resources and Environment and the Ministry of Agriculture and Rural Development will deploy inspection and monitoring to ensure good law enforcement. The land maps and planning system for three types of forests has been built and operated in recent years, especially the FORMIS forestry industry database system built with the support of the Finnish Government—a good tool for testing and monitoring.</p> <p>Risk conclusion and justification</p> <p>The supply of timber raw materials in Vietnam is mainly from production forests, of which the majority of production forests have been allocated to households for management. However, with a large number of small forest owners (>1 million), the issuance of land use right certificates has yet to be fully implemented, so this indicator is considered a definite risk for small forest owners.</p>				
<i>Supply Base Verifiers</i>	<ul style="list-style-type: none"> – Land use rights certificate or equivalent – Document of the Commune People's Committee on land without dispute 				
<i>Evidence reviewed</i>	<ul style="list-style-type: none"> – Land Law 31/2024/QH15 LINK – Degree 156/2018/ND-CP LINK – Decision số 178/QĐ-TTg LINK – Decision 816/QĐ-BNN-KL LINK – Circular 13/2023/TT-BNNPTNT LINK 				
<i>Risk rating</i>	<table border="0"> <tr> <td style="padding-right: 20px;">State forest</td> <td>Low risk</td> </tr> <tr> <td>Private organizations</td> <td>Low risk</td> </tr> </table>	State forest	Low risk	Private organizations	Low risk
State forest	Low risk				
Private organizations	Low risk				

Annex 1 Detailed findings for Supply Base Evaluation

	Smallholders	Specified risk
1.1.3		Feedstock shall be legally harvested, supplied and produced, including in compliance with CITES, EUTR and other applicable legal trade requirements.
<i>Findings</i>		<p>Scale of assessment</p> <p>The scope of assessment includes woody biomass feedstock sourced from plantation forests in Vietnam.</p> <p>Analysis</p> <p>Feedstock sourced from Vietnam is subjected to comply with the following laws, including Land Law No. 31/2024/QH15 which is effective from 01/08/2024; Law on Forestry No. 16/2017/QH14; Law on Biodiversity No. 20/2008/QH12; Law on Fees and Charges No. 97/2015/QH13; Law on severance tax No. 45/2009/QH12; and other relevant Decrees and Circulars such as Decree No. 102/2020/ND-CP about Vietnam Timber Legality Assurance System. This Decree provides for Vietnam Timber Legality Assurance System (VNTLAS) and circular No. 26/2022/TT-BNNPTNT on managing and tracing forest products.</p> <ul style="list-style-type: none"> <p>Regarding legal harvesting:</p> <p>Forest in Vietnam is divided into three types, including special-use forests, protection forests and production forest. Regarding the origin of the forest, it is divided into natural forest and plantation forest. Harvest of timbers from special-use forests, protection forests and natural production forests is only applicable to salvage harvest. Specifically, the harvesting regulations to those forests are provided in: (i) Article 52 of the 2017 Forestry Law and Article 12 of Decree no. 156/2018/ND-CP dated 16 November 2018 on enforcement of the law on forestry for harvesting of forest products in special-use forests; (ii) Article 55 of the 2017 Forestry Law and Article 20 of Decree 156 for harvesting of forest products in protection forests; and (iii) Article 58 of the 2017 Forestry Law and Article 28 of Decree 156 for harvesting of forest products in natural production forests. However, since 2014 Vietnam has restricted logging from natural forests and since 2017 a complete ban on logging from natural forests has been applied. Hence, feedstock sources from natural forest in Vietnam is subjected to illegal logging.</p> <p>Timber logging is now only applicable to plantation forests that are designated to production or commercial forests. Article 59 of the Forestry Law 2017 states the followings: (i) Forest owners fully make decisions on forestry planting species, business rotation and enjoy forest products for its legally managed forestland; (ii) In case the plantations are established using state budget capital, <i>the forest owner must prepare a forest product exploitation dossier and submit it to the competent state agency for approval of the capital source for decision</i>; and (iii) The exploitation of forest products in planted production forests shall comply with the provisions of this Law and the forest management regulations.</p> <p>The timber harvest from plantation (plantation forest) is regulated by a MARD’s circular No. 26/2022/TT-BNNPTNT and circular 22/2023/TT-BNNPTNT on managing and tracing forest products. Based on these requirements, <i>state forest owners of production plantation or forest owners of protection plantation need to develop harvesting plan and submit it to the competent state agency for approval. The other production plantation forest owners (household and individual) are not required to develop and get approval for the harvesting plan.</i></p>

- **Regarding legal supply and production of feedstock:**

According to MARD's circular No. 26/2022/TT-BNNPTNT on managing and tracing forest products, in order to tracking and tracing of the forest product to origin, forest owners or owner of forest products are required to fill out packing list of forest products. Entities subject to making packing lists of forest products include: a) A forest product owner or an organization/individual who is authorized by a forest product owner shall make a packing list after the harvesting; b) A forest product owner shall make a packing list when purchasing or transferring, transporting, dispatching forest products at a time and on the same vehicle; when preparing the application for issuance of license to export forest products; c) A competent person shall make a packing list when preparing documents about penalties for violations concerning forest products; d) An agency assigned to manage property after confiscating the property shall make a packing list when auctioning.

Decree No. 102/2020/ND-CP about Vietnam Timber Legality Assurance System. This Decree provides for Vietnam Timber Legality Assurance System (VNTLAS) for export and import; criteria, authority, procedures for classifying timber producers and exporters; issuance of FLEGT licenses; Regulations of law on management, tracing of origins of forestry products and relevant legislative documents shall apply to VNTLAS for harvest, transport, trade and processing of timber. In this Decision, there are seven main points considered: i) General regulations on the management of imported wood; ii) Criteria for determining and authority to announce countries in geographical areas actively exporting wood to Vietnam; iii) Criteria for determining and authority to declare risky wood types imported into Vietnam; iv) Imported wood profile; v) General regulations on management of exported timber; vi) Determination of the origin of wood before exporting; vii) Wood export profile

- **Regarding requirements for compliance with CITES and EUTR**

The Circular No. 26/2022/TT-BNNPTNT also set requirement for marking of specimens of species on the list of endangered/rare forest plants and animals; species of wild plants and animals included in Appendices of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (hereinafter referred to as "CITES"), except for aquatic species. This requirement is also required to comply with Decree No. 84/2021/ND-CP on Amending and supplementing a number of articles of the Government's Decree No. 06/2019/ND-CP of January 22, 2019, on the management of endangered, precious and rare forest plants and animals and implementation of the Convention on International Trade in Endangered Species of Wild Fauna and Flora.

Enforcement and monitoring

In Vietnam, forest sector is managed by the Ministry of Agricultural and Rural Development (MARD). The management system is based on the National level – the Ministry of Agriculture and Rural Development (MARD), provincial level (Provincial Department of Agricultural and Rural Development) and in the district level (District Department of Agricultural and Rural Development). Under each level, there is Forest Protection department (or Forest ranger system) is assigned to advise local People's Committees to manage the forest sector for ensuring that all forest management activities are complied with applicable laws.

The Ministry of Agriculture and Rural Development manages all forestry, issues and supervises all entities involved in the forest sector. So called Forest Managing Boards are in charge of protection and special use forests. State Forest Enterprises are in charge of managing production forests whereas private enterprises, households, individuals and communities are supposed to be involved in production forest use and management.

Annex 1 Detailed findings for Supply Base Evaluation

	<p>Details roles and responsibilities of state management of Forestry and Forest Rangers are clearly described in the Law on Forestry 2017: Chapter XI - state management of forestry and forest rangers.</p> <p>Basically, state management system is responsible for managing forest sector while Forest rangers from governmental level to provincial and district level are responsible for enforcement/monitoring of forest regulations.</p> <p>Risk conclusion and justification</p> <p>The primary feedstock in Vietnam is mainly sourced from planted production forests. The main species used for forest plantations include Acacia, Eucalyptus and Rubber, which are in the list of major forestry species (Circular 22/2021/TT-BNNPTNT dated 29/09/2021) and not listed under CITES. Harvesting permits are required for state-owned forest owners but not for households and individuals, while forest product inventory is mandatory for all forest owners. In practice, state-owned organizations fully comply with the requirements for approving harvesting plans and forest product inventory. Smallholders mainly sell standing trees to intermediaries or traders. Therefore, filling in the forest product inventory is delegated or assigned to intermediaries or traders. Intermediaries or traders are not allowed to fill in the forest product inventory, which does not comply with current laws (Circular 26/2022/TT-BNNPTNT and Circular 22/2023/TT-BNNPTNT). In addition, the implementation and control of forest inventory for private forest owners has yet to be fully implemented. Therefore, specific risks are identified for feedstock originating from small forest owners and private organizations related to the requirement of forest inventory.</p>						
<i>Supply Base Verifiers</i>	<ul style="list-style-type: none"> - Packing list - Stakeholder consultation - Public information 						
<i>Evidence reviewed</i>	<ul style="list-style-type: none"> - Law on Forestry 2017 Link - Degree 156/2018/ND-CP Link - Degree 102/2020/ND-CP Link - Circular 26/2022/TT-BNNPTNT Link - Circular 22/2021/TT-BNNPTNT dated 29/09/2021 Link - Degree 84/2021/ND-CP Link - VFCS/PEFC ST 1003:2019 Link - VFCS/PEFC ST 1004: 2019 Link - Vietnam Timber Legality Risk Assessment Report, V2.0, December 13, 2021 Link 						
<i>Risk rating</i>	<table border="0" style="width: 100%;"> <tr> <td style="width: 33%;">State forest</td> <td style="width: 33%;">Low risk</td> <td style="width: 33%;"></td> </tr> <tr> <td>Private organizations</td> <td>Specified risk</td> <td></td> </tr> </table>	State forest	Low risk		Private organizations	Specified risk	
State forest	Low risk						
Private organizations	Specified risk						

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	Smallholders	Specified risk
1.1.4		Payments for harvest rights and feedstock, including duties, relevant royalties and taxes related to timber harvesting shall be complete and up-to-date.
<i>Findings</i>		<p>Scale of assessment</p> <p>The scope of assessment includes woody biomass feedstock sourced from plantation forests in Vietnam. The indicator does not apply to small forest owners because, according to regulations, Income and Profit Tax does not apply to plantation forests owned by smallholders.</p> <p>Analysis</p> <p>According to the law, forest owners or traders/organizations participating in the exploitation, business and production of feedstock originating from Vietnam may have to pay taxes and fees, including (1) Royalties and harvesting fees, (2) Value added tax, and (3) Income and profit tax.</p> <ul style="list-style-type: none"> • Royalties and harvesting fees tax is implemented according to the provisions of the Resource Tax Law No. 45/2009/QH12 dated November 25, 2009. According to the Resource Tax Law provisions, only products of natural forests (excluding animals) are subject to this tax. Meanwhile, Vietnam has applied a ban on logging for natural forests since 2017; most of the feedstock are exploited from production forests and a small part from the thinning of planted protective forests (protective forests are natural forests that are not allowed to be exploited). Therefore, people who exploit and use wood materials from Vietnam are not subject to this tax. • Payment of value-added tax is carried out by the Law on Value Added Tax No. 13/2008/QH12, Law No. 31/2013/QH13 and Law No. 106/2016/QH13. Accordingly, agricultural products that have not been processed into other products or have only undergone standard preliminary processing by organizations and individuals that produce, catch and sell them at the import stage are not subject to value-added tax. Therefore, round and unprocessed wood is sold by enterprises and cooperatives that pay VAT according to the deduction method to enterprises and cooperatives at the commercial stage; the seller does not have to declare and pay VAT. Processed wood products such as boards, wooden panels, and wood chips are subject to a VAT rate of 10% (Law 13/2008/QH12, Article 8). • Paying income tax and profit tax: This requirement is stipulated in the amended Tax Law No. 71/2014/QH13; Personal Income Tax Law No. 04/2007/QH12 and the amended Personal Income Tax Law 26/2012/QH13; Corporate Income Tax Law 14/2008/QH12 and the amended Corporate Income Tax Law 32/2013/QH13. Based on current law, the income of households and individuals directly engaged in agriculture, forestry, salt production, aquaculture and aquatic products whose products have not been processed is exempt from personal income tax. In Vietnam, income from planting, tending and protecting forests of forestry enterprises and cooperatives operating in areas with complex or challenging socio-economic conditions is entitled to corporate income tax incentives. The current standard corporate income tax (CIT) rate is 20% (stipulated in Article 11 of Circular 78/2014/TT-BTC). Current law states that preferential tax rates are 10% and 17%. Such preferential rates will be applied when specific criteria are met. Eligible areas are listed in the latest Decree 31/2021/ND-CP update dated March 26, 2021. <p>Tax authorities closely monitor tax compliance in Vietnam under the 2019 Tax Administration Law. Vietnam has switched to an electronic invoice system, and electronic invoices can be checked for validity online on the General Department of Taxation's website http://tracuuhoadon.gdt.gov.vn/main.htm</p> <p>"High-risk tax enterprises" must use electronic invoices with authentication codes. Enterprises on the list of "Enterprises with high tax risks" can be looked up on</p>

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	<p>the website of the General Department of Taxation: http://tracuuhoadon.gdt.gov.vn/dnrrvp.html</p> <p>Enforcement and monitoring</p> <p>Regarding the enforcement and supervision of tax payments related to forest management activities, the General Department of Taxation - Ministry of Finance is responsible for managing all tax-related legal requirements. Local tax authorities register income tax for enterprises, households, and communities to pay royalties and exploitation fees.</p> <p>Risk conclusion and justification</p> <p>Vietnam has clear and complete regulations on taxes and fees related to forestry exploitation and production activities. In general, the implementation of tax obligations in Vietnam is closely monitored by tax authorities; information is transparent and can be easily looked up on the General Department of Taxation website. Therefore, this indicator is assessed as low risk.</p>						
<i>Supply Base Verifiers</i>	<ul style="list-style-type: none"> – Stakeholder consultation – Look up information on the General Department of Taxation system – Review tax payment evident of forest owner organizations. 						
<i>Evidence reviewed</i>	<ul style="list-style-type: none"> – Law on Resources tax 45/2009/QH12 Link – Law 13/2008/QH12 the National Assembly on Value-added tax dated on 03 June 2008 Link – Law 32/2013/QH13 of the National Assembly on amending and supplementing some articles of the Law on Enterprise Income Tax. Link – Law 71/2014/QH13 dated 26 November 2014 of the National Assembly on Amending and Supplementing a Number of Articles of the Laws on Taxes Link – Law on Personal income tax 04/2007/QH12 Link – Law amending and supplementing a number of articles of the law on personal income tax 26/2012/QH13 Link – Law on enterprise income tax 14/2008/QH12 Link – Law on the amendments to the law on enterprise income tax 32/2013/QH13 Link – Prefer by nature, 2021. Timber Legality Risk Assessment for Viet Nam, V2.0, dated 13 December 2021. Link – Circular 78/2014/TTBTC Link – Decree 31/2021/NĐ-CP Link 						
<i>Risk rating</i>	<table> <tr> <td>State forest</td> <td>Low risk</td> </tr> <tr> <td>Private organizations</td> <td>Low risk</td> </tr> <tr> <td>Smallholders</td> <td>N/A</td> </tr> </table>	State forest	Low risk	Private organizations	Low risk	Smallholders	N/A
State forest	Low risk						
Private organizations	Low risk						
Smallholders	N/A						
1.1.5	There shall be adequate protection of the Supply Base from unauthorised and illegal activities, such as illegal logging, mining, and encroachment.						

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<i>Findings</i>	<p>Scale of assessment</p> <p>The scope of assessment includes woody biomass feedstock sourced from plantation forests in Vietnam.</p> <p>Analysis</p> <p>Vietnamese law has very clear and complete regulations on protection measures of the Supply Base from unauthorized and illegal activities, specifically as follows:</p> <p>Prohibited acts in forestry activities are specifically stipulated in Article 9, Law on Forestry (2017), including: cutting, destroying, exploiting, encroaching, and occupying forests against the law; Destroying forest resources and forest ecosystems; Violation of regulations on forest fire prevention and fighting; prevent and eliminate harmful organisms in the forest; management of invasive alien species; Exploitation of natural resources, mineral resources, and forest environment contrary to the provisions of law; Forest allocation, forest lease, forest recovery, forest type conversion, forest use purpose change contrary to the provisions of law; allowing exploitation and transportation of forest products against the law; converting forest areas, transferring, inheriting, donating, mortgaging, contributing capital with the value of forest use rights, and ownership of planted production forests in contravention of the law. Violations in forestry activities, depending on the severity, will be administratively sanctioned according to Decree No. 35/2019/ND-CP dated April 25, 2019 or criminally sanctioned according to Article 232 of the Penal Code 2015, revised and supplemented in 2017 .</p> <p>Regulations on forest protection and forest product exploitation for each type of forest have been fully stipulated in Decree No. 156/2018/ND-CP on enforcement of a number of articles of the law on Forestry, dated November 16, 2018, specifically as follows: Regulations on protection forests (Article 19), protection of production forests (Article 26); regulations on exploitation of forest products in protection forests (Article 20); Exploiting production forests including natural forests (Article 28) and plantation forests (Article 29); Implement regulations on forest fire prevention and fighting (Chapter IV).</p> <p>State organization, private organization and smallholders whose activities directly affect the forest ecosystem and the growth and development of forest species must comply with the provisions of the Law. Forestry, laws on environmental protection, biodiversity, plant protection and quarantine, veterinary medicine and other relevant laws (Article 37, Forestry Law). To limit exploitation illegal forests, Vietnamese law has specific regulations on checking the origin of forest products (Article 42, Forestry Law); Regulations on management and traceability of forest products (Circular No. 26/2022/TT-BNNPTNT, dated December 30, 2022). In addition, to ensure wood legality and increase transparency for exported wood, Decree 102/ND-CP (2020) of the government also has regulations on export wood management and wood origin confirmation. Before export, Export Timber Documents (Article 8, Article 9, Article 10); Classification of wood processing and exporting enterprises (Chapter III); FLEGT license and independent review (Chapter IV).</p> <p>Vietnamese law also stipulates the responsibility of forest owners in strictly implementing the provisions of law on sustainable forest management (Circular 28/2018/TT-BNNPTNT and Circular 13/2023/TT-BNNPTNT) and legal wood origin to contribute to preventing illegal logging practices (Circular 26/2022/TT-BNNPTNT and Circular 22/2023/TT_BNNPTNT).</p> <p>To strengthen law enforcement and improve the effectiveness of forest protection and management, Vietnam has applied a series of strong measures such as: i) Strengthening the management of timber exploitation in natural forests (Decision 2242/QD-TTg dated December 11, 2014 of the Prime Minister); ii) apply a ban</p>
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	<p>on logging in natural forests nationwide (Notification No. 511/TB-VPCP dated November 1, 2017 of the Prime Minister); iii) Issued Directive No. 13-CT/TW dated January 12, 2017 of the Secretariat on strengthening the Party's leadership in forest management, protection and development , clearly defining the Forest management, protection and development are the responsibility of party committees, party organizations, authorities and heads of agencies, organizations and localities; iv) Issued Resolution No. 29/ND-CP dated March 8, 2024 of the Government on the action program to implement Conclusion No. 61-KL/TW dated August 17, 2023 of the Secretariat on continuing to implement Currently Directive No. 13-CT/TW dated January 12, 2017 of the Secretariat on strengthening the Party's leadership in forest management, protection and development.</p> <p>Thus, it can be seen that Vietnam has paid great attention to forest management and protection, bringing forest management and protection under the direction and supervision of the Party and the direct responsibility of forest management of people. local leaders. That's why the number of violations has continuously decreased over the years and the incidents are only on a small scale. According to the report explaining the national forestry planning for the period 2021-2030, with a vision to 2050 of the Ministry of Agriculture and Rural Development, the number of violations of legal regulations on Forestry in the period 2016-2020 has decreased by 60.8%. compared to the period 2011-2015, in which 2020 decreased by 30% compared to the average year of the period 2016-2020.</p> <p>Enforcement and monitoring</p> <p>The Ministry of Agriculture and Rural Development, represented by the Forestry Department, in coordination with local authorities in the provinces, represented by the Forestry Sub-Departments (provincial level) and Forestry Divisions (district level), will deploy and monitor the implementation of Vietnamese laws on forest management and protection; handle violations of the law.</p> <p>Currently, the Ministry of Agriculture and Rural Development is testing the issuance of forest plantation area codes and will apply them nationwide. The Vietnam Forestry Science Institute has developed the iWood software system to support the control of wood origin based on the digitization of the wood origin control process, ensuring transparency and the issuance of forest plantation area codes according to EUDR requirements.</p> <p>Risk conclusion and justification</p> <p>Vietnam's legal system has been gradually improved and proven effective in controlling the unauthorized and illegal activities, such as logging, mining and encroachment. Therefore, this indicator is assessed as low risk.</p>
<p><i>Supply Base Verifiers</i></p>	<ul style="list-style-type: none"> – Forest harvesting plan. – Packing list – Forest product purchase and sale records. – Stakeholder consultation
<p><i>Evidence reviewed</i></p>	<ul style="list-style-type: none"> – Law on Forestry (No. 16/2017/QH14, dated November 15, 2017) Link – Decree No. 156/2018/ND-CP dated 16 / Nov / 2018 Link – Decree No. 102/2020/ND-CP dated 01/Sep/2020 Link – Circular No 26/2022/TT-BNNPTNT Dated December 30, 2022 Link

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	<ul style="list-style-type: none"> – Thông tư 22/2023/TT-BNNPTNT ngày 15/12/2023 Link – Circular 28/2018/TT-BNNPTNT ngày 16/11/2018 Link – Circular No. 13/2023/TT-BNNPTNT dated 30/Nov/2023 Link – Directive No. 13-CT/TW dated January 12, 2017 Link – Notice No. 511/TB-VPCP dated November 1, 2017 Link – Resolution No. 29/ND-CP dated March 8, 2024 Link 						
<i>Risk rating</i>	<table border="0"> <tr> <td>State forest</td> <td>Low risk</td> </tr> <tr> <td>Private organizations</td> <td>Low risk</td> </tr> <tr> <td>Smallholders</td> <td>Low risk</td> </tr> </table>	State forest	Low risk	Private organizations	Low risk	Smallholders	Low risk
State forest	Low risk						
Private organizations	Low risk						
Smallholders	Low risk						

Principle 2 - Feedstock sourcing does not harm the environment

Criterion 2.1 - Biodiversity is maintained or enhanced.

2.1.1	Key species, habitats, ecosystems, and areas of high conservation value (HCV) pertaining to biodiversity in the Supply Base shall be identified.
<i>Findings</i>	<p>Scale of assessment</p> <p>The scope of assessment includes woody biomass feedstock sourced from plantation forests in Vietnam.</p> <p>Analysis</p> <p>Regarding species, habitats, ecosystems and areas of high conservation value at the national level, Vietnam has developed and implemented the Law on Biodiversity 2008 and the Law on Forestry 2017, in which special-use forests are explicitly planned to conserve natural forest ecosystems and biological genetic resources. Based on the level of biodiversity, biodiversity value, and area scale, special-use forests are classified into a) National parks, b) Nature reserves, c) Species - habitat conservation areas, and d) Landscape protection areas, and are divided into national and provincial levels to have appropriate management and investment policies. Conservation areas must be statistically and inventoried; their locations must be determined on land use status maps, or their coordinates on the sea surface must be specified. According to statistics, by the end of 2023, Vietnam has 178 nature reservation areas, including terrestrial and marine protected areas. Most of the terrestrial protected areas are natural forest. Specifically, among these 178 nature reservation areas, there are 34 national parks, 59 nature reserves, 23 species and habitat conservation areas, and 62 landscape protection areas. Vietnam aims to establish 61 more nature reservation areas, increasing the total area to 6.6 million hectares by 2030 (Decision 1352/QĐ-TTg, dated 08 November 2024).</p> <p>In addition, the identification and management of species with high conservation value is also managed by Vietnam under the Convention on International Trade in Endangered Species of Wild Fauna and Flora (from now on abbreviated as CITES). in which Vietnam participates. The Vietnam CITES Management Authority was established in 2007 by the Decision 1016/QĐ-BNN-TCCB dated on 11/01/2007 (MARD) to advise and assist the Minister of Agriculture and Rural Development in exercising the rights and obligations of national representatives of member countries. Every five years or whenever there are changes, the Vietnam CITES Management Authority publishes the list of wild fauna and flora species included in the CITES. Vietnam's latest CITES list was announced in February 2023. Thus,</p>

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at the national level, Vietnam has done an excellent job identifying species, habitats, ecosystems, and areas of high conservation value (HCV) related to biodiversity.

For the identification of species, habitats, ecosystems and areas of high conservation value in forests outside the scope of identified special-use forests, the Ministry of Agriculture and Rural Development (MARD) also regulates forest owners who are organizations (including all special-use and protection forest management boards, forestry companies and other forest management organizations) that must develop and implement a sustainable forest management plan, which requires clearly defining species and areas of ecological importance, with high conservation value for conservation (Circular 28/2018/TT-BNNPTNT and Circular 13/2023/TT-BNNPTNT dated November 30, 2023).

Vietnam has stopped harvesting wood from natural forests since 2014 (Decision 2242/QĐ-TTg in 2014 and Directive 13-CT/TW in 2017) and does not exploit wood from special-use forests. Hence, the feedstock is mainly from planted production forests and a tiny part from thinning exploitation of planted protective forests (legally by Decree 156/2018/ND-CP). The traceability of wood origin is also strictly controlled through a series of regulatory documents, most recently Circular 26/2022/TT-BNNPTNT and Circular 22/2023/TT-BNNPTNT). Therefore, the exploitation of raw wood is outside areas identified with species, habitats, ecosystems and regions of high conservation value (HCV) related to biodiversity. Thus, identifying species and high conservation areas in production forests has negligible risk because the production forests are mostly plantations.

Enforcement and monitoring

At the central level, the Ministry of Natural Resources and Environment is responsible to the Government for implementing state biodiversity management (Article 6, Clause 2). The Ministry of Natural Resources and Environment presides over and coordinates with relevant ministries and ministerial-level agencies to organize the preparation and submission to the Government for approval and adjustment of the national biodiversity conservation master plan (Article 10, Clause 1). 1). Based on the national biodiversity conservation master plan, ministries, management agencies, and provinces will prepare biodiversity conservation planning within the management scope.

The Ministry of Agriculture and Rural Development annually organizes assessments of activities, results, and problems and recommends mechanisms and policies for special-use forests (National Parks, Nature Reserves, Management Boards of Protection and Special-use forests. Periodically every three years, The conservation area management board and the organization assigned to manage the conservation area are responsible for reporting the current status of the conservation area's biodiversity to the state agency competent to manage the conservation area The biodiversity of the conservation area must have the following principal contents: a) Current status, recovery status and recovery plan for natural ecosystems in the conservation area; b) Current status and conservation plan for species on the list of endangered, precious and rare species prioritized for protection in conservation areas; c) Requirements for biodiversity conservation in conservation areas; d) Current land use status in the conservation area. (Article 33)

The forest rangers under the Forest Protection Department are responsible for inspecting, guiding and organizing the implementation of legal regulations on the management and protection of endangered, precious and rare forest plants and animals and implementing the *Convention on International Trade in Endangered Species of Wild Fauna and Flora*.

At the local level, the Department of Agriculture and Rural Development and the Forest Protection Department of the provinces are responsible for inspecting, guiding and organizing the implementation of legal regulations on managing and protecting forest plants and animals and *the Convention on International Trade in Endangered Species of Wild Fauna and Flora*

Risk conclusion and justification

Species, habitats, ecosystems and areas with high conservation value in Vietnam have been identified and effectively managed. Feedstock is harvested mainly in production forests with low biodiversity, so this indicator is considered low risk.

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<i>Supply Base Verifiers</i>	<ul style="list-style-type: none"> – Planning map of 03 types of forests – Red book or equivalent documents which show the type of forest – National report on Biodiversity 2005, 2011 and 2022 Link – Interviews with stakeholders 						
<i>Evidence reviewed</i>	<ul style="list-style-type: none"> – Law on Forestry 2017 Link – Law on Biodiversity Link – Decree No. 156/2018/ND-CP Link – National report on Biodiversity 2005, 2011 and 2022 Link – Notice No. 25/TB-CTVN dated February 17, 2023 on the publication of the list of wild animals and plants included in the appendix of the Convention on International Trade in Dangerous Species of Wild Fauna and Flora grant (CITES) Link – Decision 2357/QĐ-BNN-KL dated June 14, 2023 Announcing the current state of forests nationwide in 2022 Link – Decision 2242/QĐ-TTg of 2014 Link – Directive 13-CT/TW of 2017 Link – Circular 28/2018/TT-BNNPTNT and Circular 13/2023/TT-BNNPTNT dated November 30, 2023 Link – Decision 1352/QĐ-TTg, dated 08 November 2024 on Approval of the national biodiversity conservation plan for the 2021-2023 period, with a vision to 2050 Link – https://baotainguyenmoitruong.vn/viet-nam-xep-thu-14-quoc-gia-co-muc-do-da-dang-sinh-hoc-cao-tren-the-gioi-370665.html 						
<i>Risk rating</i>	<table border="0" style="width: 100%;"> <tr> <td style="width: 60%;">State forest</td> <td>Low risk</td> </tr> <tr> <td>Private organizations</td> <td>Low risk</td> </tr> <tr> <td>Smallholders</td> <td>Low risk</td> </tr> </table>	State forest	Low risk	Private organizations	Low risk	Smallholders	Low risk
State forest	Low risk						
Private organizations	Low risk						
Smallholders	Low risk						
2.1.2	Threats to and impacts on the identified key species, habitats, ecosystems, and areas of high conservation value (HCV) pertaining to biodiversity in the Supply Base shall be identified and evaluated.						
<i>Findings</i>	<p>Scale of assessment</p> <p>The scope of assessment includes woody biomass feedstock sourced from plantation forests in Vietnam.</p> <p>Analysis</p> <p>Identifying threats and impacts to species, habitats, ecosystems and areas of high conservation value (HCV) related to biodiversity is carried out according to the Law on Biodiversity.</p> <p>According to the Law on Biodiversity, the Ministry of Natural Resources and Environment (MONRE) presides over and coordinates with relevant ministries and</p>						

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	<p>ministerial-level agencies to develop reports on biodiversity. Biodiversity reports must include content identifying pressures and challenges facing biodiversity (Article 72).</p> <p>To date, national biodiversity reports have been issued in 2005, 2011 and 2022 and have identified the central pressures and causes of biodiversity loss in Vietnam. According to the 2022 biodiversity report, in Vietnam, the causes of biodiversity loss are not beyond those identified globally by IPBES, including direct causes: (i) Land/water use conversion without appropriate scientific basis; (ii) Over-exploitation, illegal exploitation and illegal trade of biological resources; (iii) Climate change and forest fires; (iv) Environmental pollution and (v) The introduction of invasive alien species as well as the inability to control them. Among them, the two leading causes of biodiversity loss in terrestrial ecosystems are land/water use conversion and over-exploitation, illegal exploitation and illegal trade of biological resources (including fauna and flora). However, according to the 2022 national biodiversity report, Vietnam has also made efforts to perfect the policy system, strengthen the priority areas for biodiversity conservation and strengthen the management and monitoring activities that negatively impact biodiversity. Particularly in the field of forest management, Vietnam has applied a policy of completely banning timber logging from natural forests since 2017.</p> <p>Thus, at the national level, identifying and assessing threats and impacts to species, habitats, ecosystems, and areas of high conservation value (HCV) related to biodiversity in the feedstock area has been made.</p> <p>In the field of forest management, the Ministry of Agriculture and Rural Development issued document No. 01/VBHN-BNNPTNT dated January 2, 2024, merging Circular 28/2018/TT-BNNPTNT and Circular 13/2023/TT-BNNPTNT on Sustainable Forest Management, according to which the set of criteria for sustainable forest management requires forest owners when formulating sustainable forest management plans to conduct an environmental impact assessment (Appendix I, Principle 5, Index 5.1.1). Thus, threats and impacts to species, habitats, ecosystems and areas of high conservation value (HCV) related to biodiversity have also been regulated and implemented in forestry activities. Particularly in the field of forest management, Vietnam has applied a policy of completely banning timber logging from natural forests since 2017.</p> <p>Enforcement and monitoring</p> <p>The Law on Biodiversity stipulates that the Ministry of Natural Resources and Environment is responsible to the Government for implementing state management of biodiversity (Article 6, Clause 2). The Ministry of Natural Resources and Environment presides over and coordinates with relevant ministries and ministerial-level agencies to organize the preparation and submission to the Government for approval and adjustment of the national biodiversity conservation master plan (Article 10, Clause 1). 1). Based on the national biodiversity conservation master plan, ministries, management agencies, and provinces will prepare biodiversity conservation planning within the management scope.</p> <p>Forest rangers under the Forest Protection Department and Forest Protection Departments of the provinces are responsible for inspecting, guiding and organizing the implementation of legal regulations on the management and protection of endangered and precious forest plants and animals and implementation of the Convention on International Trade in Endangered Species of Wild Fauna and Flora.</p> <p>Risk conclusion and justification</p> <p>Threats and impacts to species, habitats, ecosystems and areas of High Conservation Value (HCV) related to biodiversity have been identified at the National level and forest owners are encouraged to conduct environmental impact assessment in sustainable forest management therefore this criterion is concluded as low risk.</p>
<i>Supply Base Verifiers</i>	<ul style="list-style-type: none">- National report on Biodiversity 2005, 2011 và 2022 Link- Sustainable Forest Management Plan- Stakeholders consultation

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<p><i>Evidence reviewed</i></p>	<ul style="list-style-type: none"> – Forestry law 2017 Link – Law on Biodiversity Link – Decree No. 156/2018/ND-CP dated 16/11/2018 on detailed regulation to implement the Forestry Law 2017 Link – Circular 28/2018/TT-BNNPTNT và Circular 13/2023/TT-BNNPTNT ngày 30/11/2023 Link – National report on Biodiversity 2 005, 2011 and 2022 Link 						
<p><i>Risk rating</i></p>	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">State forest</td> <td>Low risk</td> </tr> <tr> <td>Private organizations</td> <td>Low risk</td> </tr> <tr> <td>Smallholders</td> <td>Low risk</td> </tr> </table>	State forest	Low risk	Private organizations	Low risk	Smallholders	Low risk
State forest	Low risk						
Private organizations	Low risk						
Smallholders	Low risk						
<p>2.1.3</p>	<p>Key species, habitats, ecosystems, and areas of high conservation value (HCV) pertaining to biodiversity in the Supply Base shall be maintained or enhanced.</p>						
<p><i>Findings</i></p>	<p>Scale of assessment</p> <p>The scope of assessment includes woody biomass feedstock sourced from plantation forests in Vietnam.</p> <p>Analysis</p> <p>The protection, maintenance and enhancement of biodiversity is carried out according to the Law on Biodiversity and the Law on Forestry.</p> <p>At the national level, the Law on Biodiversity stipulates the principles and tasks of biodiversity conservation at all levels, from national to ministerial and local levels, creating a legal basis for local communities to participate in natural resource conservation through new benefit-sharing mechanisms.</p> <p>Decision No. 45/QĐ-TTg dated January 8, 2014, of the Prime Minister approving the Master Plan for biodiversity conservation of the whole country to 2020, with a vision to 2030, arranging the system of current conservation areas; Conduct and propose research to establish and implement new protected areas gradually; Review and upgrade the system of biodiversity conservation facilities; New proposal for biodiversity corridor system. In early 2020, the Prime Minister approved the task of preparing a master plan for national biodiversity conservation in 2021-2030, with a vision to 2050, stipulating six objects of biodiversity conservation planning, including natural conservation areas, biodiversity corridors, biodiversity conservation facilities; High biodiversity area; important ecological landscapes; essential wetlands.</p> <p>By the end of 2019, 23 biodiversity conservation plans have been approved at the provincial and central city levels. While reviewing and assessing conservation needs, the provinces (23 provinces) have planned new planning objects (44 nature reserves, 37 biodiversity conservation facilities and 15 biodiversity corridors).</p> <p>The National Strategy on Biodiversity to 2030 with a vision to 2050 also identifies the goal of increasing the area of natural ecosystems protected, restored and ensuring integrity and connection; Biodiversity is preserved and used sustainably. Vietnam aims to establish 61 more nature reservation areas, increasing the total area to 6.6 million hectares by 2030 (Decision 1352/QĐ-TTg, dated 08 November 2024)</p> <p>In forestry, the 2017 Forestry Law also provides regulations on using three types of forests. In particular, special-use forests are planned with the primary purpose of preserving ecosystems and biodiversity. Vietnam has limited harvesting natural forests since 2014 and banned harvesting natural forests since 2017 (Decision 2242/QĐ-TTg in 2014 and Directive 13-CT/TW in 2017) and does not exploit wood from special-use forests. Hence, feedstocks are mainly from planted production forests and a tiny part from thinning exploitation of planted protective forests (Decree 156/2018/ND-CP). The traceability of wood origin is also strictly controlled</p>						

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	<p>through a series of regulatory documents, most recently Circular 26/2022/TT-BNNPTNT and Circular 22/2023/TT-BNNPTNT). Therefore, the exploitation of feedstock is outside areas identified with species, habitats, ecosystems and regions of high conservation value (HCV) related to biodiversity.</p> <p>The national plan to implement the Glasgow Declaration on forests and land use until 2030 (according to Decision 993/QD-TTg dated August 24, 2023) also sets the goal that by 2025, strict management of existing natural forests, minimize conversion of natural forests to other purposes, gradually limit forest degradation and land degradation; By 2030, reverse deforestation and forest resource degradation.</p> <p>In fact, Vietnam has wholly banned the exploitation of natural forests, so most of the raw materials are exploited from production forests and a small part of feedstock from the thinning of planted protective forests. These forest areas have low biodiversity value, with little impact on maintaining and enhancing national biodiversity.</p> <p>Thus, at both the national level and in the forestry sector, species, habitats, ecosystems, and areas of high conservation value (HCV) related to biodiversity are being ensured to be maintained or enhanced.</p> <p>Enforcement and monitoring</p> <p>The Law on Biodiversity stipulates that the Ministry of Natural Resources and Environment is responsible to the Government for implementing state management of biodiversity (Article 6, Clause 2). The Ministry of Natural Resources and Environment presides over and coordinates with relevant ministries and ministerial-level agencies to organize the preparation and submission to the Government for approval and adjustment of the national biodiversity conservation master plan (Article 10, Clause 1). 1). Based on the national biodiversity conservation master plan, ministries, management agencies, and provinces will prepare biodiversity conservation planning within the management scope.</p> <p>The Ministry of Agriculture and Rural Development is responsible for managing and ensuring the activities of special-use forests.</p> <p>Forest rangers under the Forest Protection Department and Forest Protection Departments of the provinces are responsible for inspecting, guiding and organizing the implementation of legal regulations on the management and protection of endangered and precious forest plants and animals and implementation of the Convention on International Trade in Endangered Species of Wild Fauna and Flora.</p> <p>Risk conclusion and justification</p> <p>With Vietnam's strong policies to maintain and enhance the quality of biodiversity in general and forest ecosystems in particular, this criterion is concluded to be low risk.</p>
<p><i>Supply Base Verifiers</i></p>	<ul style="list-style-type: none"> – Land use certificate or equivalent – Master plan for biodiversity conservation of the whole country to 2020, orientation to 2030 Link – National report on Biodiversity 2005, 2011 và 2022 LINK
<p><i>Evidence reviewed</i></p>	<ul style="list-style-type: none"> – Forestry law 2017 Link – Law on Biodiversity Link – National Biodiversity Report 2 005, 2011 and 2022 Link – Decision No. 45/QD-TTg dated January 8, 2014 of the Prime Minister approving the master plan for biodiversity conservation of the country until 2020, with

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	<p>a vision to 2030 Link</p> <ul style="list-style-type: none"> – Decision No. 993/QĐ-TTg dated August 24, 2023 on the National Plan to implement the Glasgow Declaration on forests and land use until 2030 Link - – Directive 13-CT/TW of 2017 Link – Decision 2242/QĐ-TTg of 2014 Link – Decision 1352/QĐ-TTg, dated 08 November 2024 on Approval of the national biodiversity conservation plan for the 2021-2023 period, with a vision to 2050 Link 						
<i>Risk rating</i>	<table> <tr> <td>State forest</td> <td>Low risk</td> </tr> <tr> <td>Private organizations</td> <td>Low risk</td> </tr> <tr> <td>Smallholders</td> <td>Low risk</td> </tr> </table>	State forest	Low risk	Private organizations	Low risk	Smallholders	Low risk
State forest	Low risk						
Private organizations	Low risk						
Smallholders	Low risk						

Criterion 2.2 - Ecosystem productivity, functions, and services are maintained or enhanced.

2.2.1	Feedstock shall not be sourced from land that had one of the following statuses in January 2008 and no longer has that status due to land conversion: a. Forests; b. Wetlands; c. Peatlands; d. Highly biodiverse grasslands
<i>Findings</i>	<p>Scale of assessment</p> <p>The scope of assessment includes woody biomass feedstock sourced from plantation forests in Vietnam. High biodiversity grasslands are excluded from this assessment because this type of ecosystem does not exist in the ecosystem system of Vietnam.</p> <p>Analysis</p> <p>Vietnam began implementing land use planning in 1987 after promulgating the 1987 Land Law. Subsequently, the 1993, 2003, and 2013 Land Law and the 2024 Land Law (take effect on August 1, 2024) have gradually improved regulations on land use planning.</p> <p>For forest land, according to the 2024 Land Law, forestry land is classified in the agricultural land group, and the 2017 Forestry Law divides forestry land into special-use forest land, protection forest land, and production forest land with different functions (Details in Section 2.1.2 - Forestry land use planning and planning of 3 types of forests). From 2006 to 2014, Vietnam transformed from depleted natural forest land to production forest and rubber plantation. This conversion is part of the state's policy to allow the improvement of depleted natural forest areas (exhausted forest criteria according to the regulations of the Ministry of Agriculture and Rural Development) to plant production forests and rubber trees according to the Forest Management Regulations (Decision No. 186/2006/QĐ-TTg dated August 14, 2006 of the Government and guidance according to Circular No. 99/2006 dated November 6, 2006 of MARD) and Circular 76/2007/TT-BNN on guidance on the conversion of forests and forestry land to rubber plantations in the Central Highlands. After that, many complicated problems were encountered in the implementation process because according to MARD's criteria, the area of depleted forests is large. In the following years, MARD issued many additional documents to adjust the regulations on depleted forests that can be improved, such as Circular No. 12/2012 and Circular No. 23/2013. However, in 2014, the Government issued Decision No. 2242/QĐ-TTg on stopping the exploitation of natural forests. In 2017, it completely stopped converting natural forests to afforestation according to Directive No. 13-CT/TW of the Central Party Secretariat. According to the 2022 biodiversity report, about 327,205 hectares of forest have been converted to rubber plantations since 2006, of which 231,567 hectares are natural forests and many other plantation forest areas.</p> <p>Regarding wetlands, Vietnam currently has a system of 26 types of wetlands with a total area of 11,847,975 hectares, accounting for 37% of Vietnam's total</p>

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	<p>natural land area. Vietnam has participated in the Ramsar Convention since 1989, and the planning and protection of wetlands and peatlands have explicitly been regulated in the Law on Biodiversity and Decree 66/2019/ND-CP on the conservation and sustainable use of wetlands. However, according to reported data from 2002 to 2015, the area of natural mangrove forests has decreased from 70,684 hectares to 19,559 hectares. During this period, the causes of mangrove loss include converting mangrove forests to agricultural production and aquaculture, urbanization, and climate change. The area of peatlands in the two most extensive peatlands in the country, U Minh Thuong and U Minh Ha, has continuously shrunk. The peatland area is only about 2,800 ha in U Minh Thuong and 7,500 ha in U Minh Ha, with peat layers ranging from 0.4 to 1.2 m thick. The leading causes are forest fires, expansion of agricultural areas, changes in water flow and peat exploitation for fuel and fertilizer.</p> <p>Enforcement and monitoring</p> <p>The Land Law stipulates that the Ministry of Natural Resources and Environment presides over helping the Government prepare national land use plans. Local authorities are responsible for planning and land use plans within the management scope and for monitoring, supervising and handling land management violations.</p> <p>Forest rangers under the Forest Protection Department and Provincial Forest Protection Departments are responsible for inspecting, guiding and organizing the implementation of legal regulations on forest management and protection and traceability of forest products.</p> <p>Risk conclusion and justification</p> <p>Although Vietnam has adequate legal regulations and effective mechanisms for managing forest and wetland land use, from 2006 to 2014, the conversion of depleted natural forests into plantation forests took place on a large scale legally. There are still sporadic illegal forest conversions to date. The loss of mangrove forests and peatlands has also occurred significantly. Therefore, this indicator is assessed as a specified risk.</p>				
<p><i>Supply Base Verifiers</i></p>	<ul style="list-style-type: none"> – Land use right certificate or equivalent documents – Soil map – Remote sensing images – Consult relevant stakeholders – National report on Biodiversity 2005, 2011 và 2022 LINK 				
<p><i>Evidence reviewed</i></p>	<ul style="list-style-type: none"> – Land Law 2024 LINK – Law on Forestry 2017 LINK – Law on Biodiversity LINK – Circular 76/2007/TT-BNN LINK – Directive 13-CT/TW in 2017 LINK – Decision 2242/QĐ-TTg in 2014 LINK – National report on Biodiversity 2005, 2011 và 2022 LINK 				
<p><i>Risk rating</i></p>	<table border="0" style="width: 100%;"> <tr> <td style="width: 30%;">State forest</td> <td style="text-align: center;">Specified risk</td> </tr> <tr> <td>Private organizations</td> <td style="text-align: center;">Specified risk</td> </tr> </table>	State forest	Specified risk	Private organizations	Specified risk
State forest	Specified risk				
Private organizations	Specified risk				

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	Smallholders	Specified risk
2.2.2	Ecosystems, their health, vitality, functions and services in the Supply Base shall be maintained or enhanced.	
<i>Findings</i>	<p>Scale of assessment</p> <p>The scope of assessment includes woody biomass feedstock sourced from plantation forests in Vietnam.</p> <p>Analysis</p> <p>The restoration, maintenance and development of ecosystems with the goals of maintaining and enhancing the health, vitality, functions and services of ecosystems in Vietnam are being implemented according to the Law on Biodiversity 2008 and the Law on Forestry 2017, in which special-use forests are explicitly planned for the conservation of natural forest ecosystems and forest biological, genetic resources. Meanwhile, most wood materials are exploited from production forests, thus not affecting important ecosystems, health, vitality, functions and ecosystem services.</p> <p>Regarding the improvement of health, vitality, functions and services of ecosystems, the Vietnam Forestry Development Strategy for the period 2021 - 2030, with a vision to 2050, also sets environmental goals: By 2030, 100% of forest areas of forest owners are organizations that are sustainably managed; In the period 2021 - 2025, 10% and the period 2026 - 2030, 20% of natural forest area will be upgraded in quality; improve the effectiveness of biodiversity conservation and forest protection capacity; minimize violations of forestry laws and ensure environmental security. In addition, the Ministry of Agriculture and Rural Development also issued Decision No. 171/QĐ-TTg dated February 7, 2024, approving the project to improve forest quality to preserve ecosystems and prevent natural disasters by 2030 and Decision No. 208/QĐ-TTg dated February 29, 2024, approving the project to develop multi-use values of forest ecosystems by 2030, with a vision to 2050.</p> <p>In fact, over the past 30 years, from 1991 to the present, thanks to the efforts and favourable policies of the Government in forest restoration and development, Vietnam has increased its forest cover from 27.8% in 1990 to 42.08% in 2023. The total area of special-use and protection forests newly planted in 2014 - 2019 is 57,481.8 ha. Of which, special-use forests are 7,800.1 ha (national parks planted 4,877 ha; nature reserves planted 2,553 ha; species and habitat conservation areas planted 26.1 ha; landscape protection areas planted 344 ha with mainly native species according to Program 661 and the Forest Environmental Services Program; protection forests are 49,681.7 ha (Northeast region accounts for 29.9%; Northwest region accounts for 19.2%, North Central region accounts for 16.1%; South Central coastal region accounts for 18.1%; Southwest region accounts for 6.9%; Central Highlands region accounts for 3.8%; Southeast region accounts for 3.3% and the lowest is the Northern Delta region accounts for 2.8%). The main tree species used are native and auxiliary tree species belonging to the Acacia spp. group. Thanks to these results, Vietnam became a pioneer in paying for forest environmental services, starting in 2010. In 2023, Vietnam will collect about VND 4,130 billion (equivalent to USD 165 million), of which VND 997 billion (equivalent to USD 40 billion) will come from forest carbon sequestration and storage services, the rest from hydropower and clean water supply services.</p> <p>Regarding carbon sequestration, Vietnam has conducted a national greenhouse gas inventory since 1994; the latest report was in 2016. The results show that LULUCF net emissions are negative and have continued to increase since 2010 (-20.7 Mt CO₂e in 2010; -34.2 Mt CO₂e in 2013; -37.5 Mt CO₂e in 2014; and -39.8 Mt CO₂e in 2016), with the majority of the sequestration coming from forest land. This result shows the association with stable or increasing carbon stocks of forest types since 2010, as mentioned above. The draft GHG-I results for LULUCF in 2020 show that the total net emissions of this sector are about -48.6 Mt CO₂e, with an increasing trend.</p> <p>Enforcement and monitoring</p> <p>The Ministry of Agriculture and Rural Development is responsible for directing, guiding, and inspecting the implementation of regulations of the Government and the Prime Minister on mechanisms and policies for forestry development and forest management regulations.</p>	

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	<p>Forest rangers under the Forest Protection Department and Provincial Forest Protection Departments are responsible for inspecting, guiding and organizing the implementation of legal regulations on forest management and protection.</p> <p>Risk conclusion and justification</p> <p>Vietnam has successfully applied many effective policies in maintaining and improving the health, vitality, functions and services of ecosystems, so this index is assessed as low risk.</p>						
<i>Supply Base Verifiers</i>	<ul style="list-style-type: none"> – Landuse right certificate or equivalent – National report on Biodiversity 2005, 2011 và 2022 LINK – The-Technical-Report-on-National-Greenhouse-Gas-Inventories-for-inventory-year-2016-of-Viet-Nam-(NIR-2016) LINK – Stakeholder consultation 						
<i>Evidence reviewed</i>	<ul style="list-style-type: none"> – Law on Forestry 2017 LINK – Law on Biodiversity LINK – Circular 13/2023/TT-BNNPTNT dated 30/11/2023 LINK – Decision 208/QĐ-TTg dated 29/02/2024 on Approval of the Project on developing multi-use values of forest ecosystems to 2030, with a vision to 2050 Link – Decision 523/QĐ-TTg Vietnam Forestry Development Strategy 2021-2030 dated April 1, 2021 LINK – Decision 171/QĐ-TTg dated 07/02/2024 LINK – Decision 208/QĐ-TTg dated 29/02/2024 LINK 						
<i>Risk rating</i>	<table> <tr> <td>State forest</td> <td>Low risk</td> </tr> <tr> <td>Private organizations</td> <td>Low risk</td> </tr> <tr> <td>Smallholders</td> <td>Low risk</td> </tr> </table>	State forest	Low risk	Private organizations	Low risk	Smallholders	Low risk
State forest	Low risk						
Private organizations	Low risk						
Smallholders	Low risk						
2.2.3	Soil quality in the Supply Base shall be maintained or enhanced.						
<i>Findings</i>	<p>Scale of assessment</p> <p>The scope of assessment includes woody biomass feedstock sourced from plantation forests in Vietnam.</p> <p>Analysis</p> <p>At the national level, according to the National Environmental Status Report for the period 2016 - 2020, the quality of Vietnam's soil environment is generally quite good. The forest ecosystem is assessed to impact maintaining and improving soil quality positively. In fact, Vietnam has up to 75% of its mountainous land area (nearly 25 million hectares) with steep terrain, of which about 4 million hectares are at level III slope (15 - 25°), and 13 million hectares are at level IV slope (>25), these two types account for nearly 70% of the mountainous land area. Steep, strongly fragmented terrain, dense river and stream networks, short rivers,</p>						

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steep longitudinal cross-sections, and seasonal rainfall are conditions for intense erosion. Erosion depends on rainfall, slope, vegetation cover, slope length, terrain fragmentation and soil type. The amount of soil lost due to erosion nationwide is estimated to be up to 2 billion tons/year. Restoration and increase of forest cover have positively impacted reducing the risks of erosion and surface soil leaching.

In the forestry sector, most wood materials are exploited from production forests. Intensive afforestation can cause the risk of soil pollution, accumulation of heavy metals due to people using chemical fertilizers, pesticides, herbicides (for rubber forests) and soil degradation due to short-cycle afforestation.

To limit the negative impacts caused by forestry production activities, several regulations have been issued and applied. Annually, the Ministry of Agriculture and Rural Development reviews and promulgates the list of pesticides permitted for use in Vietnam and the list of pesticides prohibited for use in Vietnam. Circular 13/2023/TT-BNNPTNT dated November 30, 2023, amending and supplementing several articles of Circular No. 28/2018/TT-BNNPTNT dated November 16, 2018, of the Minister of Agriculture and Rural Development regulating sustainable forest management has issued a set of criteria for sustainable forest management (Appendix 1), in which "Principle 5 - Environmental management and protection in forestry activities" requires forest owners to Assess positive and negative impacts possible negative impacts on the environment of all forestry activities and have plans and implement measures to prevent and minimize adverse effects on the environment before carrying out forestry activities.

However, the regulation on developing a sustainable forest management plan is only mandatory for forest owners who are organizations. In practice, the commonly applied afforestation techniques that have the potential to affect soil quality such as burning residues causing loss of organic matter in the soil, adversely affecting soil microorganisms, soil ecology, increasing the risk of erosion on sloping land.

Enforcement and monitoring

The Ministry of Agriculture and Rural Development is responsible for directing, guiding, and inspecting the implementation of regulations of the Government and the Prime Minister on forestry development mechanisms and policies and forest management regulations.

The Ministry of Natural Resources and Environment is responsible for directing, guiding, inspecting and monitoring regulations on environmental protection.

The Department of Agriculture and Rural Development, the Agriculture and Forestry Extension Agency, the Forest Ranger Force under the Forest Protection Department and the Provincial Forest Protection Departments are responsible for inspecting, guiding and organizing the implementation of legal forestry management and protection regulations.

Risk conclusion and justification

Although Vietnam has regulations to limit the negative impacts of forestry production activities, implementing sustainable forest management plans is optional for all forest owners. The short forest planting rotation and the widespread burning of vegetation can negatively impact soil quality. Therefore, this indicator is assessed as a specified risk.

Supply Base Verifiers

- Sustainable Forest Management Plan
- National report on Environment 2016 – 2020 [Link](#) (or the latest version of National report on Environment)
- Field survey

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	<ul style="list-style-type: none"> – Stakeholder Consultation 						
<i>Evidence reviewed</i>	<ul style="list-style-type: none"> – National report on Environment 2016 – 2020 Link – Circular 13/2023/TT-BNNPTNT dated 30/11/2023 Link – Circular 09/2023/TT-BNNPTNT dated 24/10/2024 LINK 						
<i>Risk rating</i>	<table> <tr> <td>State forest</td> <td>Specified risk</td> </tr> <tr> <td>Private organizations</td> <td>Specified risk</td> </tr> <tr> <td>Smallholders</td> <td>Specified risk</td> </tr> </table>	State forest	Specified risk	Private organizations	Specified risk	Smallholders	Specified risk
State forest	Specified risk						
Private organizations	Specified risk						
Smallholders	Specified risk						
2.2.4	Where the removal of harvest forest residues and/or stumps occurs, this shall not lead to irreversible negative impacts to the ecosystem.						
<i>Findings</i>	<p>Scale of assessment</p> <p>The scope of assessment includes woody biomass feedstock sourced from plantation forests in Vietnam.</p> <p>Analysis</p> <p>Every year, Vietnam exploits nearly 300 thousand hectares of plantation forests and tens of thousands of hectares of rubber forests. Burning organic materials after exploitation is still commonly applied in forest plantations. For rubber, digging up tree stumps to clear the site for reforestation is also common (usually only used for rubber). Although the criteria for QLRBV in Circular 13/2023/TT-BNNPTNT dated November 30, 2023, also require forest owners to assess the positive and negative impacts that may occur on the environment of all forestry activities and have a plan and implement measures to prevent and minimize adverse effects on the environment before carrying out forestry activities. (Principle 5, Appendix 1). However, applying this circular is only mandatory for forest owners who are organizations.</p> <p>In 2006, the Ministry of Agriculture and Rural Development issued the Handbook on Low Impact Harvesting. Based on this guideline, some localities have developed and issued technical guidelines for vegetation treatment, but there are no uniform regulations, and they need to be legally effective.</p> <p>In fact, the treatment of post-harvest materials by burning is still widely practised. This activity can be harmful to soil microorganisms and the risk of forest fires.</p> <p>Enforcement and monitoring</p> <p>The Ministry of Agriculture and Rural Development is responsible for directing, guiding and inspecting the implementation of the provisions of the Forestry Law.</p> <p>The Department of Agriculture and Rural Development, the Agriculture and Forestry Extension Agency, the Forest Ranger Force under the Forest Protection Department and the Provincial Forest Protection Departments are responsible for inspecting, guiding and organizing the implementation of legal regulations on forestry management, forest protection, fire prevention and fighting.</p> <p>Risk conclusion and justification</p>						

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	Although Vietnam has a Forestry Law regulating permitted or prohibited forestry activities and regulations on sustainable forest management, there are no effective legal regulations specifically for the treatment of post-harvest residues and the situation of uncontrolled burning of vegetation after harvesting is still ordinary, so this index is assessed as a definite risk.						
<i>Supply Base Verifiers</i>	<ul style="list-style-type: none"> – Sustainable Forest Management Plan – Forest Planting Design – Technical Procedures/Guidelines on the removal of harvest forest residues and/or stumps occurs – Consulting with Stakeholders 						
<i>Evidence reviewed</i>	<ul style="list-style-type: none"> – Law on Forestry 2017 LINK – Circular 13/2023/TT-BNNPTNT dated 30/11/2023 LINK 						
<i>Risk rating</i>	<table style="width: 100%; border: none;"> <tr> <td style="width: 50%;">State forest</td> <td style="width: 50%;">Specified risk</td> </tr> <tr> <td>Private organizations</td> <td>Specified risk</td> </tr> <tr> <td>Smallholders</td> <td>Specified risk</td> </tr> </table>	State forest	Specified risk	Private organizations	Specified risk	Smallholders	Specified risk
State forest	Specified risk						
Private organizations	Specified risk						
Smallholders	Specified risk						
2.2.5	Quality and quantity of ground water, surface water and water downstream shall be maintained or enhanced.						
<i>Findings</i>	<p>Scale of assessment</p> <p>The scope of assessment includes woody biomass feedstock sourced from plantation forests in Vietnam.</p> <p>Analysis</p> <p>At the national level, the protection of the water environment (including surface water and groundwater) is generally regulated in the Law on Environmental Protection 2020 (Chapter II, Section I). Regarding the forestry sector, Vietnam has issued many regulations to protect the water environment. In particular, the Forestry Law stipulates three types of forests including protection forests with the primary function of protecting water sources and protecting soil. For production forests, the Government issued Decree 43/2015/ND-CP dated May 6, 2015, providing regulations on establishing and managing water source protection corridors and the Ministry of Agriculture and Rural Development. The village issued Circular 28/2018/TT-BNNPTNT and Circular 13/2023/TT-BNNPTNT dated November 30, 2023, stipulating principles and criteria for sustainable forest management, which requires forest owners to implement measures to protect land and water resources in forestry activities (Criterion 5.2, Principle 5).</p> <p>In addition, forest restoration and sustainable forestry development programs over the past 30 years, such as the Greening of Bare Land and Bare Hills Program (1992-1997) (Program 327), Project to plant 5 million hectares of new forests (1998-2010) (Program 661); The Sustainable Forestry Development Programs for the periods (2010-2015; 2016-2020; 2021-2025) have actively contributed to protecting, maintaining and improving the quality and quantity of water resources.</p>						

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	<p>Forestry exploitation activities can impact surface runoff but are not significant compared to other production sectors such as industry and agriculture. However, afforestation encroaching on stream buffer zone protection areas is still quite common in forests managed by small forest owners. Therefore, this indicator is a definite risk for small forest owners.</p> <p>Enforcement and monitoring</p> <p>At the National level, the Ministry of Natural Resources and Environment is responsible for managing and monitoring environmental impacts according to the Law on Environmental Protection; The Ministry of Agriculture and Rural Development is responsible for managing and monitoring environmental impacts in the forestry sector.</p> <p>At the local level, the Department of Natural Resources and Environment monitors environmental impact; The Department of Agriculture and Rural Development and the Forest Protection Department supervise forestry production activities according to the Forestry Law and decrees and circulars related to streamside corridor protection and sustainable forest management.</p> <p>Risk conclusion and justification</p> <p>Vietnam has complete regulations to protect water resources in general and the forestry sector. In general, forestry activities have little impact on water resources. However, afforestation encroaching into protected areas along stream buffer zone is still quite common in forests managed by smallholders. Therefore, this indicator is considered a specified risk for smallholder.</p>						
<i>Supply Base Verifiers</i>	<ul style="list-style-type: none"> – Related legal regulations – Forest management map – Consult relevant parties – Field survey 						
<i>Evidence reviewed</i>	<ul style="list-style-type: none"> – Circular 13/2023/TT-BNNPTNT Link – Law on Forestry 16/2017/QH14 Link – Decree 43/2015/ND-CP Link – Law on Environmental Protection 72/2020/QH14 Link 						
<i>Risk rating</i>	<table> <tr> <td>State forest</td> <td>Low risk</td> </tr> <tr> <td>Private organizations</td> <td>Low risk</td> </tr> <tr> <td>Smallholders</td> <td>Specified risk</td> </tr> </table>	State forest	Low risk	Private organizations	Low risk	Smallholders	Specified risk
State forest	Low risk						
Private organizations	Low risk						
Smallholders	Specified risk						
2.2.6	Air emissions shall comply with national legislation or in the absence of national legislation with industry best practice.						
<i>Findings</i>	<p>Scale of assessment</p> <p>The scope of assessment includes woody biomass feedstock sourced from plantation forests in Vietnam.</p>						

Analysis

At the national level, air environment protection is generally regulated in the Environmental Protection Law 2020 (Chapter II, Section 2). Many national regulations and standards have also been issued aim director close matter quantity lip school Are not gas and gas waste such as National technical regulations on ambient air quality (QCVN 05:2009/BTNMT); National technical regulation on some toxic substances in ambient air (QCVN 06:2009/BTNMT); Emission standards according to the discharge of inorganic substances in rural and regional areas mountains (TCVN 6993:2001); Emission standards based on discharge of organic substances in rural and mountainous regions (TCVN 6996:2001)

For the forestry sector, Circular 13/2023/TT-BNNPTNT sets a set of criteria for sustainable forest management, requiring forest owners to evaluate possible positive and negative impacts. For the environment of all forestry activities plan and implement measures to prevent and minimize adverse effects on the environment before carrying out forestry activities (Principle 5, Criteria 51). In addition, forest restoration and sustainable forestry development programs over the past 30 years, such as the Greening of Bare Land and Bare Hills Program (1992-1997) (Program 327), the Program to plant 5 million hectares of new forests (1998-2010) (Program 661); Sustainable forestry development programs for the periods (2010-2015; 2016-2020; 2021-2025) have actively contributed to increasing carbon absorption and protecting air quality.

Some forestry production activities can generate emissions, such as clearing vegetation, using plant protection chemicals, and transporting forest products, but the amount of emissions is insignificant compared to other industries.

The report on the current state of the national environment in 2021 (Current air environment and solutions) shows that the air environment quality in rural areas is quite good, with no signs of pollution. Concentration values of typical parameters in the air environment mostly meet QCVN 05:2013/BTNMT. Using fertilizers, pesticides, or open burning also affects air quality in rural areas.

Enforcement and monitoring

At the National level, the Ministry of Natural Resources and Environment is generally responsible for managing and monitoring air quality and emissions; The Ministry of Agriculture and Rural Development is responsible for managing and supervising forestry activities.

At the local level, the Department of Natural Resources and Environment is responsible for general management and monitoring of air environment quality and emissions within the management scope; The Department of Agriculture and Rural Development and the Forest Protection Department are responsible for managing and supervising forestry activities.

Risk conclusion and justification

Vietnam has complete legal regulations, standards and norms on general emissions and forestry activities in particular. Emissions from forestry activities are negligible in Vietnam. The 2021 National State of the Environment Report (Air Environment Status and Solutions) shows that the air quality in rural areas is quite good, with no signs of pollution. The concentration values of typical parameters in the air environment mostly meet QCVN 05:2013/BTNMT. Therefore, this indicator is assessed as low risk.

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<i>Supply Base Verifiers</i>	<ul style="list-style-type: none"> – Relevant legal regulations – National Environmental Status Report 2021 Link 						
<i>Evidence reviewed</i>	<ul style="list-style-type: none"> – Law on Environmental Protection 72/2020/QH14 Link – Circular 13/2023/TT-BNNPTNT Sustainable forest management Link – QCVN 05:2013/BTNMT Link – QCVN 05:2009/BTNMT Link – QCVN 06:2009/BTNMT Link – TCVN 6993:2001. Link – TCVN 6996:2001. Link – National Environmental Status Report 2021 Link 						
<i>Risk rating</i>	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">State forest</td> <td style="text-align: right;">Low risk</td> </tr> <tr> <td>Private organizations</td> <td style="text-align: right;">Low risk</td> </tr> <tr> <td>Smallholders</td> <td style="text-align: right;">Low risk</td> </tr> </table>	State forest	Low risk	Private organizations	Low risk	Smallholders	Low risk
State forest	Low risk						
Private organizations	Low risk						
Smallholders	Low risk						
2.2.7	Pesticides shall only be used as part of an Integrated Pest Management (IPM) plan in compliance with national legislation, chemical safety data sheets and industry best practice. Banned pesticides shall not be used.						
<i>Findings</i>	<p>Scale of assessment</p> <p>The scope of assessment includes woody biomass feedstock sourced from plantation forests in Vietnam.</p> <p>Analysis</p> <p>The use of pesticides in Vietnam first complies with the Law on Environmental Protection 72/2020/QH14, regulating environmental protection in the use of chemicals, pesticides, and related products. These include specific regulations: Requirements for compliance with legal regulations on environmental protection in the production, import, trading and use of pesticides (Section 1); Management of highly toxic chemicals must be registered, controlled and handled according to regulations (Section 2); Manage packaging, expired products and waste related to fertilizers and pesticides according to waste regulations (Section 3).</p> <p>In forestry, National Standard TCVN 8928:2013 on Prevention of Forest Tree diseases recommends that plantation forests apply IPM-integrated control measures. Directive 58/1999/CT-BNN/KL dated March 30, 1999, on proactive Prevention of pests and diseases in the Minister of Agriculture and Rural Development, plantation</p>						

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	<p>forests, which stipulates direction, inspection and guidance right from the beginning. When preparing to plant forests, organizations, households, and individuals choose seeds, nursery techniques, planting methods and tree species suitable for the regional ecology to create healthy forests, sustainable and less prone to pests. In addition, the Ministry of Agriculture and Rural Development has issued Circular No. 19/2021/TT-BNNPTNT, regulating the list of pesticides allowed to be used and Circular No. 11/2021/TT-BNNPTNT including Appendix I Section 22: List of pesticides permitted for use; Section 23: List of pesticides banned from use.</p> <p>Research shows that Acacia plantations, a widespread forest tree species, currently use almost no pesticides. When harmful pests appear, IPM-integrated control measures are used—recommended use (Pham Quang Thu, 2023). Meanwhile, although there is no specific data, using chemicals in rubber plantations is very common, with high dosage and frequency. Thus, excessive use of pesticides can be considered a definite risk for rubber plantations.</p> <p>Enforcement and monitoring</p> <p>At the National level, the Ministry of Natural Resources and Environment is responsible for pesticide use management; The Ministry of Agriculture and Rural Development is responsible for managing, guiding and monitoring the use of pesticides in forestry activities.</p> <p>At the local level, the Department of Agriculture and Rural Development and the Forest Protection Department are responsible for managing and monitoring pesticide use in forestry activities. Agricultural and forestry extension agencies are responsible for propagating, disseminating and guiding the use of pesticides according to regulations.</p> <p>Risk conclusion and justification</p> <p>The use of pesticides in Vietnam's production forests has been fully regulated. However, excessive use of pesticides still occurs in rubber plantations. Therefore, this indicator is considered as specified risk for rubber plantation only for all sub-scopes of forest owner.</p>
<p><i>Supply Base Verifiers</i></p>	<ul style="list-style-type: none"> – Circular 19/2021/TT-BNNPTNT dated 28/12/2021 Link – Circular 11/2021/TT-BNNPTNT dated 20/9/2021 Link – Forest owner's pesticide use monitoring book – Stakeholder consultation
<p><i>Evidence reviewed</i></p>	<ul style="list-style-type: none"> – TCVN 8928:2013 standard on forest disease prevention Link – Investigation on the composition of harmful organisms in Vietnam's forestry trees by Pham Quang Thu and colleagues 2015 Link – Directive 58/1999/CT-BNN/KL dated March 30, 1999 Link – Law on Environmental Protection 72/2020/QH14 dated November 17, 2020 Link – Circular No. 19/2021/TT-BNNPTNT dated December 28, 2021 List of pesticides allowed for use in Vietnam Link – Circular No. 11/2021/TT-BNNPTNT dated September 20, 2021 of the Minister of Agriculture and Rural Development Link

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<i>Risk rating</i>	<p>State forest Specified risk</p> <p>Private organizations Specified risk</p> <p>Smallholders Specified risk</p>
2.2.8	Waste shall be disposed of in an environmentally appropriate manner.
<i>Findings</i>	<p>Scale of assessment</p> <p>The scope of assessment includes woody biomass feedstock sourced from plantation forests in Vietnam.</p> <p>Analysis</p> <p>Waste generated from forestry production may include waste from workers' activities in the exploitation and processing areas and packaging of plant protection chemicals.</p> <p>At the national level, waste management is implemented in the Law on Environmental Protection 2020 (Chapter VI) and Decree 38/2015/ND-CP dated April 24, 2015, on waste and scrap management. In the forestry sector, in particular, Circular 13/2023-TT-BNNPTNT Principle 5, Section 5.4 also clearly states that forest owners must manage hazardous waste to ensure environmental and human safety. In particular, forest owners must limit dangerous waste generated from forestry activities, Manage and collect packaging and hazardous waste after use to a safe place for the environment and humans according to the provisions of law, and dispose of packaging and hazardous waste by regulations. However, implementing sustainable forest management plans is optional for small forest owners.</p> <p>No specific statistics exist on the amount of untreated waste from forestry production activities. However, waste generated from afforestation activities is minimal, mainly from rubber forest management activities. Surveys and stakeholder consultations also show that waste treatment from rubber forest management activities must still be fully implemented and controlled.</p> <p>Enforcement and monitoring</p> <p>At the National level, the Ministry of Natural Resources and Environment is responsible for waste management; The Ministry of Agriculture and Rural Development is responsible for managing, guiding and monitoring waste in forestry activities.</p> <p>At the local level, the Department of Natural Resources and Environment is responsible for general waste management; The Department of Agriculture and Rural Development and the Forest Protection Department are responsible for managing and monitoring waste from forestry activities. Agricultural and forestry extension agencies are responsible for propagating, disseminating and guiding waste management in forestry production.</p> <p>Risk conclusion and justification</p> <p>Waste management has been legally regulated, but the collection and treatment of waste from rubber forest management activities has yet to be effectively implemented, so this indicator is considered a specified risk for rubber forests.</p>
<i>Supply Base Verifiers</i>	<ul style="list-style-type: none"> – Related legal regulations

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	<ul style="list-style-type: none"> – Sustainable forest management plan – Field survey – Stakeholder Consultation 						
<i>Evidence reviewed</i>	<ul style="list-style-type: none"> – Decree 38/2015/ND-CP dated April 24, 2015 Link – Circular 13/2023/TT-BNNPTNT Sustainable forest management Link – Law on Environmental Protection 72/2020/QH14 dated November 17, 2020 Link 						
<i>Risk rating</i>	<table border="0"> <tr> <td>State forest</td> <td>Specified risk</td> </tr> <tr> <td>Private organizations</td> <td>Specified risk</td> </tr> <tr> <td>Smallholders</td> <td>Specified risk</td> </tr> </table>	State forest	Specified risk	Private organizations	Specified risk	Smallholders	Specified risk
State forest	Specified risk						
Private organizations	Specified risk						
Smallholders	Specified risk						
2.2.9	Harvesting levels shall be justified as to how they can be sustained with reference to inventory and growth data for the Supply Base.						
<i>Findings</i>	<p>Scale of assessment</p> <p>The scope of assessment includes woody biomass feedstock sourced from plantation forests in Vietnam.</p> <p>Analysis</p> <p>Implementing Decision 2242/QD-TTg in 2014 and Directive 13-CT/TW in 2017, Vietnam has stopped exploiting natural forests since 2014, so most wood materials are exploited from planted production forests and a tiny part from exploitation and thinning of protective forests (Decree 156/2018/ND-CP). The exploitation of planted production forests complies with the 2017 Law on Forestry, according to which forest owners who are organizations must have a sustainable forest management plan approved by a competent state agency. Forest owners are households, individuals, or residential communities that exploit timber with a request and approval from the District People's Committee and the Regulation on Management of Production Forests (Decision No. 49/2016/QD-TTg dated November 1, 2016). In addition, Circular 13/2023-TT-BNNPTNT on sustainable forest management also stipulates that the annual forest product exploitation output must not exceed the growth rate of the forest and is determined in the forest management plan. sustainability (Indicator 4.7.2, Principle 4).</p> <p>According to the report on the results of implementing Vietnam's forestry strategy in 2006-2020 and the proposed content of the Vietnam Forestry development strategy for 2021-2030 with a vision to 2050, the replanting area after exploitation is 0.235 million hectares/year, which is considered to have met the adjusted target of the strategy.</p> <p>According to the 2022 Statistical Yearbook, forestry production is developing stably, wood production is increasing due to the plantation forest area reaching harvest time, the wood consumption market is recovering, and the demand for raw wood in Vietnam is increasing. Processing factories increase, and wood prices also increase. Timber output for the year is estimated to reach 20.1 million m³, an increase of 9.4% compared to 2021. The area of newly plantation forests in 2022 is estimated to reach 306.5 thousand hectares, an increase of 5.7%.</p> <p>Enforcement and monitoring</p>						

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	<p>At the central level, the Ministry of Agriculture and Rural Development is responsible for developing regulations and mechanisms to monitor forest exploitation.</p> <p>At the local level, the Department of Agriculture and Rural Development and the Forest Protection Department are responsible for monitoring and supervising compliance with regulations on forest exploitation. The district-level People's Committee approves forest exploitation plans for forest owners who are households, individuals, and logging communities.</p> <p>Risk conclusion and justification</p> <p>Vietnam has an effective monitoring mechanism with forest harvesting, replanting and forestry production developing stably, so this indicator is considered low risk.</p>						
<i>Supply Base Verifiers</i>	<ul style="list-style-type: none"> – Legal regulations on forest exploitation – Forest investigation report of the forest owner – Forest harvesting plan of the forest owner – Results of implementing the Vietnam Forestry Development Strategy Link – Statistical Yearbook 2022 Link 						
<i>Evidence reviewed</i>	<ul style="list-style-type: none"> – Circular 13/2023/TT-BNNPTNT Sustainable forest management Link – Results of implementing the Vietnam Forestry Development Strategy Link – Statistical Yearbook 2022 Link – Law on Forestry No. 16/2017/QH14 November 15, 2017 Link – Production forest management regulations Link 						
<i>Risk rating</i>	<table border="0"> <tr> <td>State forest</td> <td>Low risk</td> </tr> <tr> <td>Private organizations</td> <td>Low risk</td> </tr> <tr> <td>Smallholders</td> <td>Low risk</td> </tr> </table>	State forest	Low risk	Private organizations	Low risk	Smallholders	Low risk
State forest	Low risk						
Private organizations	Low risk						
Smallholders	Low risk						
2.2.10	Harvested areas shall be regenerated.						
<i>Findings</i>	<p>Scale of assessment</p> <p>The scope of assessment includes woody biomass feedstock sourced from plantation forests in Vietnam.</p> <p>Analysis</p> <p>The harvesting of planted production forests complies with the Law on Forestry 2017. After apparent exploitation, the forest must be replanted immediately in the next afforestation season or forest regeneration (Article 29). Regulations on production forest management (Decision No. 49/2016/QĐ-TTg dated November 1, 2016) also emphasize that the forest owner decides the method of exploitation, but if the forest owner clear-cut the plot. In that case, the forest owner must have a Plan to organize reforestation in the next planting season through local forest protection and development planning plans.</p>						

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	<p>Actual field surveys show that forest owners in Vietnam all replant forests within 3-6 months after harvesting. The 2022 statistical yearbook shows that forestry production is developing stably, the output of exploited wood is increasing due to the area of plantation forests reaching harvest time, the wood consumption market is recovering, and the demand for feedstock from processing factories is increasing, wood selling prices also increase. Timber output for the year is estimated to reach 20.1 million m³, an increase of 9.4% compared to 2021. The area of newly plantation forests in 2022 is estimated to reach 306.5 thousand hectares, an increase of 5.7%. Thus, this indicator is assessed as low risk for Vietnam's entire raw material area.</p> <p>Enforcement and monitoring</p> <p>At the central level, the Ministry of Agriculture and Rural Development is responsible for developing regulations and mechanisms to monitor forest planting, exploitation and regeneration.</p> <p>At the local level, the Department of Agriculture and Rural Development and the Forest Protection Department are responsible for monitoring and supervising compliance with regulations on planting, exploiting and regenerating forests.</p> <p>Risk conclusion and justification</p> <p>Vietnam has an effective monitoring mechanism for forest planting, exploitation and regeneration; Forestry production develops stably, so this indicator is considered low risk.</p>						
<i>Supply Base Verifiers</i>	<ul style="list-style-type: none"> – Legal regulations on forest harvesting – Sustainable forest management plan of forest owners – Statistical Yearbook 2022 Link 						
<i>Evidence reviewed</i>	<ul style="list-style-type: none"> – Statistical Yearbook 2022 Link – Law on Forestry No. 16/2017/QH14 November 15, 2017 Link – Production forest management regulations Link 						
<i>Risk rating</i>	<table border="0"> <tr> <td>State forest</td> <td>Low risk</td> </tr> <tr> <td>Private organizations</td> <td>Low risk</td> </tr> <tr> <td>Smallholders</td> <td>Low risk</td> </tr> </table>	State forest	Low risk	Private organizations	Low risk	Smallholders	Low risk
State forest	Low risk						
Private organizations	Low risk						
Smallholders	Low risk						
2.2.11	The impacts of natural processes such as fires, pests and diseases shall be managed.						
<i>Findings</i>	<p>Scale of assessment</p> <p>The scope of assessment includes woody biomass feedstock sourced from plantation forests in Vietnam.</p>						

Analysis

Forest fire and pest management in the forestry sector is implemented by the 2017 Forestry Law and related legal regulations.

For forest fires, the 2017 Forestry Law stipulates that forest owners must develop and implement a forest fire prevention and fighting plan and comply with the guidance and inspection of competent state agencies (Article 39). Decree 156/2018/NDCP also clearly stipulates forest fire prevention and fighting and the responsibilities of relevant parties. Circular 25/2019/TT-BNNPTNT Regulations on forest fire prevention and fighting apply to state agencies, organizations, households, individuals, domestic communities, foreign organizations and individuals involved in forest fire prevention and fighting activities, with the principle of focusing on prevention activities. Circular 13/2023-TT-BNNPTNT on sustainable forest management stipulates that forest owners must implement measures to prevent and fight forest fires (Criterion 4.6).

Vietnam's online forest fire monitoring system (referred to as FireWatch Vietnam) has also been established, which is an automatic system for early detection of fire spots (hotspots) throughout Vietnam from MODIS and AVHRR image data on TERRA, AQUA satellites and NOAA satellites regularly collected at the TeraScan receiving station located at the Forest Protection Department.

Forest fire regulations are being well implemented by forest owners who are organizations (with forest fire prevention and fighting plans, forces and forest fire prevention and fighting, annual training). Meanwhile, forest owners who are smallholder still have many limitations in awareness, means and skills to prevent and fight forest fires.

Regarding pests and diseases, the 2017 Forestry Law stipulates that Forest Owners must take measures to prevent and control forest pests; when detecting forest pests in the assigned or leased forest area, they must immediately notify the nearest plant protection and quarantine agency and veterinary management agency for guidance and support on prevention and control measures; strengthen the application of silvicultural and biological measures in preventing and controlling forest pests (Article 40). Circular 13/2023-TT-BNNPTNT on sustainable forest management stipulates that forest owners must have measures to prevent and control forest pests (Criterion 4.5). Pest and disease management is also implemented according to National Standard TCVN 8928:20131. Although pest and disease management regulations are better implemented by forest owners who are organizations (with pest and disease management and monitoring plans), pests and diseases still need to be controlled entirely.

In general, Acacia plantations in Vietnam are facing some prominent problems with wilt disease despite the existence of a Technical Process for Integrated Management of Wilt Diseases of *Acacia Melaleuca*, *Acacia Hybrid* and *Acacia Mangium*, according to Decision No. 2170/QD/BVTV-KH dated November 22, 2021.

Enforcement and monitoring

At the central level, the Ministry of Agriculture and Rural Development is responsible for developing legal and management regulations on monitoring forest fires and pests in the forestry sector.

At the local level, the Department of Agriculture and Rural Development and the Forest Protection Department are responsible for managing and monitoring forest fires and pests in the forestry sector. Agricultural and forestry extension agencies are responsible for propagating, disseminating and guiding the implementation of regulations on forest fires and pests.

Risk conclusion and justification

Forest fire management has completed legal regulations and implementation mechanisms, but smallholders do not fully implement these regulations due to

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	limitations in awareness, knowledge and techniques. Regarding pest management, although there are regulations and technical procedures, all forest owners yet to have not effectively implemented them.						
<i>Supply Base Verifiers</i>	<ul style="list-style-type: none"> – Legal regulations and related technical instructions – Sustainable forest management plan of forest owners – Stakeholder consultation 						
<i>Evidence reviewed</i>	<ul style="list-style-type: none"> – Circular 13/2023-BNNPTNT Link – Circular 25/2019/TT-BNNPTNT dated December 27, 2019 Link – Decree 156/2018/ND-CP dated November 16, 2018 Link – Decision No. 2170/QD/BVTV-KH Technical process for integrated management of wilt disease Link – TCVN 8928:2013 standard on forest disease prevention Link – Consolidated document No. 14 /VBHN-BNNPTNT dated January 25, 2024 regulations on forest fire prevention and fighting Link 						
<i>Risk rating</i>	<table style="width: 100%; border: none;"> <tr> <td style="width: 30%;">State forest</td> <td style="text-align: center;">Specified risk</td> </tr> <tr> <td>Private organizations</td> <td style="text-align: center;">Specified risk</td> </tr> <tr> <td>Smallholders</td> <td style="text-align: center;">Specified risk</td> </tr> </table>	State forest	Specified risk	Private organizations	Specified risk	Smallholders	Specified risk
State forest	Specified risk						
Private organizations	Specified risk						
Smallholders	Specified risk						
2.2.12	Genetically modified trees shall not be used.						
<i>Findings</i>	<p>Scale of assessment</p> <p>The scope of assessment includes woody biomass feedstock sourced from plantation forests in Vietnam.</p> <p>Analysis</p> <p>In Vietnam, forest tree species must comply with Circular 22/2021/TT-BNNPTNT dated December 29, 2021, Stipulating the list of main forest tree species, recognition of varieties and sources of forest tree varieties (Link). Genetically modified tree species have been excluded from the list specified in this Circular.</p> <p>Circular 13/2023/TT-BNNPTNT on sustainable forest management also stipulates that forest owners do not use genetically modified plants in forest plantations except in cases where sufficient scientific data shows that their impacts on human health, animals and the environment are equivalent or more favourable than those of genetically improved trees using traditional methods (Criterion 6.4).</p> <p>Some of the main tree species in Vietnam's production forests include Acacia and Eucalyptus, accounting for about 70% of the total plantation forest area. In addition to imported varieties such as <i>Eucalyptus camaldulensis</i>, <i>Eucalyptus urophylla</i>, <i>Acacia mangium</i>, <i>Acacia auriculiformis</i>, and <i>Acacia crassicarpa</i>, Vietnam also uses domestically bred varieties such as <i>Eucalyptus hybrids</i> and <i>Acacia hybrids</i>. High-yielding Eucalyptus or <i>Eucalyptus hybrids</i> are mainly crossbred between Eucalyptus <i>urophylla</i>, and <i>Eucalyptus pelita</i> or <i>grandis</i> and are propagated by tissue culture. <i>Acacia hybrid</i> results from natural hybridization of <i>Acacia auriculiformis</i></p>						

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	<p>and <i>Acacia cajuputi</i>. In addition, from recognized seed sources (seed forests, seed gardens), quality seeds have been provided for planting forests for <i>Pinus</i>, <i>Mangletia</i>, <i>Styraxi</i>, <i>Melaleuca</i>, and <i>Rhizophora</i> species, accounting for about 20%. The group of other tree species with an exploitation cycle of over 10 years (<i>Hopea odorata</i>, <i>Dipterocarpus alatus</i>, <i>Chukrasia tabularis</i>, <i>Meliaceae</i> and other native tree species) accounts for about 10%.</p> <p>Enforcement and monitoring</p> <p>At the central level, the Ministry of Natural Resources and Environment (MONRE) plays a central role in managing and supervising GMO-related activities, including unifying the management of the GMO-related database. Biodiversity and develop a specialized electronic information website. The Ministry has also issued many specific guidance documents on activities related to GMOs, such as licensing procedures, risk assessment, inspection and supervision. The Ministry of Agriculture and Rural Development is responsible for promulgating and updating the list of tree species used for forest plantations and regulations on producing forest plant varieties.</p> <p>At the local level, the Department of Agriculture and Rural Development and the Forest Protection Department manage and monitor species and forest seed production activities. Agricultural and forestry extension agencies are responsible for propagating, disseminating and guiding the implementation of regulations on selected species and varieties of forest plants.</p> <p>Risk conclusion and justification</p> <p>Vietnam has a full legal basis and effective implementation mechanism to manage the use of genetically modified crops in the forestry sector, so this indicator is assessed as low risk.</p>						
<i>Supply Base Verifiers</i>	<ul style="list-style-type: none"> – List of forest plant species according to regulations of the Ministry of Agriculture and Rural Development Link – Documents proving the origin of the plant variety used – Stakeholder consultation 						
<i>Evidence reviewed</i>	<ul style="list-style-type: none"> – Circular 13/2023/TT-BNNPTNT Link – Circular 22/2021/TT -BNNPTNT Link – https://nongnghiep.vn/keo-va-bach-dan-chiem-70-dien-tich-rung-trong-san-xuat-d240125.html#:~:text=T%E1%BB%AB%20c%C3%A1c%20qi%E1%BB%91ng%20%C4%91%C6%B0%E1%BB%A3c%20c%C3%B4ng,t%C3%ADch%20tr%C3%AAn%20tri%E1%BB%87u%20ha. 						
<i>Risk rating</i>	<table border="0"> <tr> <td>State forest</td> <td>Low risk</td> </tr> <tr> <td>Private organizations</td> <td>Low risk</td> </tr> <tr> <td>Smallholders</td> <td>Low risk</td> </tr> </table>	State forest	Low risk	Private organizations	Low risk	Smallholders	Low risk
State forest	Low risk						
Private organizations	Low risk						
Smallholders	Low risk						

Principle 3 - Feedstock is only sourced from Supply Bases where the forest carbon stock is stable or increasing in the long term

Criterion 3.1 - Feedstock sourcing is consistent with international requirements for land use, land-use change and forestry (LULUCF) emissions.

<p>3.1.1</p>	<p>LULUCF emissions shall be accounted for through one of the following routes:</p> <p>Route A Feedstock may be sourced from a country of origin which is party to the Paris Agreement, and which has submitted a Nationally Determined Contribution to the United Nations Framework Convention on Climate Change (UNFCCC) covering carbon emissions and removals from agriculture, forestry and land use which ensure the changes in carbon stock associated with biomass harvest are counted towards the country's commitment to reduce or limit greenhouse gas emissions, or</p> <p>Route B Feedstock may be sourced from a country of origin which is party to the Paris Agreement and has national or sub-national laws in place (developed in accordance with Article 5 of the Paris Agreement and applicable in the area of harvest), to conserve and enhance carbon stocks and sinks, and provided there is evidence that reported LULUCF-sector emissions do not exceed removals, or</p> <p>Route C Feedstock may be sourced from a Supply Base where an assessment demonstrates that both the carbon stock is stable, and the forests' capacity to act as a carbon sink is stable or increasing over the long term.</p>
<p><i>Findings</i></p>	<p>Scale of assessment</p> <p>The scope of assessment includes woody biomass feedstock sourced from plantation forests in Vietnam.</p> <p>Analysis</p> <p>Vietnam is a signatory of the Paris Agreement (PA) in 2016 and submitted its initial Nationally Determined Contribution (NDC) to the UNFCCC in 2015, the updated version in 2020 and the latest version of NDC submitted in 2022. Land use, land use change and forestry (LULUCF) are included in NDC. LULUCF also covers the changes in carbon stock associated with wood biomass harvest which indicated a negative carbon net emissions and significantly contribution to the Vietnam's emission reduction targets.</p> <p>Pursuant to the Vietnam's NDC updated in 2022, total estimated emissions according to Business As Usual (BAU) towards 2030 is 927.9 Mt CO₂e and LULUCF is the only sector which has a net emission as carbon sink and increasing carbon trend (-37.5 Mt CO₂e in 2014 and projected to reach -49.2 Mt CO₂e as of 2030). Emission reduction targets set for unconditional contribution is 15.8% of total GHG emissions by 2030 compared to BAU, equivalent to 146.3 Mt CO₂e and for conditional contribution is 43.5% of total GHG emissions by 2030 compared to BAU, equivalent to 403.7 Mt CO₂e. As for LULUCF sector, it is estimated to contribute to 3.5% (32.5 Mt CO₂e) of its emission reduction target for unconditional contribution and to 5.0% (46.6 Mt CO₂e) of emission reduction target for conditional option.</p> <p>In order to achieve that target, seven (7) mitigation measures in LULUCF are identified in Vietnam's NDC including: (i) Protection of natural forest in the mainland (F1); (ii) Protection of coastal forests (F2); (iii) Afforestation and Reforestation of protection and special use forests (F3); (iv) Improved Forest carbon stock of</p>

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poor natural forests (F4); (v) Improved productivity and carbon stock of plantation forests (F5); (vi) Replication of agroforestry practices (F6); and (vii) Sustainable Forest management (F7). It is estimated that about 79.1 Mt CO₂e emission will be reduced by unconditional contribution and 166.4 Mt CO₂e emissions will be reduced by conditional contribution through implementing 7 mitigation measures as stated in Vietnam’s NDC for a period of 2021-2030.

Implementation of sectoral and national GHG inventory for every 2 years starting from 2020 and mitigation measures stated in NDC are stimulated in the Environment Protection Law 2020 and Decree No. 06/2022/NĐ-CP dated 7 January 2022. Measuring, reporting and verification (MRV) and GHG inventory for forestry and land use sector follows Circular No. 23/2023/BNNPTNT dated 15 December 2023.

The efforts in LULUCF sector have been proactively made to reduce GHG emissions and increase carbon sequestration; stabilize the rate of forestation and improve forest quality. In 2020, there has been a reduction of 11.1 Mt CO₂e through activities of increasing plantation forest area, protecting natural forests, etc., aiming to achieve the goal of increasing forest cover to 42% by 2030 and maintaining a stable level to 2050 (Vietnam’s NDC updated in 2022).

Vietnam’s legal framework in national and sectorial level (LULUCF included) also strongly supports and governs emission reduction to achieve net zero emission target by 2050 as committed to international communities. The key directions for responding to climate change, including emission reduction target for sectors and national are provided in National Climate change strategy (Decision No. 896/QĐ-TTg dated 26 July 2022), National implementation plan for Glasgow Declare focusing on minimizing deforestation and forest degradation (Decision No. 993/QĐ-TTg dated 25 August 2023), NDC implementation plan of Ministry of Agriculture and Rural Development (MARD) in LULUCF (Decision No. 1693/QĐ-BNN-KHCN dated 28 April 2023), and a regulation on measuring and reporting implementation of GHG mitigation actions and GHG inventory in forestry and land use (Circular No. 23/2023/BNNPTNT dated 15 December 2023).

Enforcement and monitoring

The enforcement has been fully implemented. Department of Climate Change (DCC) of Ministry of Natural Resources and Environment (MONRE) is a national focal point for climate change. DCC is responsible for preparing Vietnam's NDC, national GHG reports and climate change related policies. DCC is also monitoring the implementation of NDC for the whole country and national emission reduction target.

The Ministry of Agriculture and Rural Development (MARD) is in charge of conducting the GHG inventory of the LULUCF sector and implementation of its NDC mitigation plan. The results of GHG inventory and NDC implementation in LULUCF will be reported to MONRE for national reports on GHG inventory and NDC implementation.

Risk conclusion and justification

Vietnam has developed policies and mechanisms to implement the Paris Agreement, developed NDCs and implemented effective emission reduction policies. Therefore, the requirements of Line A are fully met, and the risk of this indicator is classified as “low”.

Supply Base Verifiers

- Review of the Vietnam’s commitments submitted to UNFCCC, including: (1) Paris Agreement ratified |LINK ; (2) Vietnam’s 2022 updated NDC |LINK ; and (3) SBP assessment | LINK
- Review of relevant Law and legal regulations
- Interview with responsible official at Department of Climate Change (DCC) of Ministry of Natural Resources and Environment (MONRE) and Department of

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	Forestry (DOF) of Ministry of Agriculture and Rural Development (MARD)	
<i>Evidence reviewed</i>	<ul style="list-style-type: none"> – Environment and Protection Law 2020. Law No. 72/2020/QH14 LINK – Decree No. 06/2022/NĐ-CP dated 7 January 2022 LINK – Decision No. 896/QĐ-TTg dated 26 July 2022 LINK – Decision No. 993/QĐ-TTg dated 25 August 2023 LINK – Decision No. 1693/QĐ-BNN-KHCN dated 28 April 2023 LINK – Circular No. 23/2023/BNNPTNT dated 15 December 2023 LINK – Vietnam’s NDC updated in 2022 LINK 	
<i>Risk rating</i>	State forest	Low risk
	Private organizations	Low risk
	Smallholders	Low risk

Criterion 3.2 - Carbon stocks in the forest area of the Supply Base are stable or increasing in the long term.

3.2.1	<p>All feedstock sourcing shall be consistent with either of these two options:</p> <p>Option A Feedstock may be sourced from Supply Bases where an assessment of the Supply Base shows that the forest carbon stocks are stable or increasing, or</p> <p>Option B Feedstock may be sourced, if the assessment shows that the forest carbon stocks are declining in the Supply Base, provided that the decline is due to natural processes (fire, pests etc.), and sourcing of feedstock has the aim to recover feedstock that would otherwise be lost or to assist regeneration.</p>	
<i>Findings</i>	<p>Scale of assessment</p> <p>The scope of assessment includes woody biomass feedstock sourced from plantation forests in Vietnam.</p> <p>Analysis</p> <p>In Vietnam, forest biomass and carbon stocks are investigated and evaluated on a 5-year cycle according to Forestry Law 2017 (Article 33; 34, 35); Circular No. 33/2018/TT-BNNPTNT dated 16 November 2018 on investigation, inventory and monitoring of forest changes (Article 22; 23; 24) and some updated regulations in Circular No. 16/2023/TT-BNNPTNT dated 15 December 2023 (Article 1).</p> <p>Implementing the above regulations, the carbon density of forest types has been periodically investigated according to project on the Investigation, Evaluation and Monitoring of National Forest Resources since 1991. So far, 5 cycles (Cycle V is for 2016-2020). The carbon density changes by forest types, regardless natural forests and plantation forests, tend to stable or increasing for the period of 2010-2020 (comparing between cycle IV (2010-2015) and cycle V (2016-2020)). In</p>	

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particular, the carbon density of plantation forests shows a significant increase between the two cycles (i.e. increased by 10 tC.ha⁻¹ in the Northwest region, increased by 15 tC.ha⁻¹ in the Northeast and Northern Delta and South Central region, increased by 2 tC.ha⁻¹ in North Central region, and increased by 13 tC.ha⁻¹ in Central Highlands, Southeast and Mekong Delta region). Cycle 6 (2022-2025) is in progress (Decision No. 2327/QĐ-BNN-LN dated 13 June 2023).

Forest carbon stock change is counted for emissions and removals of LULUCF sector, which is reported in a national GHG inventory in the form of a national communication (NC), biennial updated report (BUR) submitted to the UNFCCC and also reported through the REDD+ program implementation. Vietnam has been implementing national GHG inventory since 1994 and the latest report was for 2016. The results indicated that the net emissions of LULUCF were negative and continued to increase since 2010 (-20.7 Mt CO₂e in 2010; -34.2 Mt CO₂e in 2013; -37.5 Mt CO₂e in 2014; and -39.8 Mt CO₂e in 2016), of which, the removal amounts are mainly from forest land. It is associated with the stable or increasing carbon density of forest types since 2010 as mentioned above. The draft results of GHG-I for LULUCF for 2020²⁵ indicated total net emission for the sector was about -48.6 Mt CO₂e which showed the increase in carbon stock in forestry sector.

Emissions and removal estimates in REDD+ implementation for the period of 1995-2020, according to a technical REDD+ Report for 2010-2018 attached to BUR3 as Annex submitted to UNFCCC and the national forest inventory for 2016-2020 updated the estimates of emissions and removal for REDD+ implementation for 2010-2020, also indicated the increasing annual averaged removals from 1995 – 2020 (annual averaged -44.5 Mt CO₂e for 1995-2000; annual averaged -49.3 Mt CO₂e for 2000-2010; and annual averaged -69.9 Mt CO₂e for 2010-2020). Particularly, the remarkably increasing removal leads to negative net annual averaged emissions for the period of 2010-2020 (-39.3 Mt CO₂e).

The timber supply in Vietnam is mainly from commercial plantation forest area because exploitation from natural forests has been banned since 2014. The feedstock sourced from plantation forests, however, does not impact the forest carbon outcomes. It is estimated that the carbon loss from wood removal is smaller than the carbon sequestration generated by plantation forests. For example, estimated carbon loss from wood removal for 2022 is 20.8 Mt CO₂e (about 20.1 million m³ of timber harvested in 2022) and carbon gain from 4.6 million ha of plantation forests is 50 Mt CO₂e.

Besides that, Vietnam has made significant efforts in managing and developing the forests, especially the increase of plantation forests, that support the stabilization and increase in forest quality and carbon stocks. Improving productivity of plantation forests is one of key targets effectively contributing to GHG emissions reduction for NDC's targets and mitigating climate change impacts set under National Strategy on climate change towards 2050 (Decision No. 896/QĐ-TTg dated 26 July 2022). Plantation forest quality has been also improved supported by regulation on managing tree varieties (Decree No. 27/2021/NĐ-CP dated 25 March 2021).

Enforcement and monitoring

The enforcement has been fully implemented. The Forest Investigation and Planning Institute (FIPI) is agency responsible for implementing the project on Investigation, assessment and monitoring of national forest resources, including forest biomass and carbon stocks and reporting to the MARD.

Risk conclusion and justification

Vietnam has made efforts to maintain and enhance forest carbon through management policies and forestry development programs, so it meets the requirements

²⁵ MARD is responsible for GHG-I in Agriculture and LULUCF. The results of GHG-I are being reviewed for final approval.

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	of line A, and this indicator is assessed as low risk.						
<i>Supply Base Verifiers</i>	<ul style="list-style-type: none"> – Review of National GHG inventories and REDD+ implementation reports – Review of relevant Laws and Legal regulations 						
<i>Evidence reviewed</i>	<ul style="list-style-type: none"> – Forestry Law dated 11 November 2017 LINK – Decree No. 156/2018/ND-CP dated 16 November 2018 LINK – Decision No. 896/QD-TTg dated 26 July 2022 LINK – Decree No. 27/2021/NĐ-CP dated 25 March 2021 LINK – Circular No. 33/2018/TT-BNNPTNT dated 16 November 2018 LINK – Circular No. 16/2013/TT-BNNPTNT dated 15 December 2023 LINK – Decision No. 2327/QD-BNN-LN dated 13 June 2023 LINK – Decision No. 1693/QD-BNN-KHCN dated 28 April 2023 LINK – 2016 GHG inventory report: The Technical Report on National Greenhouse Gas Inventories for inventory year 2016 of Viet Nam (NIR 2016) LINK – Third national communication (included 2014 national GHG inventory): National communication of Vietnam The Third - to the united nations framework convention on Climate change LINK – Technical REDD+ report attached to BUR3 LINK – Forest Inventory and Planning Institute (FIPI), 2020. Report on the results of National Forest Resources Investigation, Evaluation and Monitoring Project for the period 2016 - 2020 (cycle V) PDF attached. 						
<i>Risk rating</i>	<table> <tr> <td>State forest</td> <td>Low risk</td> </tr> <tr> <td>Private organizations</td> <td>Low risk</td> </tr> <tr> <td>Smallholders</td> <td>Low risk</td> </tr> </table>	State forest	Low risk	Private organizations	Low risk	Smallholders	Low risk
State forest	Low risk						
Private organizations	Low risk						
Smallholders	Low risk						
3.2.2	Primary feedstock shall not be sourced from forest areas where site productivity is low and, according to local definitions or norms, the areas are classified as low-productive or difficult to regenerate.						
<i>Findings</i>	<p>Scale of assessment</p> <p>The scope of assessment includes woody biomass feedstock sourced from plantation forests in Vietnam.</p> <p>Analysis</p> <p>Primary feedstock in Vietnam is mainly sourced from commercial plantation forest area because exploitation from natural forests has been banned since 2014.</p>						

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Currently, there is an absence of definitions or norms on classifying the low productivity area for the forest land, including production plantation forests. Nevertheless, there are available regulations and technical measures on afforestation, reforestation, and exploitation, including soil protection and improvement to ensure the sustainable forest management and development, and wood exploitation from plantation forest does not negatively affect GHG emissions from forests.

Forest owners who are organizations must develop and implement sustainable forest management plans; encourage forest owners who are households, individuals, communities or households and individuals to cooperate in building and implementing sustainable forest management plans (Article 27, Law on Forestry dated 11 November 2017; Circular No. 28/2018/TT-BNNPTNT dated 16 November 2018; Circular No. 13/2023/TT-BNNPTNT dated 30 November 2023). The content of the plan includes an assessment of the current soil condition and impacts as well as soil remediation measures. For forests planted with state budget capital, there must also develop wood exploitation plans complying with regulations of the MARD (Article 29, 156/2018/ND-CP dated 16 November 2018). The procedures for developing and approving sustainable forest management plans including forest product exploitation for each forest owner are specified in Circular 28/2018/TT-BNNPTNT and Circular 13/2023/TT-BNNPTNT.

The timber exploitation from plantation is also regulated by a MARD's Circular 26/2022/TT-BNNPTNT on managing and tracing forest products. Forest owners who plan to exploit timbers on its forest area are required to make exploitation plan and declare harvested timbers for checking and verifying by local forest rangers. As also a soil protection measure, for planted production forests, after clear exploitation, the forest must be replanted immediately in the next planting season or the forest regenerated (Article 19, 156/2018/NĐ-CP).

Regarding technical measures, the selection of plant species and application of silvicultural technical measures on planting, tending, exploiting must be consistent with site conditions (Criterion 4.3, Principle 4, 28/2018/TT-BNNPTNT). Prescribed silvicultural technical measures for plantation forests include afforestation, reforestation, tending and nurturing (Article 45 of Forestry Law 2017; Articles 9, 10, 11, 12, 13 and 14, Circular 29/2018/TT-BNNPTNT; Article 1 of Circulation 17/2022/TT-BNNPTNT). Depending on the current state of vegetation, site conditions and planting purposes, specific measures are regulated on selecting plant species, vegetation treatment, soil preparation, seedling standards, planting density, planting methods, fire prevention, tending and nurturing methods.

As for specific planting species, there are several national standards and guidelines for land suitability assessment for reforestation. The suitability assessment of planting sites considers the following factors: annual average temperature, annual average rainfall, elevation, and soil texture. For each tree species, the suitability is assessed and classified into 4 classes that are very suitable (S1), suitable (S2), slightly suitable (S3) and not suitable (N). National standards (TCVN) for determining suitability assessment are now available for few tree species, such as TCVN 11366-1:2016 for planting site requirements of *Acacia mangium* and *A. hybrid*; TCVN 11366-2:2016 for planting site requirements of *Eucalyptus hybrid*; TCVN 11366-3:2019 for planting site requirements of *Acacia auriculiformis*; TCVN 11366-4:2019 for planting site requirements of *Acacia difficilis maiden*; TCVN 11366-5:2019 for planting site requirements of *Casuarina equisetifolia*; TCVN 11366-6:2019 for planting site requirements of Neem (*Azadirachta indica* A.Juss).

According to national statistics, there are significant increases in production of exploited wood has increased significantly from 2010 (4,042.6 thousand m³) to 2022 (20119.1 thousand m³), and area of new concentrated plantation forest from 2010 (252.2 thousand ha) to 2022 (306.5 thousand ha). However, as analyzed in indicator 3.1.1 and 3.2.1, carbon stocks of forest types in Vietnam are stable or increasing and compatible with the increase in emission removal from LULUCF

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	<p>from 2010 onwards. This means that wood exploitation does not negatively affect GHG emissions from forests.</p> <p>Enforcement and monitoring</p> <p>The enforcement has been fully implemented. The MARD is the competent authority to approve sustainable forest management plans of forest owners managing state owned forests (special use forest in national parks, research organizations) and manage and monitor forestry activities according to the approved strategy and forestry development plan. At the provincial level, MARD provides directions and guidance to Department of Agriculture and Rural Development (DARD) to manage and monitor forest management and forestry development programs.</p> <p>Risk conclusion and justification</p> <p>Although Vietnam does not have definitions or standards for classifying low-yield forestry land, it has developed adequate regulations on afforestation, reforestation, land protection and improvement, and sustainable forest management. At the same time, the decision statistics also show that timber output has increased significantly over the years, and carbon stocks have also stabilized or increased. Therefore, this indicator is considered as low risk.</p>
<p><i>Supply Base Verifiers</i></p>	<ul style="list-style-type: none"> – Review of Laws and legal regulations and national standards (TCVN) – Review of documents governing production plantation management at national and forest owner levels, including: (1) Forest planting design documents; (2) Sustainable Forest management plan; and (3) Exploitation plan and exploitation declare. – Interview with forest owners
<p><i>Evidence reviewed</i></p>	<ul style="list-style-type: none"> – Law on Forestry dated 11 November 2017 LINK – Decree No. 156/2018/ND-CP dated 16 November 2018 LINK – Circular No. 28/2018/TT-BNNPTNT dated 16 November 2018 LINK – Circular No. 13/2023/TT-BNNPTNT dated 30 November 2023 LINK – Circular No. 29/2018/TT-BNNPTNT dated 16 November 2018 LINK – Circular No. 17/2022/TT-BNNPTNT dated 27 October 2022 LINK – Circular No. 26/2022/TT-BNNPTNT dated 30 December 2022 LINK – TCVN 11366-1:2016: Plantation - Site requirements - Part 1: <i>Acacia mangium</i> and <i>Acacia hybrid</i> LINK – TCVN 11366-2:2016: Plantation - Site requirements - Part 2: <i>Eucalyptus hybrid</i> LINK – TCVN 11366-3:2016: Plantation - Site requirements - Part 3: <i>Acacia auriculiformis</i> LINK – TCVN 11366-4:2019 for planting site requirements of <i>Acacia difficilis maiden</i> LINK – TCVN 11366-5:2019 for planting site requirements of <i>Casuarina equisetifolia</i> (not available on website) – TCVN 11366-6:2016: Plantation - Site requirements - Part 6: <i>Neem</i> LINK

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	– National statistics General Statistics Office of Vietnam LINK						
<i>Risk rating</i>	<table> <tr> <td>State forest</td> <td>Low risk</td> </tr> <tr> <td>Private organizations</td> <td>Low risk</td> </tr> <tr> <td>Smallholders</td> <td>Low risk</td> </tr> </table>	State forest	Low risk	Private organizations	Low risk	Smallholders	Low risk
State forest	Low risk						
Private organizations	Low risk						
Smallholders	Low risk						
3.2.3	Primary feedstock shall not be sourced from forest areas in the Supply Base which, according to local definitions or norms, are classified as having combined attributes of high carbon stocks and high conservation value (HCV).						
<i>Findings</i>	<p>Scale of assessment</p> <p>The scope of assessment includes woody biomass feedstock sourced from plantation forests in Vietnam.</p> <p>Analysis</p> <p>In Vietnam, forest types are classified based on the main purpose of use and comply with strict regulations on management, protection and development to ensure the intended use of each forest type. Accordingly, forests having combined high carbon stocks and high conservation value (HCV) are mainly natural forests, which shall not be the primary source of feedstock. See the analysis below for more details:</p> <p>As for the conservation purpose, forests with high conservation value (HCV) are forest types with one or more attributes classified and denoted as follows: (i) HCV 1: Forests have biodiversity values of national, regional or international significance; (ii) HCV 2: Large landscape-level forests of national, regional or international significance, belonging to the forest management unit; (iii) HCV 3: Includes rare, threatened or endangered ecosystems; (iv) HCV 4: Forests provide natural services, such as: watershed protection forests, erosion control, water supply...; (v) HCV 5: Forests provide basic needs of local communities; (vi) HCV 6: is a forest that has cultural, ecological, economic or religious significance for the local community (Appendix IV of Circular 28/2018/TT-BNNPTNT dated 16 November 2018).</p> <p>In addition, pursuant to section 1, Article 5 of Biodiversity Law, the policy of the government on conservation and sustainable development of biodiversity is to prioritize the conservation of important natural ecosystems, specific to or representative of an ecological region. The protected area for conservation purpose consists of: a) National parks; b) Natural reserves; c) Species and habitat conservation area; and d) Landscape protection area (Article 6 of Biodiversity Law). The principle of conservation and sustainable development of biodiversity is harmoniously combining conservation with rational exploitation and use of biodiversity; between conservation, exploitation, and reasonable use of biodiversity with hunger eradication and poverty reduction (section 2 of Article 4 of Biodiversity Law dated 13 November 2008).</p> <p>Regarding forest carbon stock, it was estimated for all NFI cycles, specifically for 1990, 1995, 2000, 2005, 2010 and 2020. The latest estimates of forest carbon stock were conducted for cycle 5 of NFI (2016 – 2020) by Forest Inventory and Planning (FIPI). Forest carbon measurement in NFI is estimated using remote sensing information for mapping forest cover and change and national allometric equations for tree biomass estimates. With the purpose of measuring forest carbon stock, forests are classified into 12 types as below: Evergreen broadleaf forest – rich (timber stocking is over 200 m³/ha); Evergreen broadleaf forest –</p>						

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medium (timber stocking is 100 - 200 m³/ha); Evergreen broadleaf forest – poor (timber stocking is less than 100 m³/ha); Evergreen broadleaf forest – rehabilitated; Deciduous forest; Bamboo forest; Mixed wood and bamboo forest; Coniferous forest; Mixed evergreen broad-leaved coniferous forest; Mangrove forest; Forests on rocky mountain; and Plantation.

The carbon stock estimate in cycle 5 indicates that 80% of the 2020 carbon stock is stored in natural forest and 20% is in the plantations. The high carbon density is mainly in evergreen broadleaf forests. The carbon monitoring also reveals that the carbon density of the plantation is increasing from 2000 to 2020. This increase in carbon stock is resulted from the application of improved germplasm for seedling production and advanced silvicultural practices. The high conservation value areas are mostly distributed in natural forests where they store large carbon stock. As most of production plantation in Vietnam is pure stand, therefore, the conservation value is quite low.

Above all, forests having combined high carbon stocks and high conservation value (HCV) are mainly natural forests, in which exploitation from natural forests has been banned since 2014 (Conclusion No. 97-KL/TW dated 9 May 2014 of the Political; Directive No. 13-CT/TW dated 12 January 2017 of the Secretariat on strengthening the Party's leadership in forest management, protection and development; Decision No. 2242/QĐ-TTg dated 11 December 2014 approving the project to strengthen the management of natural forest timber exploitation in the period 2014-2020). Existing natural forest ecosystems, particularly special-use forests, must be strictly managed and protected focusing on restoring and improving forest quality to preserve biodiversity (section b, clause 1, Part III of 523/QĐ-TTg dated 1 April 2021 on Forestry Development Strategy for the period 2021-2030, vision to 2050).

Maintaining, conserving and enhancing biodiversity is principle 6 in sustainable forest management (Appendix 1, Circular 28/2018/TT-BNNPTNT). Accordingly, forest owners must identify forests of ecological importance and forests with high conservation value that need to be protected or preserved; take measures to protect forest plants and animals according to the provisions of law; protect or conserve forests of ecological importance, forests of high conservation value; measures must be taken to maintain and enhance the ecological value and biodiversity of forests; Do not directly or indirectly convert land with natural forests and forest areas of ecological importance, forests with high conservation value into plantation forests or for other uses.

The timber harvest from plantation is also regulated by a MARD's Circular 26/2022/TT-BNNPTNT dated 30 December 2022 on managing and tracing forest products. Forest owners who plan to harvest timbers in its forest area are required to make exploitation plan and declare harvested timbers for checking and verifying by local forest rangers.

Enforcement and monitoring

The enforcement has been fully implemented. The MARD is the competent authority to approve sustainable forest management plans of forest owners and manage and monitor forestry activities to ensure legal regulations on sustainable forest management including conservation purpose through those plans.

Risk conclusion and justification

Vietnam has implemented healthy policies for planning and protecting forests with high conservation value, and the exploitation of natural forests has been wholly stopped since 2017. Carbon monitoring data shows that the carbon density of plantation forests is also increasing. Therefore, this indicator is assessed as low risk.

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<i>Supply Base Verifiers</i>	<ul style="list-style-type: none"> – Review of relevant Laws and legal regulations – Review and checking the requirement for forest management at forest owner levels, such as sustainable forest management plan, auditing report for certified forests, timber harvest plan and declare. 						
<i>Evidence reviewed</i>	<ul style="list-style-type: none"> – Law on Biodiversity dated 13 November 2008 LINK – Conclusion No. 97-KL/TW dated 9 May 2014 of the Political LINK – Directive No. 13-CT/TW dated 12 January 2017 LINK – Decision No. 2242/QD-TTg dated 11 December 2014 LINK – Decision No. 523/QD-TTg dated 1 April 2021 LINK – Circular No. 28/2018/TT-BNNPTNT dated 16 November LINK – Circular No. 17/2022/TT-BNNPTNT dated 27 October 2022 LINK – Circular No. 26/2022/TT-BNNPTNT dated 30 December 2022 LINK – FIPI, 2020. Report on the results of National Forest Resources Investigation, Evaluation and Monitoring Project for the period 2016 - 2020 (cycle V) PDF attached. 						
<i>Risk rating</i>	<table border="0"> <tr> <td>State forest</td> <td>Low risk</td> </tr> <tr> <td>Private organizations</td> <td>Low risk</td> </tr> <tr> <td>Smallholders</td> <td>Low risk</td> </tr> </table>	State forest	Low risk	Private organizations	Low risk	Smallholders	Low risk
State forest	Low risk						
Private organizations	Low risk						
Smallholders	Low risk						

Criterion 3.3 - Feedstock sourcing shall not compete with wood sourcing for long-lived wood products.

3.3.1	Feedstock sourcing shall be in compliance with the principles of cascading use, high quality stem wood shall not be used as feedstock if it is in substantial demand for long-lived products in the Supply Base.
<i>Findings</i>	<p>Scale of assessment</p> <p>The scope of assessment includes woody biomass feedstock sourced from plantation forests in Vietnam.</p> <p>Analysis</p> <p>In Vietnam, based on strict regulations on the exploitation of wood and forest products from natural forests as analyzed in indicator 3.2.2 and 3.3.3, the primary source of feedstock is mainly from planted production forests. The national strategy and schemes indicate the principle of cascading use of wood harvested from plantation forests that is to prioritize the use of large timer (high-quality stem wood) for product groups such as wooden furniture, outdoor wooden furniture and fine art wood products and the feedstock sources used for wood chips and wood ppellets are mainly from salvage after exploitation of plantation forests and by-products and scraps during the processing of wood products. This approach also contributes to the Vietnam’s target of reducing GHG emissions. See the findings</p>

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below for detailed:

Vietnam Forestry Development Strategy for the period 2021-2030, vision to 2050 (523/QD-TTg dated 1 April 2021) sets out clear objectives to (i) establish concentrated feedstock areas for the forest product processing industry and develop a system of large timber plantations with high productivity and quality (section b, clause 1, part III); (ii) develop plantation forest areas to provide concentrated feedstocks, giving priority to planting large timber forests, applying technical advances, using high quality seeds, and planting intensive large timber forests (section c, clause 1, part III); (iii) focus on developing products with high competitive advantage and sustainability, such as: wooden furniture, outdoor wooden furniture, fine art wooden furniture; (iv) promote the processing of artificial boards, gradually reduce the processing of wood chips for export; encourage the use of products from artificial boards and wood from plantation forests (clause 1, part III). The total area of large timber production forests by 2030 will reach about 1 million ha under the Plan for Development of Large Timber Production Forests for the period 2024-2030 (Decision No. 31/QD-BNN-LN dated January 3, 2024).

In this context, a national scheme on developing multi-use value of forest ecosystems to 2030, vision to 2050 (208/QD-TTg dated February 29, 2024) set a target of sustainable development of natural resources wood materials through the organization of intensive planting and expansion of large timber forest planting areas to ensure proactive supply of feedstocks for the wood processing industry. Some key specific tasks to develop legal sources of wood materials and increase value for the wood processing industry: i) Establish a number of concentrated material forest planting areas; ii) Prioritize the development of large timber forests, converting from small timber plantations to large timber plantations in key regions such as the Northeast, North Central, South Central and Central Highlands; iii) Developing fine processing and deep processing technology to increase the added value of wood products, reclaiming waste by-products in wood processing to produce products for consumption and export.

Another national scheme on developing a sustainable and effective wood processing industry for the period 2021-2030 (327/QD-TTg dated March 10, 2022) sets a goal of 100% of wood and wood products for export and domestic consumption being used from legal wood feedstocks and wood with sustainable forest management certificates. A key task is to develop wood product groups with competitive advantage, added value and high, stable demand in the market including: a) Group of wooden furniture products; b) Group of outdoor furniture products; c) Group of artificial wood products; d) Group of wood products combined with other materials increase aesthetics, durability, and save wood; d) Group of fine art wooden furniture product; and e) Group of wood pellets and wood chip products. The wood pellets and wood chips is also considered a competitive wood product group, but is still profitable behind other high-value product groups.

The WTO - FTA reported that the source of feedstocks for pellet production is currently mainly from by-products after exploitation of plantation forests (accounting for 75 - 80%) and scraps from the wood industry (accounting for 20 - 25%). These sources include: small wood, mainly branches and tops (salvaged products after exploitation of plantation forests); wood scraps, corn covers (by-products from sawmills, peeling boards, chip factories) (To Xuan Phuc et al. 2022). The manufacturers purchase feedstocks from households through a system of agents or directly use feedstocks from their own plantation forests, including timber sourcing from certified forests (To Xuan Phuc et al 2021).

In terms of GHG emissions, improve productivity and quality of plantation forests to increase carbon sequestration and reduce GHG emissions through applying technical advances, converting short-term plantation forests to long-term plantation forests, reducing the exploitation of timber from plantation forests for wood

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chip production are given solutions to reduce GHG emissions from forests and land use in the National Strategy on Climate Change for the period up to 2050 (Decision No. 896/QĐ-TTg July 26, 2022 Approval of the National Strategy on Climate Change for the period up to 2050). In addition, improving productivity and carbon stocks of large timber plantations is one of 7 measures to mitigate GHG emissions in the forestry and land use sectors according to the GHG emission mitigation plan of the agriculture and rural development sector (Decision No. 1693/QĐ-BNN-KHCN dated April 28, 2023 Approving the Plan to mitigate GHG emissions of the agriculture and rural development sector to 2030, with a vision to 2050).

Currently, compliance with the above regulations is controlled due to market traceability requirements and regulations of MARD's Circular No. 26/2022/TT-BNNPTNT dated 30 December 2022 on managing and tracing forest products. Forest owners who plan to harvest timbers on its forest area are required to make exploitation plan and declare harvested timbers for checking and verifying by local forest rangers.

Proving and tracing the origin of wood is done based on legal forest product records specified in Articles 15 to 20 of Circular No. 26/2022/TT-BNNPTNT; At the same time, Circular No. 26/2022/TT-BNNPTNT also specifically stipulates the responsibilities of forest product owners and relevant agencies, organizations and individuals in preparing legal forest product records.

In addition, to ensure convenient traceability of feedstocks, forest product processing enterprises is suggested to prioritize purchasing raw wood with sustainable forest management certification (FSC). The implementation of sustainable forest management and forest certification according to the provisions of Circular No. 28/2018/TT-BNNPTNT dated 16 November 2018 on Sustainable Forest Management (some articles updated in Circular 13/2023/TT-BNNPTNT dated 30 November 2023) and compliance with regulations on legal wood Law in Decree No. 102/2020/ND-CP dated 1 September 2020 on regulating the Vietnamese timber legality assurance system.

Enforcement and monitoring

The enforcement has been fully implemented. MARD is the competent authority to approve sustainable forest management plans of forest owners and manage and monitor forestry activities to ensure legal regulations on sustainable forest management including conservation purpose through those plans.

Risk conclusion and justification

The national strategy and plan indicate that the principle of stratification in the use of timber harvested from plantation forests prioritises the use of large timber. The primary source of raw materials used for wood chips and pellets is the source recovered after logging plantation forests and by-products and waste in processing wood products. Therefore, this indicator is assessed as low risk.

Supply Base Verifiers

- Review of relevant national strategies on forestry development and programs, laws and legal regulations
- Review and check with forest management at forest owner level, such as sustainable forest management plan, timber harvest declares and auditing reports for certified forests.

Evidence reviewed

- Decree No. 102/2020/ND-CP [LINK](#)
- Decision No. 523/QĐ-TTg dated April 1, 2021 [LINK](#)

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	<ul style="list-style-type: none"> – Decision No. 896/QD-TTg dated 26 July 2022 LINK – Decision No. 327/QD-TTg dated 10 March 2022 LINK – Decision No. 208/QD-TTg dated February 29, 2024 LINK – Circular No. 28/2018/TT-BNNPTNT dated November 16, 2018 LINK – Circular No. 26/2022/TT-BNNPTNT dated 30 December 2022 LINK – Circular No. 13/2023/TT-BNNPTNT dated 30 November 2023 LINK – Decision No. 31/QD-BNN-LN dated January 3, 2024 LINK – Center for WTO and Integration of Vietnam Federation of Trade and Industry (WTO - FTA) LINK – To Xuan Phuc, 2021. Production and export of pellets in Vietnam: Current situation and some aspects that need attention. Forest Trends, Forestry Finance and Trade Program LINK – To Xuan Phuc, Cao Thi Cam, Luong Kim Anh, 2022. Vietnam's pellet production and export: Current status and some policy aspects. Market policy newsletter. VIFOREST, Forest Trends, FPA Binh Dinh, BIFA, HAWA, DOWA LINK 						
<i>Risk rating</i>	<table border="0"> <tr> <td>State forest</td> <td>Low risk</td> </tr> <tr> <td>Private organizations</td> <td>Low risk</td> </tr> <tr> <td>Smallholders</td> <td>Low risk</td> </tr> </table>	State forest	Low risk	Private organizations	Low risk	Smallholders	Low risk
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Smallholders	Low risk						

Principle 4 - Feedstock sourcing benefits people and communities

Criterion 4.1 - Decent working conditions are provided, and labor rights are safeguarded.

4.1.1	Freedom of association and the right to collective bargaining shall be respected in the workplace.
<i>Findings</i>	<p>Scale of assessment</p> <p>The scope of assessment includes woody biomass feedstock sourced from plantation forests in Vietnam.</p> <p>Analysis</p> <p>For labor working in organizations, the freedom of association and collective bargaining rights are protected by Convention No. 98 of the International Labor Organization, which Vietnam joined in 2019, and Vietnamese legal regulations.</p> <p>The 2019 Labor Code provides detailed regulations on the right to establish, join, and participate in the activities of employee representative organizations and on the operating charter of operating organizations that must ensure the principle of compliance with the Constitution, laws and regulations; voluntary, self-governing, democratic, and transparent (Articles 170 to 178).</p> <p>The right to collective bargaining and collective labor agreements are regulated in the Labor Code, 2019. In addition, the legal basis for employees' collective bargaining rights is also stipulated in Clauses 2 and 10, Article 10 of the 2012 Trade Union Law as follows: Trade unions are "representing the collective of workers</p>

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to negotiate, sign and supervise the implementation of collective labor agreements", which clearly states the role of trade unions in "organizing and leading strikes under the law" to achieve the legitimate rights of workers when collective bargaining fails.

In addition, for organizations and individuals that are not under the scope (forest owners are individuals or households) of the above legal documents, freedom of association is stipulated in Decree 45/2010/ND-CP dated April 21, 2010, of the Government on organization, operation and management of associations. According to Clause 1, Article 2 of Decree 45, the Association is understood as "a voluntary organization of Vietnamese citizens and organizations with the same profession, interests, gender, with the same purpose of gathering members and uniting members, operating regularly and for non-profit to protect the legitimate rights and interests of the association, its members, and the community; Support each other to operate effectively, contributing to the country's socio-economic development, organized and operated following this Decree and other relevant legal documents".

The forestry sector does not have separate regulations on freedom of association and collective bargaining for workers at the workplace, therefore, the employees will implement this according to current law. For organizations, including organized forest owners and wood processing enterprises, freedom of association and collective bargaining of workers at the workplace is implemented under the 2019 Labor Code and Trade Union Law 2012. According to 2022 statistics, there were about 6,200 wood processing enterprises in Vietnam, with the portion of the large, medium, small and micro-scale enterprises equivalent to 2.2%, 3.5%, 24.9% and 69.3%, respectively. However, the results of a survey of 45 wood processing enterprises in 3 provinces in the North, Central and South regions of Vietnam in 2022 conducted by the Center for Sustainable Rural Development (SRD) show that 100% of micro-enterprises have not established Trade Unions, so 100% of workers in these enterprises also do not have a trade union to join. These workers do not need to participate in a representative organization of workers. The main reason is that most micro-enterprises have a regular workforce of less than 12 people.

For small and medium-sized enterprises, the proportion of enterprises with established trade unions is 48.1% and 66.7%, respectively, corresponding to the number of people participating in trade unions at these enterprises are 37% and 50%. In particular, the implementation of dialogue of collective bargaining in micro-enterprises is non-existent, while for small and medium-sized enterprises, it is 22.2% and 27.8%, respectively (Hoang Lien Son and Nguyen Tien Hai, 2022). Based on the above analysis, the establishment of trade unions is not fully implemented in micro, small and medium-sized enterprises. The reason is that the workers themselves do not need it. Therefore, this indicator is considered low-risk for institutional entities.

For small forest owners, households, groups of households or cooperative groups are the main force, managing up to 80% (3.175 million hectares) of the plantation forest area to provide raw wood for the wood processing industry. Also, there are about 340 wood processing villages, most of which are household-scale production establishments. Thus, these subjects can apply Decree 45/2010/ND-CP to establish associations and voluntarily participate in associations, such as afforestation household groups, cooperative groups, and forest owner clubs with households participating in forest certification. Currently, groups of afforestation households and clubs of forest owners with forest certification have been established in many localities, such as Quang Tri, Quang Ninh and other localities. In addition, household forest owners can voluntarily participate in the Vietnam Forest Owners Association, a professional association with an organizational structure from central to local levels. The purpose of the Vietnam Forest Owners Association is to be a non-profit organization operating for the benefit of forest owners, with legal status and an operating charter. Thus, exercising the right to freedom of association and collective bargaining is considered low risk for smallholders.

Enforcement and monitoring

According to the Trade Union Law, the Vietnam General Confederation of Labor and trade unions at all levels are responsible for representing and protecting workers' legal and legitimate rights and interests.

For associations established under Decree 45/2019/QH14, Ministries and ministerial-level agencies are responsible for managing and supervising associations operating in the fields managed by Ministries and ministerial-level agencies within the scope of their management nationwide. Provincial People's Committees manage and supervise associations operating within the province.

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	<p>Risk conclusion and justification</p> <p>Analyses show that Vietnam's legal system fully protects workers' legal rights in exercising the right to freedom of association and collective bargaining. The exercise of these rights is entirely voluntary by employees of organizations, households, and individuals, so this indicator is considered low risk.</p>	
<i>Supply Base Verifiers</i>	<ul style="list-style-type: none"> – Review the exit regulation; – Evidence of the activities of associations representing employees at the organization – Stakeholder consultation 	
<i>Evidence reviewed</i>	<ul style="list-style-type: none"> – Labor Code 2019 Link – Trade Union Code 2012 Link – Resolution 80/2019/QH14 Link – Decree No. 45/2019/QH14 Link – Nguyen Hoang Ha, 2022. Realizing freedom of association under Vietnam’s legislation. Article. Vietnam Law magazine. Link – Fair Labor, 2020. Freedom of association in Viet Nam labor code. Link – Hoang Lien Son and Nguyen Tien Hai, 2022. Policy to improve the responsiveness of Small and Medium-sized timber processing enterprises in Vietnam to satisfy environmental, social and labor provisions of the EVFTA. Policy Brief. SRD.September 2022. 	
<i>Risk rating</i>	State forest	Low risk
	Private organizations	Low risk
	Smallholders	Low risk
4.1.2	Forced or compulsory labour shall not be used.	
<i>Findings</i>	<p>Scale of assessment</p> <p>The scope of assessment includes woody biomass feedstock sourced from plantation forests in Vietnam.</p> <p>Analysis</p> <p>Legally, Vietnam has joined Convention 105 of the International Labor Organization (ILO) on abolishing forced labor according to Resolution No. 104/2020/QH14 dated June 8, 2020, of the XIV National Assembly. Therefore, the implementation of this issue is based on the principle of direct application of the entire content of the Convention. The Prime Minister issued Decision No. 2234/QĐ-TTg dated December 30, 2021, approving the Plan to implement Convention 105.</p> <p>In addition, Clause 7, Article 3 of the 2019 Labor Code defines forced labor as the use of force, the threat of force or other tricks to force workers to work against</p>	

their will. Therefore, forced labor is prohibited in the labor environment specified in Clauses 2 and 6, Article 8 of the 2019 Labor Code. These legal regulations have been implemented to prevent effectively forced labor in Vietnam.

The forestry sector does not have separate regulations on not using forced or compulsory labor for entities, including organizations, individuals, and households. Therefore, this is implemented according to current general legal rules in the field of forestry labor, as follows:

For organized forest owners, compliance with regulations on establishing trade unions and implementing collective bargaining through the Labor Conference is organized annually by the Trade Union. Therefore, forced labor in the production and business activities of raw wood plantation forests by organized forest owners does not occur.

For forest owners who are households, the model of organizing the household's plantation forest business is on a smallholder scale and the sale of plantation forest timber that has reached harvesting age is in the form of selling standing timber. Therefore, forced labor for this group of forest owners is almost nonexistent.

For wood processing enterprises: although the number of small and micro enterprises accounts for a large proportion, 24.9% and 69.3%, respectively. However, Article 17 of the 2012 Trade Union Law and Article 165 on prohibited acts for employers of the 2019 Labor Law have been taken very seriously by businesses of all sizes. Therefore, there is no forced labor.

Enforcement and monitoring

The content of Decision No. 2234/QĐ-TTg, dated December 30, 2021, is to plan for the effective implementation of Convention No. 105 under the Constitution and laws of Vietnam. Accordingly, the Government has assigned responsible agencies, including the Ministry of Labor, War Invalids and Social Affairs, to coordinate with the Ministry of Justice, the Ministry of Public Security, the Ministry of National Defense, the Vietnam General Confederation of Labor, Vietnam Chamber of Commerce and Industry, Vietnam Cooperative Alliance and relevant ministries, branches and localities, implement activities, including:

- Propagate and disseminate the content of Convention No. 105
- Review, amend, supplement or promulgate new ones to perfect the legal system to thoughtfully and effectively implement the requirements of Convention No. 105.
- Training, coaching, and capacity building for employees and employers
- Develop guidance documents
- Build information database
- Develop and implement mechanisms for inspection, supervision and handling of violations
- Periodically or upon request, report to the ILO on the implementation of Convention No. 105
- Strengthen cooperation with other countries.

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	<p>– Comprehensive assessment of the implementation of Convention No. 105 after five years of joining Convention 105</p> <p>Risk conclusion and justification</p> <p>Vietnam has firmly committed to the fight against forced labor in all forms. Vietnam is consistent in its policy of respecting and ensuring the implementation of human and workers' rights. From feedstock supply to producing and processing wood pellets, workers in the forestry sector fully comply with regulations not to use forced labor. Therefore, this indicator is considered low risk.</p>						
<i>Supply Base Verifiers</i>	<ul style="list-style-type: none"> – Review existing legislation and public information – Review legal documents for enforcement – Stakeholders consultation 						
<i>Evidence reviewed</i>	<ul style="list-style-type: none"> – Labor Code 2019 Link – Resolution No. 104/2020/QH14 Link – Decision No. 2234/QĐ-TTg ngày 30/12/2021 Link – Hoang Lien Son and Nguyen Tien Hai, 2022. Policy to improve the responsiveness of Small and Medium-sized timber processing enterprises in Vietnam to satisfy environmental, social and labor provisions of the EVFTA. Policy Brief. SRD. September 2022. 						
<i>Risk rating</i>	<table> <tr> <td>State forest</td> <td>Low risk</td> </tr> <tr> <td>Private organizations</td> <td>Low risk</td> </tr> <tr> <td>Smallholders</td> <td>Low risk</td> </tr> </table>	State forest	Low risk	Private organizations	Low risk	Smallholders	Low risk
State forest	Low risk						
Private organizations	Low risk						
Smallholders	Low risk						
4.1.3	Child labor shall not be used.						
<i>Findings</i>	<p>Scale of assessment</p> <p>The scope of assessment includes woody biomass feedstock sourced from plantation forests in Vietnam.</p> <p>Analysis</p> <p>Legally, Viet Nam has ratified and implemented Conventions, such as the Convention on the Rights of the Child (1989), ILO Convention No. 138 on the minimum working age (1973), ILO Convention No. 182 on the prohibition and immediate action to eliminate the worst forms of child labor, etc. Vietnam is a country that is seen as a model, pioneer and leading role in implementing the United Nations Sustainable Development Goal 8.7 on eliminating child labor in all its forms regionally and globally.</p> <p>Regulations on not using child labor have also been included in Vietnam's legal documents, specifically:</p> <p>The 2016 Children's Law stipulates: "Children have the right to be protected in all its forms from being exploited for labor; being forced work prematurely,</p>						

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overtime or do heavy, toxic or dangerous work as prescribed by law; and being assigned a job or workplace that adversely affects their personality and comprehensive development" (Article 26). Therefore, this is a pervasive principle in all activities of using child labor to realize children's rights and, at the same time, determine the responsibilities of relevant agencies and organizations in protecting children's rights (Le Xuan Tung, 2024, xaydungdang.org.vn). The 2019 Labor Code defines minor workers as workers under 18 years old and is divided into three groups: 1. Group 1: from 15 years old - younger than 18 years old; 2. Group 2: From 13 - under 15 years old, Group 3: Under 13 years old. Based on the grouping of minor workers, Article 145 and Article 147 of the 2019 Labor Code stipulate a list of types of jobs that minor workers can do.

For the forestry industry, the use of underage labor can still be used if the provisions of Articles 145 and 146 of the Labor Code are strictly followed. Evaluation results of 45 medium-sized wood processing enterprises, small and super small, 100% of businesses do not use child labor under 15 years old. Many forestry enterprises have the slogan "Say no to child labor" in the workplace (Hoang Lien Son and Nguyen Tien Hai, 2022).

According to the 2020 National Report "Five-year Progress in Implementing Sustainable Development Goals" implemented by the Ministry of Planning and Investment with support from UNDP and Hanns Siedel Foundation (Germany), the labor rate of children aged 5-17 years out of the total population of children aged 5-17 decreased from 9.6% in 2012 to 5.4% (1.1 million people) in 2018 (low average compared to the region and the world), while the school attendance rate of children participating in labor has increased from more than 43% in 2012 to more than 63% in 2018. It can be said that this is a remarkable achievement of Vietnam in implementing the goal of gradually eliminating child labor (Le Xuan Tung, 2024, <https://www.xaydungdang.org.vn>).

Households working in wood processing in craft villages still employ workers from 15 to under 18 years old in various types of wood processing jobs in villages that are "hereditary". Therefore, child labor in wood processing villages is a cultural tradition, not forced.

Enforcement and monitoring

To concretize Articles of the 2019 Labor Code, the Minister of Labor, War Invalids and Social Affairs issued Circular No. 09/2020/TT-BLĐTBXH dated October 12, 2020, detailing and Guiding the implementation of the articles of the Labor Code regarding underage workers. Article 6, Circular No. 9, regulates the preparation of employment documents for people under 13 years old to work, in which the employee needs to have a copy of the household registration book or temporary residence certificate in case the employee is under 13 years old. The employer is a household or individual.

The Ministry of Labor, War Invalids and Social Affairs is responsible for supervising regulations on child labor at the central level, and the Department of Labor, War Invalids and Social Affairs is responsible for supervising rules on child labor at the provincial level.

Risk conclusion and justification

Vietnam has strongly committed not to use or violate international conventions related to the employment of minors. The lowest age to join a labor contract is 15 years old, compatible with Clause 3, Article 2 of ILO Convention 138. Legal regulations on underage labor (child labor) in Vietnam are stringent in all occupations in the economy. Many businesses in the forestry sector have implemented the workplace slogan: "Say no to child labor" in the workplace (Hoang Lien Son and Nguyen Tien Hai, 2022). Therefore, this indicator is rated low risk.

Supply Base

- Review existing legislation and public information

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<i>Verifiers</i>	<ul style="list-style-type: none"> – Review legal documents for enforcement – Stakeholders consultation 						
<i>Evidence reviewed</i>	<ul style="list-style-type: none"> – Children’s Law 2016 Link – Labor Code 2019 Link – Circular 09/2020/TT-BLĐTBXH Link – Le Xuan Tung, 2024 Link – Decision No. 782/QĐ-TTg dated 27/05/2021 Link – Decision No. 182/1999/QĐ-CTN dated 18/6/1999 Link – H.V.A, 2021 Link – Unicef Link – Hoang Lien Son and Nguyen Tien Hai, 2022. Policy to improve the responsiveness of Small and Medium-sized timber processing enterprises in Vietnam to satisfy environmental, social and labor provisions of the EVFTA. Policy Brief. SRD.September 2022. 						
<i>Risk rating</i>	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">State forest</td> <td style="text-align: right;">Low risk</td> </tr> <tr> <td>Private organizations</td> <td style="text-align: right;">Low risk</td> </tr> <tr> <td>Smallholders</td> <td style="text-align: right;">Low risk</td> </tr> </table>	State forest	Low risk	Private organizations	Low risk	Smallholders	Low risk
State forest	Low risk						
Private organizations	Low risk						
Smallholders	Low risk						
4.1.4	Workers shall not be discriminated in hiring, remuneration, access to training, promotion, termination or retirement.						
<i>Findings</i>	<p>Scale of assessment</p> <p>The scope of assessment includes woody biomass feedstock sourced from plantation forests in Vietnam.</p> <p>Analysis</p> <p>Viet Nam has a rather adequate and strict legal framework to prevent and limit discrimination against workers, aiming to promote and ensure equal rights in opportunities and treatment of workers, specifically such as the Labor Code 2019, Law on Vocational Training 2006, Law on Gender Equality 2006, Law on Social Insurance 2014; Disability Act 2010, and having sanctions for fines of up to 30 million VND for gender discrimination in labor.</p> <p>For the production of feedstock for the wood processing and trade industry, including pellets, discrimination in labor is considered for entities assigned and leased forest land by the State for planting. However, discriminatory acts in these businesses rarely occur.</p> <p>In 2019, SRD and the VNGO-FLEGT network surveyed 86 wood industry enterprises in Vietnam's Northern, Central and Southern provinces. Enterprises participating in the survey self-assessed their compliance with regulations related to the rights of female workers. The results show that most businesses have well-implemented rules that are concerned with and do not discriminate against female workers, as follows: Compliance with social insurance regulations (96.5%); Compliance with health insurance regulations (96.5%); Compliance with unemployment insurance regulations (94.1%); Compliance with health check</p>						

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	<p>regulations (67.0%); Comply with rules on maternity leave (83.4%); Comply with regulations on labor safety (92.9%).</p> <p>Small forest owners pay wages through voluntary agreements between employers and employees.</p> <p>Enforcement and monitoring</p> <p>To concretize the legal framework on discrimination in labor employment, the Government issued Decree No. 125/2021/ND-CP stipulating sanctions for administrative violations in the field of gender equality.</p> <p>The Ministry of Labor, War Invalids and Social Affairs and the Department of Labor, War Invalids and Social Affairs are responsible for monitoring regulations on discrimination in recruitment, remuneration, access to training, promotion, termination or retirement.</p> <p>Risk conclusion and justification</p> <p>Vietnam has a relatively complete and strict legal framework to prevent and limit discrimination of workers to promote and ensure equality in opportunities and treatment of labor. In the forestry sector, discriminatory practices in these enterprises rarely occur. This is proven by the excellent implementation of non-discrimination regulations for female workers conducted by SRD in 86 forestry enterprises. Therefore, this indicator is considered a low-risk.</p>						
<i>Supply Base Verifiers</i>	<ul style="list-style-type: none"> – Review existing legislation and public information – Review legal documents of enforcement – Stakeholder consultation 						
<i>Evidence reviewed</i>	<ul style="list-style-type: none"> – Labor Code 2019 Link – Law on Vocational Education 2014 Link – Gender Equality Law 2006 Link – Social Insurance Law 2014 Link – Disability Law 2010 Link – Decree 125/2021/ND-CP Link 						
<i>Risk rating</i>	<table> <tr> <td>State forest</td> <td>Low risk</td> </tr> <tr> <td>Private organizations</td> <td>Low risk</td> </tr> <tr> <td>Smallholders</td> <td>Low risk</td> </tr> </table>	State forest	Low risk	Private organizations	Low risk	Smallholders	Low risk
State forest	Low risk						
Private organizations	Low risk						
Smallholders	Low risk						
4.1.5	Wages paid to workers shall meet or exceed the legal minimum wage or where there is no statutory minimum wage industry norms shall be met or exceeded.						
<i>Findings</i>	<p>Scale of assessment</p> <p>The scope of assessment includes woody biomass feedstock sourced from plantation forests in Vietnam.</p>						

Analysis

The Labor Code 2019 and legal documents related to wages are paid to employees as agreed upon to perform jobs not less than the minimum wage under normal working conditions, the most straightforward job to ensure the basic living standards of employees and their families, suitable to socio-economic development conditions.

Minimum wage policy is a collective bargaining content specified in several legal regulations. Article 67 of the 2019 Labor Code stipulates that wages, allowances, raises, bonuses, meals and other benefits are the first items in negotiations. Salary payment is regulated in Article 90 of the 2019 Labor Code, including: (1) salary is the amount of money that the employer pays to the employee according to the agreement to perform the job, including the salary according to the contract or position, salary allowances and other supplements; (2) The salary according to job or title must not be lower than the minimum wage and (3) Employers must ensure equal pay, regardless of gender, for employees doing jobs with same value.

Decree 38/2022/ND-CP, dated June 12, 2022, also regulates the monthly minimum wage and hourly minimum wage applicable to employees working under labor contracts and by region. Accordingly, the minimum salary negotiated between employees and employers in forestry production activities is usually greater than or equal to 4,160,000 VND/month, including salary payments, social insurance and other items (Article 3).

Thus, legal regulations on minimum wage policy have created a "safeguard" to protect workers, but at the same time, also contributed to promoting increased labor productivity, encouraging consumption, and creating a spillover effect for socio-economic development (Nguyen Dang Minh Thao, 2019). This policy has been developed over the past 70 years in Vietnam with the method of calculating the minimum wage based on the minimum consumption needs in the essential "basket of goods" and the consumption habits of workers.

Enforcement and monitoring

The 2019 Labor Code and related legal documents have been "legalised", providing a legal basis and legal mechanism to control content related to wages and salaries paid to employees, as follows:

- Promulgating and implementing legal regulations on minimum wage is a collective bargaining content.
- Regulate and control compliance with paying minimum monthly and hourly wages to employees working under labor contracts and by region.
- Promulgate regulations and monitor salary payments according to labor relations through contracts
- Regulating compliance with transparency and accountability in salary payments.

The Ministry of Labor, War Invalids and Social Affairs and the Department of Labor, War Invalids and Social Affairs monitor regulations on wages and salaries paid to workers.

Risk conclusion and justification

Vietnam has developed and promulgated legal regulations related to wages and salaries paid to workers according to agreements for performing work not less

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	<p>than the minimum wage under normal working conditions, the most straightforward work to ensure the minimum living standards of workers and their families, by socio-economic development conditions. Organize the implementation of legal regulations and monitor compliance, enforcement, transparency and accountability. Therefore, this indicator is assessed as low risk for organizations (state and private).</p> <p>For small forest owners, there is usually no labour contract but mainly through agreements, and the payment level is often higher than the minimum wage or work in exchange for each other. Therefore, this indicator is also assessed as low risk for smallholders</p>						
<i>Supply Base Verifiers</i>	<ul style="list-style-type: none"> – Review existing regulations – Review public information – Labor contract – Stakeholder consultation 						
<i>Evidence reviewed</i>	<ul style="list-style-type: none"> – Labor Code 2019 Link – Decree 38/2022/NĐ-CP Link – Nguyen Dang Minh Thao, 2019. Minimum wage in Vietnam: Some observations and analysis. Social science magazine No. 10 (254) 2019. 						
<i>Risk rating</i>	<table> <tr> <td>State forest</td> <td>Low risk</td> </tr> <tr> <td>Private organizations</td> <td>Low risk</td> </tr> <tr> <td>Smallholders</td> <td>Low risk</td> </tr> </table>	State forest	Low risk	Private organizations	Low risk	Smallholders	Low risk
State forest	Low risk						
Private organizations	Low risk						
Smallholders	Low risk						
4.1.6	Working hours shall comply with legal requirements.						
<i>Findings</i>	<p>Scale of assessment</p> <p>The scope of assessment includes woody biomass feedstock sourced from plantation forests in Vietnam. This indicator does not apply to smallholders since they carry out forest planting, tending, and harvesting activities or may contract with local seasonal workers.</p> <p>Analysis</p> <p>Regulations on working time for all manufacturing sectors in Vietnam are stipulated in the Labor Code of 2019 and specified by Decree 145/2020/ND-CP of 2020. The 2019 Labor Code has specific regulations on (1) Normal working hours (maximum total working hours); (2) Overtime working hours; (3) Rest time during working hours; (4) Personal leave, unpaid leave; (5) Annual leave and holidays.</p> <p>The 2019 Labor Law stipulates that regular working hours do not exceed 8 hours in a day and do not exceed 48 hours in a week. Thus, the employer must ensure that the employee's regular working hours do not exceed 08 hours in a day and do not exceed 48 hours in a week for regular working hours. In the case of weekly work, regular working hours are no more than 10 hours/day and no more than 48 hours/week. The total number of overtime working hours does not exceed 200</p>						

hours/year, except for some exceptional cases prescribed by the Government, where employees are allowed to work overtime but not more than 300 hours/year (Article 105).

Employers are responsible for complying with the regulations on each employee's working time according to the following rules: (i) Implementing labor contracts, collective labor agreements and other legal agreements of workers (article 6); (ii) Establishing a mechanism and carry out dialogue and exchange with workers and representative organizations of workers (article 7); (iii) Training, retraining, fostering to improve qualifications and vocational skills to maintain and change careers and jobs for workers (Article 60); (iv) Implement legal regulations on labor, social insurance, health insurance, unemployment insurance and safety (Article 6).

In fact, according to the report "Working hours in Vietnam" published by the ILO Office in Vietnam in September 2019, most workers work 48 hours/week, and the average number of working hours is divided by Among economic types, agricultural workers have the lowest number of working hours.

The Better Work organization's report (Viet Nam Annual Report 2023) shows that medium-sized wood chip, peel, and sawn wood processing enterprises, best meet regulations on working hours and pay adequate wages to workers. The number of businesses meeting this requirement accounts for about 83.3%. Meanwhile, for micro-enterprises (revenue and capital less than 3 billion VND), meeting regulations on working time and paying adequate wages to employees is very weak (Nguyen Tien Hai et al., 2023).

Regarding wood processing enterprises, according to 2022 statistics, the total number of wood processing businesses in Vietnam is about 6,200 (The white book, 2023). One of the most apparent characteristics of energy pellet production in Vietnam is that these businesses and processing enterprises use a lot of by-products from most wood processing activities. The regulations on working hours in these businesses and processing enterprises comply with the provisions of the law.

Enforcement and monitoring

According to regulations, supervision of the working regime to ensure the following agencies carry out the prescribed time:

- (1) State inspection agencies, including Inspectorate of the Ministry of Labor, War Invalids and Social Affairs, Inspectorate of the Department of Labor, War Invalids and Social Affairs of provinces and centrally run cities;
- (2) Agencies assigned to perform specialised inspection functions, including the General Department of Vocational Education, Department of Overseas Labor Management, and Department of Labor Safety;
- (3) Provincial and City Labor Confederations, Central Industry Trade Unions, and Corporation Trade Unions under the General Confederation strengthen supervision, participate in inspection, and check the implementation of legal regulations on working time, rest time, monitoring the payment of hourly wages according to regulations; ensure adequate risk management processes that may arise from overtime work; Monitor the health of workers during overtime (Article 3 of Decree 110/2017/ND-CP).

Risk conclusion and justification

Vietnamese law sets precise requirements for working time and specifies working time monitoring activities. Employers must record and have annual reports on

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	<p>employees' working and rest time. In the case of specific manufacturing industries, working hours are complied with the Collective Labor Agreement. Production activities related to the feedstock of forestry companies, businesses and wood processing companies all comply with legal working hours regulations. According to the reported figures, the implementation of working hours according to regulations in small and medium enterprises is relatively good. In contrast, micro-enterprises do not fully implement the rules on working hours and fair employee wages. Processing enterprises that create waste by-products often violate working hours in the form of overtime, despite the agreement between the enterprise and the employee. Thus, this indicator is assessed as a specified risk.</p>						
<i>Supply Base Verifiers</i>	<ul style="list-style-type: none"> – Review exiting regulations – Review public information – Consultation with stakeholders 						
<i>Evidence reviewed</i>	<ul style="list-style-type: none"> – Labor Code 2019 (45/2019/QH14 dated 20/11/2019) Link – Decree 145/2020/NĐ-CP dated 14/12/2020 Link – Decree 110/2017/NĐ-CP Link – Better Work Viet Nam Annual Report 2023, Geneva: International Labor Office and International Finance Corporation, 2023 Link – Nguyen Tien Hai et al., 2023. Vietnam Journal of Forest Science No. 1, 2023 Link 						
<i>Risk rating</i>	<table border="0"> <tr> <td>State forest</td> <td>Specified risk</td> </tr> <tr> <td>Private organizations</td> <td>Specified risk</td> </tr> <tr> <td>Smallholders</td> <td>N/A</td> </tr> </table>	State forest	Specified risk	Private organizations	Specified risk	Smallholders	N/A
State forest	Specified risk						
Private organizations	Specified risk						
Smallholders	N/A						
4.1.7	Workers shall have access to health care provisions, sickness benefits, retirement benefits, invalidity benefits, death benefits, and workers' compensation.						
<i>Findings</i>	<p>Scale of assessment</p> <p>The scope of assessment includes woody biomass feedstock sourced from plantation forests in Vietnam. This indicator does not apply to smallholders because they carry out forest planting, tending, and harvesting activities or may contract with local seasonal workers.</p> <p>Analysis</p> <p>The right to access health care conditions, sickness benefits, retirement benefits, disability benefits, death benefits and compensation is specified in Vietnam's Law on occupational safety and hygiene 2015 and Labor Code 2019.</p> <ul style="list-style-type: none"> • Regarding health care, employees working under labor contracts have the right to receive labor protection regimes, health care, and periodic examinations to detect occupational diseases; have occupational accident insurance paid by the employer; enjoy full benefits for people with occupational accidents; be paid for examination and assessment of injuries and illnesses caused by work accidents; to proactively go for an evaluation of the level of 						

working capacity decline and be paid the assessment fee in case the assessment results are eligible to adjust and increase the level of occupational accident benefits (Article 6, Law on occupational safety and hygiene).

- **Regarding benefits and insurance regimes**, Vietnam's 2019 Labor Code stipulates that employees and employers must participate in compulsory social, health, and unemployment insurance. Employees are entitled to benefits according to the provisions of the Law on social insurance, health insurance and unemployment insurance.
- **Regarding sickness and maternity benefits**: The Social Insurance Agency settles sickness, maternity, and health recovery benefits for employees based on the confirmed actual time of social insurance payment.
- **Regarding pension regime**: The Social Insurance Agency is responsible for resolving the pension regime for specific cases according to the 2014 Social Insurance Law provisions.
- **Regarding death benefits**: The settlement of funeral benefits is also carried out according to the the 2014 Social Insurance Law provisions.

In fact, the Better Work Report (Viet Nam Annual Report 2023) states that almost all factories ensure that workers earn at least the legal minimum wage and that wages are paid on time. In 2022, about 12% of factories were assessed for not paying enough social insurance fees on time. Thus, the implementation of social insurance ensures that employees have access to health care conditions, sickness benefits, retirement benefits, disability benefits, death benefits, and compensation regimes has been implemented well, so this content is assessed as low risk.

Enforcement and monitoring

According to the Penal Code 2015, employers are obliged to pay social insurance, health insurance, and unemployment insurance for employees by deceitfully or using other tricks not to pay or not fully pay social insurance, health insurance, and unemployment insurance for employees should be fined from 50,000,000 dong to 500,000,000 dong or imprisoned from 06 months to 03 years. In addition, the employer is also responsible for compensating the employee for damages and returning the amount of money missed to the social insurance agency (Article 216).

Every year, localities and businesses are responsible for sending reports on occupational safety and hygiene to the Department of Labor, War Invalids and Social Affairs of provinces and cities according to the instructions in Circular No. 07/2016/TT- MOLISA of the Ministry of Labor, War Invalids and Social Affairs. The Labor, War Invalids and Social Affairs Inspectorate performs specialised inspection functions on implementing policies and laws on social insurance according to the Law on inspection provisions. The social insurance agency performs the specialized inspection function of social insurance, unemployment insurance and health insurance payments according to the provisions of this Law and other relevant laws.

Trade unions, the Vietnam Fatherland Front and member organizations of the Front have the following rights: a) Protect the legal and legitimate rights and interests of workers participating in social insurance; b) Request employers and social insurance agencies to provide information about employees' social insurance; c) Supervise and recommend to competent authorities to handle violations of the law on social insurance; d) Initiate a lawsuit in court for violations of the law on social insurance that affect the legitimate rights and interests of employees and employee collectives as prescribed in Clause 8, Article 10 of the Law union.

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	<p>Risk conclusion and justification</p> <p>Based on the above analysis, Vietnam has adequate legal regulations and implementation mechanisms to ensure employees have access to health care, sick pay, retirement benefits, disability benefits, death benefits, and workers' compensation. However, the Better World 2023 report also shows that a small number of enterprises do not pay social insurance on time for employees (12%). While state-owned organizations are often required to implement social insurance regimes fully, small private enterprises usually hire seasonal workers. Still, the labour contracts may not include provisions for health care, sick pay, retirement benefits, disability benefits, death benefits, and workers' compensation. Therefore, this indicator is assessed as a low risk for state-owned organizations and a definite specified risk for the private sector.</p>						
<i>Supply Base Verifiers</i>	<ul style="list-style-type: none"> – Review exiting regulations – Review public information – Consultation with stakeholders 						
<i>Evidence reviewed</i>	<ul style="list-style-type: none"> – Labor Code 2019 Link – Penal Code 2015 Link – Law on occupational safety and hygiene Link – Circular No. 07/2016/TT-BLĐTBXH Link – Better Work Viet Nam Annual Report 2023, Geneva: International Labor Office and International Finance Corporation, 2023 Link 						
<i>Risk rating</i>	<table> <tr> <td>State forest</td> <td>Low risk</td> </tr> <tr> <td>Private organizations</td> <td>Specified risk</td> </tr> <tr> <td>Smallholders</td> <td>N/A</td> </tr> </table>	State forest	Low risk	Private organizations	Specified risk	Smallholders	N/A
State forest	Low risk						
Private organizations	Specified risk						
Smallholders	N/A						
4.1.8	Training shall be provided for all workers to allow them to implement the conditions set out in all elements of the SBP Standards relevant to their responsibilities.						
<i>Findings</i>	<p>Scale of assessment</p> <p>The scope of assessment includes woody biomass feedstock sourced from plantation forests in Vietnam.</p> <p>Analysis</p> <p>Regarding vocational training for employees, Vietnam's 2019 Labor Code explicitly regulates employers' responsibilities in terms of training and developing vocational skills. Employers are required to have training and fostering activities to improve qualifications and vocational skills and develop vocational skills for employees.</p>						

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Regarding employee labor safety training, training on occupational safety and hygiene is a mandatory requirement that businesses must comply with regulations based on the provisions of the Law on Occupational Safety and Hygiene and the amended Decree No. 44/2016/ND-CP dated May 15, 2016, of the Government.

Regarding training activities for workers in the forestry industry, Vietnam has approved the Vietnam forestry development strategy for the period 2021 - 2030, with a vision to 2050. Objectives of the forestry development strategy that is (1) The proportion of workers working in forestry receiving vocational training will reach 45% by 2025 and 50% by 2030; (2) Improve the quality of human resource training in the forestry industry, focusing on training high-quality human resources to serve the industrialization and modernization of the forestry industry; Prioritize training of highly qualified human resources; (3) Improve the quality of professional, effective and efficient forestry management staff; vocational training in forest product processing and forest care, protection and use, non-timber forest product development and agroforestry; (4) Encourage and create favorable environments and conditions for businesses and training organizations to cooperate and support in training and improving skills for businesses' workers; (5) Strengthen training forms at home and abroad for managers, researchers, and market development officers.

However, consultation with stakeholders showed that most forestry workers are not adequately trained in techniques and occupational safety or are only guided by company technical staff. For small forest owners, implementing work related to planting and harvesting forests is mainly based on practical experience.

Enforcement and monitoring

The General Department of Vocational Education is responsible for guiding, inspecting, examining and supervising the implementation of regulations on investment conditions and operations in the field of vocational education (Article 19). Ministries and central agencies of socio-political organizations are responsible for periodically reporting every six months and annually on the implementation of regulations on investment conditions and activities related to vocational education; Inspect and examine the implementation of rules on investment conditions and activities related to vocational education according to authority (Article 19). The Provincial People's Committee is responsible for directing the Department of Labor, War Invalids and Social Affairs, and specialized agencies under the Provincial People's Committee to inspect and examine the implementation of regulations on investment and operating conditions and activities relating to vocational education (Article 19). The Department of Labor, War Invalids and Social Affairs monitors and supervises the organization and implementation of training support, fostering and improving vocational skills according to the support decision of the Chairman of the Provincial People's Committee (Article 28, Circular 32/2018/TT-BLDTBXH).

People's Committees at all levels are responsible for managing occupational safety and hygiene in their localities; Developing and organizing the implementation of policies and laws on occupational safety and hygiene in the locality; Annually reporting on the implementation of local occupational safety and hygiene policies and regulations to the People's Council at the same level or make extraordinary reports at the request of competent state agencies according to the provisions of law (Article 86, Law on Occupational safety and hygiene). Occupational Safety and Hygiene Inspection is a specialized inspection agency under the agency implementing state management of labor at central and provincial levels (Article 89, Law on Occupational Safety and Hygiene).

Trade unions are responsible for participating in and coordinating with state agencies to inspect, examine and supervise the implementation of policies and laws on occupational safety and hygiene related to the rights and obligations of workers; Participate in developing, guiding and managing the implementation of plans,

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	<p>regulations, internal rules and measures to ensure labor safety and hygiene to improve working conditions for employees at the workplace; Participate in investigating occupational accidents according to the provisions of law (Article 9, Law on Occupational Safety and Hygiene).</p> <p>Trade unions are responsible for participating in and coordinating with state agencies to inspect, examine and supervise the implementation of policies and laws on occupational safety and hygiene related to the rights and obligations of workers; Participate in developing, guiding and managing the implementation of plans, regulations, internal rules and measures to ensure labor safety and hygiene to improve working conditions for employees at the workplace; Participate in investigating occupational accidents according to the provisions of law (Article 9, Law on Occupational Safety and Hygiene).</p> <p>Grassroots trade unions are responsible for participating and coordinating with employers to organize inspections of occupational safety and hygiene; Supervise and require employers to comply with regulations on occupational safety and hygiene; Participate and coordinate with employers in investigating occupational accidents and supervising the settlement of benefits, vocational training and job placement for people suffering from labor accidents and occupational diseases (Article 9, Law occupational safety and hygiene).</p> <p>Risk conclusion and justification</p> <p>Vietnamese law has policies and regulations on vocational training and education for small and medium-sized enterprises in all production sectors. Training facilities in the forestry sector are provided for university-level workers and workers nationwide. However, training and technical and occupational safety guidance for enterprise workers has yet to be fully implemented. For small forest owners, production activities are mainly based on practical experience without training. Therefore, this indicator is assessed as a specified risk.</p>						
<i>Supply Base Verifiers</i>	<ul style="list-style-type: none"> – Review existing regulations – Training documents and training reports of employers during the year – Consultation with stakeholders (local authority at communes and district levels) 						
<i>Evidence reviewed</i>	<ul style="list-style-type: none"> – Labor Code 2019 (45/2019/QH14 dated 20/11/2019) Link – Law on occupational safety and hygiene 84/2015/QH13 Link – Degree 44/2016/NĐ-CP Link – Vietnam Forestry Development Strategy 2021-2030 Link 						
<i>Risk rating</i>	<table border="0"> <tr> <td style="padding-right: 20px;">State forest</td> <td>Specified risk</td> </tr> <tr> <td>Private organizations</td> <td>Specified risk</td> </tr> <tr> <td>Smallholders</td> <td>Specified risk</td> </tr> </table>	State forest	Specified risk	Private organizations	Specified risk	Smallholders	Specified risk
State forest	Specified risk						
Private organizations	Specified risk						
Smallholders	Specified risk						
4.1.9	Mechanisms shall be in place for resolving grievances and disputes in the workplace.						

Findings

Scale of assessment

The scope of assessment includes woody biomass feedstock sourced from plantation forests in Vietnam. The indicator does not apply for smallholders who doing their own business and production.

Analysis

Legally, the workplace complaint resolution mechanism is established under the Law on Complaints No. 02/11/QH13 and regulations on complaints in Decree 75/2012/ND-CP dated November 20, 2012. In Vietnam, complaint resolution is carried out at four levels: Ward/Commune People's Committee level, District/District People's Committee level, Provincial People's Committee level, and Court level.

The current labor dispute resolution system is organized semi-specialized in association with provincial and district administrative areas. Some provinces have few businesses and few individual labor disputes, and if individual labor disputes do occur, workers often complain to state management agencies for resolution. Therefore, the participation of mediators in resolving individual labor disputes is minimal, and in some places, there is even no request for resolution.

In addition, the role of grassroots trade unions in inspecting and supervising the implementation of labor laws and collective bargaining has not been promoted, so there are almost no labor disputes arising from mass organizations representative of the labor collective. The number of cases resolving labor disputes in court tends to increase daily. However, the procedures to resolve labor disputes are too complicated, not promptly meeting the workers' requirements.

State organizations implement regulations on the mechanism for handling and resolving complaints at the workplace due to the close supervision of state management agencies, trade unions, and inspectors. Implementing the complaint mechanism in private enterprises is still limited due to the large number of small and medium enterprises, and the state supervision mechanism cannot fully cover them.

The Better Work Vietnam Annual Report 2023 International Labor Office and International Finance Corporation 2023 report shows that 39% of factories do not meet legal requirements for social dialogue in the workplace. Common violations include failure to carry out mandatory dialogue with employees in cases such as amending work rules, salary policies and other changes, and failure to comply with procedural requirements on numbers of representatives. These are new requirements under the 2019 Labor Code that employers find difficult to comply with due to the rapidly changing business landscape.

Enforcement and monitoring

The responsibilities of agencies and organizations in Vietnam in resolving labor disputes are regulated under the Labor Law 2019 as follows: (1) State management agencies on labor must cooperate closely with employer representative organizations. The mission of this agency is to guide, support, and assist relevant parties in the process of resolving labor disputes; (2) The Ministry of Labor, War Invalids and Social Affairs is responsible for organizing training and improving expertise for labor mediators as well as labor arbitrators so that they can effectively resolve labor disputes; (3) Specialized labor agencies under the People's Committee, upon request, are the organizations that receive requests to resolve labor disputes. Their duties include classifying, guiding, supporting and assisting relevant parties in resolving labor disputes (Article 181).

Employers are responsible for disclosing to employees the situation of resolving complaints and denunciations related to the rights, obligations and benefits of

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	<p>employees (Article 43, Decree 145/2020/ND-CP); Employees are inspected and supervised on the implementation of resolving complaints and denunciations related to the rights, obligations and benefits of employees (Article 46, Decree 145/2020/ND-CP).</p> <p>Risk conclusion and justification</p> <p>Although Vietnam has a legal basis and mechanism for resolving complaints and disputes at work, the actual implementation of this complaint mechanism has only been well implemented in the state sector and is limited in the private sector (39% of factories have not implemented it well), so this indicator is considered low risk for the state sector and specified risk for the private sector.</p>						
<i>Supply Base Verifiers</i>	<ul style="list-style-type: none"> – Review existing regulation – Process and documents (if any) to resolve complaints and disputes of biomass producers – Consultation with stakeholders 						
<i>Evidence reviewed</i>	<ul style="list-style-type: none"> – Complaint Law No. 02/2011/QH13 Link – Decree No. 75/2012/ND-CP Link – Better World. Vietnam Annual Report 2023 Link 						
<i>Risk rating</i>	<table> <tr> <td>State forest</td> <td>Low risk</td> </tr> <tr> <td>Private organizations</td> <td>Specified risk</td> </tr> <tr> <td>Smallholders</td> <td>N/A</td> </tr> </table>	State forest	Low risk	Private organizations	Specified risk	Smallholders	N/A
State forest	Low risk						
Private organizations	Specified risk						
Smallholders	N/A						
4.1.10	Safeguards shall be put in place to protect the health and safety of workers by developing, communicating and implementing policies and procedures.						
<i>Findings</i>	<p>Scale of assessment</p> <p>The scope of assessment includes woody biomass feedstock sourced from plantation forests in Vietnam.</p> <p>Analysis</p> <p>The measures to protect the health and safety of workers in Vietnam are carried out according to the Law on Occupational Safety and Health 2015. The Law on Occupational Safety and Health 2015 of Vietnam requires employers to implement and comply with measures to ensure occupational safety and hygiene in the workplace. When providing personal protective equipment to employees, employers must ensure the principles in Article 23 of the Labor Safety Law. Employers must base on the health standards prescribed for each type of occupation, job and health examination results to arrange suitable employment for employees. Responsible for establishing and managing health records of workers and health records of people with occupational diseases (Article 27 of the Law on Occupational Safety and Hygiene 2015).</p> <p>In fact, according to the announcement of the labor accident situation in 2023 in Vietnam by the Ministry of Labor, War Invalids and Social Affairs in 2024, the production and business sectors with many fatal labor accidents include: (1) Construction sector accounts for 18.27% of total cases; (2) The mining and mineral exploitation sector accounts for 16.14% of the total number of accidents; (3) Mechanical and metallurgical fields account for 11.78% of the total number of cases;</p>						

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(4) Construction materials production sector accounts for 9.56% of the total number of cases; (5) The textile, garment and footwear sectors account for 7.18% of the total number of cases; (6) The service sector accounts for 4.5% of the total number of cases. Statistics show that the number of occupational accidents in the forestry industry was not shown in the Government's announcement in the last 3 years.

However, most businesses and wood processing facilities in Vietnam still use low technology, outdated machinery and equipment, and a workforce with simple labor skills and seasonal work, leading to many limitations in compliance with labor laws in this industry. Statistics show that currently, the country has about 4,500 wood and forest product processing enterprises, with about 500,000 workers, of which 55-60% are trained and stable workers, and seasonal workers account for about 40-45%. Compliance with labor laws in the wood processing industry still has many shortcomings. It is estimated that about 93% of small and micro enterprises specializing in wood and forest product processing are currently using outdated machinery, equipment and technology. Violation of regulations on occupational safety and hygiene; Dangerous and toxic factors that have not been strictly controlled to have preventive solutions, such as dust, noise, slippage, etc., cause unsafety and occupational diseases for workers.

Enforcement and monitoring

The Chief Labor Inspectorate is responsible for publicly announcing on the mass media the situation of violations of labor laws by enterprises and the handling of breaches according to the provisions of the law. The State Labor Inspectorate promotes, enforces and monitors labor safety. Provinces are responsible for reporting the situation and number of occupational accidents according to regulations to the Ministry of Labor, War Invalids and Social Affairs for synthesis and monitoring (Article 32, Labor Safety Law 2015).

The employer is responsible for appointing people to monitor and inspect the implementation of internal rules, procedures, and measures to ensure labor safety and hygiene in the workplace according to the provisions of law; Arrange departments or people to work on occupational safety and hygiene; coordinate with the grassroots trade union executive committee to establish a safety and hygiene network; Delineate responsibilities and assign powers regarding occupational safety and hygiene (Article 7 of the Law on Occupational Safety and Hygiene 2015).

Employers must collect statistics and report on occupational accidents and technical incidents causing severe loss of safety and occupational hygiene at their establishments and periodically report to the management agency every six months and annually. State management of labor at the provincial level, unless otherwise specified by specialized laws (Article 36 of the Law on Occupational Safety and Hygiene 2015).

Every six months and every year, the Commune People's Committee statistics and reports on occupational accidents and technical incidents causing severe loss of safety and occupational hygiene related to workers working illegally, not following the labor contract specified in Point d, Clause 1, Article 34 of this Law with the district-level People's Committee to synthesize and report to the state labor management agency at the provincial level (Article 36 of the Law on Occupational Safety and Hygiene 2015).

Risk conclusion and justification

Vietnam has specific legal regulations on implementing protective measures that must be applied to protect the health and safety of workers. Statistics from the Ministry of Labor, War Invalids and Social Affairs also show that the number of occupational accidents in the forestry industry has been insignificant in the last three years. However, There has been no comprehensive assessment of the implementation of occupational safety and hygiene regulations in forestry, so this indicator is assessed as a specified risk for all subscopes.

Supply Base Verifiers

- Review related legal documents,
- National reports

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	<ul style="list-style-type: none"> – Procedures and regulations on labour safety of the suppliers – Records of training, coaching, and propaganda on labour safety and hygiene – Consult with stakeholders 						
<i>Evidence reviewed</i>	<ul style="list-style-type: none"> – Law occupational safety and hygiene 84/2015/QH13 Link – Degree No. 113/2004/NĐ-CP dated 16/4/2004 LINK – Circular No. 19/2016/TT-BYT. Link – Notice of occupational accidents in 2022 from the Ministry of War Invalids and Social Affairs Link – Notice of occupational accidents in 2023 from the Ministry of War Invalids and Social Affairs Link – Better Work Viet Nam Annual Report 2023, Geneva: International Labor Office and International Finance Corporation, 2023: Link 						
<i>Risk rating</i>	<table> <tr> <td>State forest</td> <td>Specified risk</td> </tr> <tr> <td>Private organizations</td> <td>Specified risk</td> </tr> <tr> <td>Smallholders</td> <td>Specified risk</td> </tr> </table>	State forest	Specified risk	Private organizations	Specified risk	Smallholders	Specified risk
State forest	Specified risk						
Private organizations	Specified risk						
Smallholders	Specified risk						

Criterion 4.2 - Feedstock sourcing benefits communities.

4.2.1	Negative social and community impacts shall be identified and avoided.
<i>Findings</i>	<p>Scale of assessment</p> <p>The scope of assessment includes woody biomass feedstock sourced from plantation forests in Vietnam.</p> <p>Analysis</p> <p>Legally, the 2017 Forestry Law has set out the general principle that forestry planning must be consistent with the natural and socio-economic conditions and resources of the whole country or locality (Article 10, Forestry Law). , Circular 28/2018/TT-BNNPTNT and Circular 13/2023/TT-BNNPTNT on Sustainable Forest Management also require forest owners to ensure indicators of respect for the rights of local communities and people when developing sustainable forest management plans (principle 2).</p> <p>Although the establishment and implementation of sustainable forest management plans are mandatory for organizations (state and private), the forest area may be interspersed with people's forests due to the large scale of production. Hence, the production activities of organizations still have more or less impact on the community. Identifying and preventing the adverse effects has yet to be fully implemented.</p> <p>For small forest owners, implementing sustainable forest management plans is optional and only carried out by forest certification groups certified according to FSC or VFCS/PEFC standards. However, small forest owners are often local and have small production scales, so social and community impacts are almost nonexistent.</p> <p>Enforcement and monitoring</p>

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	<p>The Ministry of Agriculture and Rural Development is responsible for coordinating with relevant ministries in implementing the management, inspection and supervision of forestry production activities and coordinating with ministries to manage and supervise forestry planning and forestry land use.</p> <p>Local management agencies (Provincial People's Committee, District People's Committee, Commune People's Committee) are responsible for resolving complaints and disputes about the rights of residential communities.</p> <p>Risk conclusion and justification</p> <p>Identifying and preventing adverse impacts on society and communities in forestry activities have been mentioned in the Forestry Law and Circular 28/2018/TT-BNNPTNT and Circular 13/2023/TT-BNNPTNT on Sustainable Forest Management. However, due to the large scale of production, forestry production activities of organizations (state and private) still have negative impacts on the community. For small forest owners, because most forest owners are local people and the scale of production is tiny, there is almost no negative impact on the community. Thus, this indicator is assessed as a specified risk for organizations (state and private) and a low risk for small forest owners.</p>						
<i>Supply Base Verifiers</i>	<ul style="list-style-type: none"> – Review existing regulation – Sustainable forest management plan; – Social impact assessment report of forest owner; – Interview with stakeholders. 						
<i>Evidence reviewed</i>	<ul style="list-style-type: none"> – Law on Forestry 16/2017/QH14 LINK – Degree 156/2018/NĐ-CP dated 16/11/2018 LINK – Circular 28/2018/TT-BNNPTNT dated 16/11/2018 LINK – Circular 13/2023/TT-BNNPTNT ngày 30/11/2-23 LINK 						
<i>Risk rating</i>	<table> <tr> <td>State forest</td> <td>Specified risk</td> </tr> <tr> <td>Private organizations</td> <td>Specified risk</td> </tr> <tr> <td>Smallholders</td> <td>Low risk</td> </tr> </table>	State forest	Specified risk	Private organizations	Specified risk	Smallholders	Low risk
State forest	Specified risk						
Private organizations	Specified risk						
Smallholders	Low risk						
4.2.2	Feedstock sourcing shall positively contribute to the local economy, including employment.						
<i>Findings</i>	<p>Scale of assessment</p> <p>The scope of assessment includes woody biomass feedstock sourced from plantation forests in Vietnam.</p> <p>Analysis</p>						

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According to Vietnamese law, forestry production activities are identified as a special economic and technical sector (Article 2, Law on Forestry) belonging to group A in the system of economic sectors (Decision 10/2007/QĐ-TTg). To ensure harmony of environmental, economic and social benefits, the Forestry Law stipulates that "Forests are sustainably managed in terms of area and quality, ensuring harmony of socio-economic development goals, ... conserving biodiversity, increasing forest cover rate, the value of forest environmental services and responding to climate change (article 3).

Indeed, forestry production activities can bring economic benefits in many different forms, including direct and indirect ways, detailed as follows:

Direct value from forest products such as wood, NTFPs, medicinal herbs under the forest canopy, etc. Due to the policy of closing natural forests, feedstocks are mainly from production forests. For planted production forests, forest owners are entitled to enjoy the total value of forest products in their forest (Article 29) and are allowed to intercrop crops, non-timber forest products, livestock and aquaculture products under the forest canopy, but must not cause the reduce of forest area, quality, or forest regeneration (Article 30, Decree 156/2018/ND-CP). According to statistics, by 2023, Vietnam's forest product export value reached 14.39 billion USD, accounting for 4% of the country's total export value and 27% of the total export value of agriculture, forestry, and fishery products, which make Vietnam is ranked 5th in the world, 2nd in Asia and 1st in Southeast Asia. Timber production in 2022 was 20.6 million m³, an increase of 9.3% (GSO, 2022).

Direct and indirect value through creating jobs for society: According to the requirements of the Sustainable Management Criteria, "forest owners create job opportunities and improve livelihoods for residential communities and local people" and "Prioritize residential communities and local people to participate in forestry activities and improve livelihoods" (principle 2, Appendix 1, Circular 28/2018/TT-BNNPTNT). A report shows that forestry has created jobs and improved livelihoods for 25% of Vietnam's population living in or near forests and mountainous areas (FSIV, 2009). In addition, households, employees and communities living near forests are assigned forest land areas to carry out forest protection and development activities (Article 2, Article 5, Decree 168/2016 /ND-CP) with an average contract rate of 300,000 VND/ha (Circular 12/2022/TT-BNNPTNT). By 2023, 11.6 million hectares of forest land (accounting for 78%) were allocated to organizations, households, and individuals for forestry production (Decision 816/QĐ-BNN-KL). Policies to support forest protection by contracting with households, individuals and communities with an average of about 6.2 million hectares/year, creating a source of income and improving people's livelihoods, contributing to hunger eradication and poverty reduction in the mountainous areas. According to statistics, more than 11,890 people are working in 974 enterprises operating in the forestry field and related services (GSO, 2022). The average income of the agriculture, forestry and fisheries sector is 5.3 million VND/month.

Direct value from providing ecological and forest environmental services: Environmental services specified in the Forestry Law include soil protection, water resource regulation, carbon sequestration, landscape protection, biodiversity preservation, eco-tourism facilitation, breeding grounds and aquaculture providing. In Vietnam, water resource regulation services (revenue from hydroelectricity and clean water supply) are mainly implemented. In 2023, the forest areas eligible for PFES money were 7.28 million hectares, accounting for 49.24% of the total forest area nationwide. More than 3,334 billion VND of PFES fund has been paid to 238 special-use and protection forest management boards; 102 forestry companies; 1,392 CPCs; 240,345 individuals, households, communities, and villages; and 375 other forest owners, including soldiers, businesses and research central. On average, entities contracted to protect forests receive PFES payments of up to 1,200,000 VND/ha/year (VNFF, 2023). In addition, Vietnam is implementing several pilot projects to sell carbon credits, mainly concentrated in the Central region of Vietnam. In 2023, Vietnam sold 10.3 million forest carbon credits for the first time and earned 51.5 million USD. The PFES policy has become an important and

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	<p>sustainable financial source for the forestry industry, improving the effectiveness of forest protection and development, increasing income for forest owners, and reducing pressure on the State budget.</p> <p>Thus, forestry production activities in Vietnam are considered one of the primary sources of income and provide job opportunities for rural and mountainous people.</p> <p>Enforcement and monitoring</p> <p>The Ministry of Labor, Invalids and Social Affairs and Social Insurance are two agencies that enforce and supervise the implementation of labor contracts, including in agricultural and forestry fields. The Government Inspectorate also carries out inspections on labor contracts and salaries. In addition, the Trade Union Organization (Vietnam General Confederation of Labor) is also an organization representing workers to supervise the implementation of salary regimes, labor norms, rewards regulations, and labor regulations.</p> <p>Regarding inspection and supervision of management and use of forest environmental service fees, the MARD presides and coordinates with the Ministry of Finance to inspect localities and the Vietnam Forest Protection and Development Fund (VNFF). The DARD (in case the Provincial VNFF is under the DARD) or the Department of Finance (in case the Provincial DARD is under the Provincial People's Committee) presides to inspect the Provincial VNFF. The VNFF inspects the management and use of forest environmental service money of the provincial VNFF. The Provincial VNFF inspects the management and use of forest environmental service fees by relevant parties in the province (Article 72, Decree 156).</p> <p>Risk conclusion and justification</p> <p>Forestry production is one of the primary industries that brings job and income opportunities for local people. Therefore, the identified risk of negative impacts on economic benefits, including employment opportunities for local communities is low.</p>						
<i>Supply Base Verifiers</i>	<ul style="list-style-type: none"> – Review existing regulations – Annual statistical reports: Labor and employment reports, statistical yearbooks – Consultation with stakeholders 						
<i>Evidence reviewed</i>	<ul style="list-style-type: none"> – Forestry Law 16/2017/QH14 Link – Decision No. 809/QĐ-TTg Link – Degree No. 156/2018/NĐ-CP Link – Degree 168/2016/NĐ-CP Link – Decision No. 10/2007/QĐ-TTg Link – Circular No. 28/2018/TT-BNNPTNT dated 16/11/2018 Link – Decree No. 110/2017/NĐ-CP dated 04/10/2017 Link – Decision No. 816/QĐ-BNN-KL Link – Labor and Employment Survey Report in 2022 Link and 2023 Link – Statistical Yearbook 2022 Link 						
<i>Risk rating</i>	<table border="0"> <tr> <td>State forest</td> <td>Low risk</td> </tr> <tr> <td>Private organizations</td> <td>Low risk</td> </tr> <tr> <td>Smallholders</td> <td>Low risk</td> </tr> </table>	State forest	Low risk	Private organizations	Low risk	Smallholders	Low risk
State forest	Low risk						
Private organizations	Low risk						
Smallholders	Low risk						

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4.2.3	Food, water supply or high conservation values (HCV) that are essential for the fulfilment of basic needs of communities shall be maintained or enhanced.
Findings	<p>Scale of assessment</p> <p>The scope of assessment includes woody biomass feedstock sourced from plantation forests in Vietnam.</p> <p>Analysis</p> <p>The principle of forestry development is to ensure harmony between socio-economic development goals and environmental service values, confirmed in the Forestry Law and Vietnam Forestry Development Strategy for 2021-2025, vision to 2030. To meet sustainable development goals, the Government classified and planned forests according to use purposes. They are (1) special-use forests (such as in national parks, nature reserves, species and habitat conservation areas) maintained for nature conservation and biodiversity conservation; (2) protection forests maintained for protection functions in watersheds or coastal areas; and (3) production forests used to provide wood and other forest products (Article 5, Forestry Law 2017).</p> <p>Regarding maintaining water sources in both quality and quantity: One of the environmental services provided by forests is regulating and maintaining water sources for production and social life (Article 61, Forestry Law). The Government has implemented planning for 03 types of forests, in which protection forests are maintained for protection functions in watersheds or coastal areas. The policy on payment for forest environmental services (PFES) (Decree 99/2010/ND-CP and Decree 156/2018/ND-CP) is applied to maintaining these forest's functions. Of this policy, the users of environmental services (in terms of water supply and regulations) must pay the providers. This funding is used for forest protection and development, and improving local people's living standards and other expenses. Among the three types of forests above, the source of feedstocks is mainly from production forests, which are often planted on degraded land areas.</p> <p>Regarding the issue of maintaining food supply, the Government implements a National Plan that includes all components such as agricultural land, forestry land and others to ensure food security and other socio-environmental goals. The forest industry is not the primary source of food, however, it can provide NTFP products and medicinal herbs as the traditional customs of forest-based people. Except for the strictly special use forest areas, protection forest areas and natural production forests can be assigned to entities for managing and harvesting NTFP products and medicinal herbs under the canopy or enjoying many other services (Article 55, Law on Forestry). Collecting and selling NTFP products such as bamboo shoots, reed grass, and wild vegetables has helped people overcome severe food shortages in many localities in Vietnam (Pham Thu Thuy, 2022). Besides, people are also allowed to intercrop crops, non-timber forest products, livestock and aquaculture under the canopy of protection forests to maintain their livelihood (Article 57, Law on Forestry). Moreover, the issue of the multi-use value of forest ecosystems until 2030, with a vision to 2050 of the government (Decision 208/QD-TTg) has strengthened this function of forests. Thus, in this feature, the potential risk of forest production activities to the communities' food supply is low.</p> <p>Regarding maintaining high conservation values (HCVs): Vietnam ranks 15th among the countries with the highest biodiversity in the world (Biodiversity Ranking, 2023). Biodiversity conservation is the responsibility of the State and all organizations and individuals (Article 4, Law on Biodiversity). Vietnam also aims to increase the area of protected, restored natural ecosystems, ensure integrity and connection, and preserve biodiversity (Decision 149/QD-TTg). The SFM Criteria requires forest owners to identify significant ecological forest areas, and forests with HCV, and protect these areas (Principle 6, Circular 28/2018/TT-BNNPTNT and Circular 13/2023/TT-BNNPTNT). In Vietnam, areas with HCV are mainly concentrated in conservation areas and special-use forests. The feedstock supply chain mostly comes from production forests with low biodiversity and conservation value, and tiny part from thinning planted protection forest. High Conservation Value 5 (HCV5), which is essential for meeting the basic needs of local communities, is not present within these plantations.</p> <p>Enforcement and monitoring</p>

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	<p>At the central level, the MONRE and the MARD are responsible for assisting the State in enforcing and supervising regulations related to the management, protection and maintenance of the forest's functions. Locally, the FPD and the DONRE monitor this activity.</p> <p>The Vietnam forest protection and development fund (VNFF) inspects the management and use of forest environmental service fees; The Provincial VNFF inspects the management and use of forest environmental service fees in localities.</p> <p>Risk conclusion and justification</p> <p>Vietnam has planned three types of forests with different functions, in which the function of maintaining and conserving biodiversity is mainly in special-use forests and protection forests. The feedstock supply chain mostly comes from production forests with low biodiversity and conservation value, and tiny part from thinning planted protection forest. High Conservation Value 5 (HCV5), which is essential for meeting the basic needs of local communities, is not present within these plantations. Land use planning also clearly defines land areas for agriculture and forestry to ensure food security. In addition, the law also provides the right to exploit non-timber forest products for the community. Thus, this indicator is assessed as low risk.</p>						
<i>Supply Base Verifiers</i>	<ul style="list-style-type: none"> – Land use certificates or equivalent – Stakeholders consultation 						
<i>Evidence reviewed</i>	<ul style="list-style-type: none"> – Forestry Law Link – Biodiversity Law Link – Decision No. 149/QĐ-TTg dated 28/01/2022 Link – Circular No. 28/2018/TT-BNNPTNT dated 16/11/2018 Link – Thông tư 13/2023/TT-BNNPTNT LINK – Decision No. 809/QĐ-TTg dated 12/07/2022 Link – Decision No. 208/QĐ-TTg dated 29/02/2024 Link – Decree No. 156/2018/NĐ-CP Link – Nguyen An Thinh, Pham Thu Thuy, Value chains of Vietnam's agricultural and forestry products (Chapter 4 – The role of forests and forestry industry in ensuring food security) Link 						
<i>Risk rating</i>	<table> <tr> <td>State forest</td> <td>Low risk</td> </tr> <tr> <td>Private organizations</td> <td>Low risk</td> </tr> <tr> <td>Smallholders</td> <td>Low risk</td> </tr> </table>	State forest	Low risk	Private organizations	Low risk	Smallholders	Low risk
State forest	Low risk						
Private organizations	Low risk						
Smallholders	Low risk						
4.2.4	Legal, customary, and traditional tenure and use rights of Indigenous Peoples and local communities related to the Supply Base shall be identified, documented, and respected.						
<i>Findings</i>	<p>Scale of assessment</p> <p>The scope of assessment includes woody biomass feedstock sourced from plantation forests in Vietnam.</p>						

Analysis

Vietnam is a multi-ethnic country with 54 recognized ethnic groups, including 53 ethnic minorities. These groups are estimated to have about 14.1 million people, accounting for 14.7% of the country's total population. Each ethnic group has its language, culture and traditions. Most ethnic minorities live in remote areas and have their belief systems associated with land. The Vietnamese Constitution recognizes the rights of ethnic minorities to "use their language and writing, preserve their national identity and nurture their fine customs, traditions and cultures". The rights to own and use forests according to the traditional customs of the people and communities also have specific provisions.

Regarding traditional ownership rights, Vietnam does not have indigenous people by the United Nations definition, land is owned by the entire people and is represented and uniformly managed by the State. However, the State ensures that ethnic minorities and communities living in forests are allocated forests in conjunction with land for combined forestry, agriculture and fishery production (Article 4, Forestry Law), and the principle of forest allocation must respect the living space, customs and practices of the community; priority is given to allocating forests to ethnic minorities, households, individuals and communities with customs, practices, culture, beliefs and traditions associated with forests (Article 14, Forestry Law). Up to now, 4.2 million hectares of forest land have been allocated to households, individuals and communities, accounting for 28.3%, and 28.6% of the unallocated forest area is under the management of the People's Committee of the commune (Decision 816/QD-BNN-KL).

Regarding the legal right to use according to traditional customs, including the right to exploit conventional products from the forest and the right to practice customs, practices and beliefs associated with the forest. Regarding the right to exploit traditional forest products, except for special-use forest areas that are specially protected, people can collect NTFPs to ensure their livelihoods (Article 55, Forestry Law). The State also has a policy of allocating special-use forests to "Residential communities for the religious forests that they are managing and using according to tradition" (Article 16). In fact, to date, more than 1 million hectares of forest land have been allocated to residential communities for management, accounting for 7.37% of the total forest land area, mainly natural forests. This policy helps people whose livelihoods depend on forests to feel secure in protecting and practising their customs and culture in their forests.

Circular 28/2018/TT-BNNPTNT and Circular 13/2023/TT-BNNPTNT on sustainable forest management require forest owners to meet the primary cultural, religious and recreational needs of local communities and people related to the land and forests that the forest owners are managing by the provisions of law (Principle 1, Appendix 1). However, the establishment and implementation of the SFMP has only been well implemented for forest owners that are state organizations. For private organizations and small forest owners, the identification of forests with significance in customs, practices and beliefs has not been fully implemented or has only stopped at the identification stage without solutions to ensure respect for traditional use rights.

Enforcement and monitoring

The Provincial People's Committee and the Provincial Forest Protection Department will manage, monitor and ensure the implementation of traditional ownership and use rights of their local communities.

Risk conclusion and justification

Regarding traditional customary ownership, the State always has a preferential policy for local communities and ethnic minorities in granting forest land use rights. The legal use rights according to traditional customs of local communities are also protected by the provisions of the Forestry Law and Circular 28/2018/TT-BNNPTNT, Circular 13/2023/TT-BNNPTNT on sustainable forest management. Still, the identification of forests with significance in customs, practices and beliefs has only been well implemented by forest owners who are state organizations. For forest owners who are private organizations or small forest owners, the identification of forests with significance in customs, practices, and beliefs has yet to be fully implemented or has only stopped at the identification stage without

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	solutions to ensure respect for traditional use rights. Thus, this indicator is assessed as low risk for state organizations and specified risk for private organizations and small forest owners.	
<i>Supply Base Verifiers</i>	<ul style="list-style-type: none"> – Land use right certificate or equivalent – Agreement between forest owner and local community on traditional use rights – Consultation with stakeholders 	
<i>Evidence reviewed</i>	<ul style="list-style-type: none"> – Law of Forestry 16/2017/QH14 LINK – Land Law số 31/2024/QH15 LINK – Circular 28/2018/TT-BNNPTNT LINK – Circular 13/2023/TT-BNNPTNT LINK – Decision 816/QĐ-BNN-KL on National forest status 2023 LINK 	
<i>Risk rating</i>	State forest Private organizations Smallholders	Low risk Specified risk Specified risk
4.2.5	Mechanisms shall be in place for resolving grievances and disputes relating to tenure and use rights of the forest and other land management practices.	
<i>Findings</i>	<p>Scale of assessment</p> <p>The scope of assessment includes woody biomass feedstock sourced from plantation forests in Vietnam.</p> <p>Analysis</p> <p>Grievances is a fundamental political right of citizens, stipulated in Article 30 of the 2013 Constitution. This right is essential for citizens to protect their legitimate rights and interests in administrative procedures with State agencies. At the same time, it is also the responsibility of the relevant state agencies to resolve grievances.</p> <p>Forestry production activities are directly related to land issues, one of the issues that easily causes conflicts and disputes. The State's responsibility is to resolve land disputes, grievances and denunciations (Article 15, Land Law). The Law on Forestry also stipulates that the MARD is responsible for inspecting, monitoring, handling violations, and resolving grievances and denunciations related to forestry activities at the central level. The local People's Committees are in charge of these issues at their localities. One of the criteria of the SFM Criteria is that forest owners are responsible for resolving disputes over the forest and forest land tenure and use by law and follow the regulations on grievances and compensation settlement when forestry activities adversely affect assets (land, forests and</p>	

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	<p>others), livelihoods and health of residential communities and local people (Principle 2, Circular No. 28/2018/TT-BNNPTNT and Circular 13/2023/TT-BNNPTNT). However, there are still 3,255,148 hectares of forest (accounting for 21.9% of the total forest area), of which 1,351,587 hectares of plantation forest (accounting for 28.6% of the plantation forest area) are under the management of the CPCs. Forests allocated to agriculture and forestry enterprises, forest management boards, or temporarily assigned to CPCs account for a large proportion, causing the limitation of opportunities for households to access productive land and leading to conflicts. The low progress of forest allocation and forest lease associated with FLA and issuance of forestry land use certificates has caused social instability and increased the gap between the rich and poor (Dang Kim Vui, 2020).</p> <p>No statistics on the number of grievances and resolutions related to forest land tenure issues were recorded. However, according to the Press Release on inspection work, approximately 80% of administrative grievances were resolved from 2018 to 2022. The figure for 2023 reached 88.4%. This evidence shows that state administrative agencies have increasingly focused on resolving administrative grievances and controlling the grievance situation. Nevertheless, there has been remaining 10% of cases need to be resolved. It means the risk of ineffective resolving related grievances and disputes has been still identified.</p> <p>Enforcement and monitoring</p> <p>The responsibility for inspecting, monitoring, handling violations, and resolving grievances and denunciations related to forestry activities at the central level belongs to the MARD and local People's Committees with the related issues at their localities (Article 101&102, Forestry Law).</p> <p>Risk conclusion and justification</p> <p>Although Vietnam has regulations related to the mechanism for resolving complaints and disputes over forest ownership and use rights, implementing those regulations and mechanisms is still inadequate and ineffective, so this indicator is considered a specified risk for all sub-scope groups.</p>				
<i>Supply Base Verifiers</i>	<ul style="list-style-type: none"> – Land use certificate or equivalent – Stakeholder consultation 				
<i>Evidence reviewed</i>	<ul style="list-style-type: none"> – Constitution 2013 Link – Law on Forestry 16/2017/QH14 Link – Law of complaints 02/2011/QH13 Link – Circular 28/2018/TT-BNNPTNT dated 16/11/2018 Link – Decision 816/QD-BNN-KL on Announcing the national forest status in 2023 Link – Dang Kim Vui (2020), Report on assessing the effectiveness of forest protection and development policies on ethnic minorities Link; 				
<i>Risk rating</i>	<table border="0" style="width: 100%;"> <tr> <td style="width: 30%;">State forest</td> <td style="text-align: center;">Specified risk</td> </tr> <tr> <td>Private organizations</td> <td style="text-align: center;">Specified risk</td> </tr> </table>	State forest	Specified risk	Private organizations	Specified risk
State forest	Specified risk				
Private organizations	Specified risk				

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	Smallholders Specified risk
4.2.6	Where Indigenous Peoples’ rights are identified in the Supply Base, and Free Prior and Informed Consent (FPIC) has not been achieved for the proposed and planned activities, a consultation and, if required, accommodation process shall be put in place.
<i>Findings</i>	<p>Scale of assessment</p> <p>The scope of assessment includes woody biomass feedstock sourced from plantation forests in Vietnam.</p> <p>Analysis</p> <p>Vietnam is a multi-ethnic country, Vietnam has 54 recognized ethnic groups, including 53 ethnic minorities. Vietnam has no indigenous people, according to the United Nations definition. The Government ensure the publicity, transparency and participation of agencies, organizations, households, individuals and communities involved in forestry operations (Article 3, Forestry Law).</p> <p>For forest planning, this activity shall ensure publicity, transparency, sexual equality and participation of organizations, households, individuals and communities” (Article 10). The MARD is responsible for collecting comments from relevant state authorities, organizations, households, individuals and communities; consolidating, selecting and explaining comments on the national forestry planning. Comments on the national forestry planning shall be collected publicly through websites and mass media, conferences or workshops (Article 12). Thus, at the national level, public consultation on proposals and plans in the forestry sector has been carried out.</p> <p>Regarding sustainable forest management plans, the Forestry Law stipulates that before approving this plan, it is necessary to go through a consultation procedure with relevant units and parties (Article 58). Until now, most forest owners who are state organizations have implemented and had their sustainable forest management plans approved. However, for forest owners who are private organizations and small forest owners, the implementation of sustainable forest management plans and community consultation have yet to be fully implemented.</p> <p>Enforcement and monitoring</p> <p>The relevant ministries and ministerial-level agencies shall coordinate with the MPI to manage planning as well as inspect, resolve grievances and denunciations and handle violations of national planning. Provincial People's Committees shall inspect resolve grievances and denunciations and handle planning violations in their localities.</p> <p>Regarding the national forestry planning, the MARD shall develop and submit it to the Government for approval.</p> <p>The MARD will approve sustainable management plans for special-use forests of organizational owners. The individuals, households, communities, and economic organizations will approve their sustainable forest management plans. The Provincial People's Committees will approve the SFM plan for the remaining entities.</p> <p>The Forestry Department is responsible for inspecting the development, approval, and implementation of sustainable forest management plans of forest owners and monitoring and inspecting the activities of issuing SFM certificates by law (Article 18, Circular 28/2018/TT-BNNPTNT).</p> <p>Risk conclusion and justification</p>

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	Community and stakeholder consultations on forestry plans and planning have been carried out at the national level. However, at the implementation level, community and stakeholder consultations on forest management plans and exploitation plans of forest owners have only been thoughtfully implemented by forest owners who are state organizations. Forest owners who are private organizations and small forest owners often do not fully consult with the community when implementing sustainable forest management plans and do not notify the exploitation plan and forest product inventory to the Forest Protection Department. Therefore, this indicator is considered a defined risk for forest owners who are private organizations and small forest owners.						
<i>Supply Base Verifiers</i>	<ul style="list-style-type: none"> – Related regulation – Public information – Stakeholder Consultation 						
<i>Evidence reviewed</i>	<ul style="list-style-type: none"> – Constitution 2013 Link – Law on Forestry 16/2017/QH14 Link – Circular 28/2018/TT-BNNPTNT Link – Circular 13/2023/TT-BNNPTNT LINK 						
<i>Risk rating</i>	<table style="width: 100%; border: none;"> <tr> <td style="width: 30%;">State forest</td> <td>Low risk</td> </tr> <tr> <td>Private organizations</td> <td>Specified risk</td> </tr> <tr> <td>Smallholders</td> <td>Specified risk</td> </tr> </table>	State forest	Low risk	Private organizations	Specified risk	Smallholders	Specified risk
State forest	Low risk						
Private organizations	Specified risk						
Smallholders	Specified risk						
4.2.7	Designated cultural heritage sites shall be preserved.						
<i>Findings</i>	<p>Scale of assessment</p> <p>The scope of assessment includes woody biomass feedstock sourced from plantation forests in Vietnam.</p> <p>Analysis</p> <p>At the national level, the preservation and development of national cultural heritages is of great concern and importance to the Vietnamese Government. The State has a policy of protecting and promoting the value of cultural heritages to improve the people's spiritual life, contribute to the country's socio-economic development and protect the legitimate rights and interests of owners of cultural heritages. Owners of cultural heritages are responsible for safeguarding and promoting the value of cultural heritages (Article 9, Law on Cultural Heritage). The Prime Minister decided to take November 23 as Vietnam Cultural Heritage Day and affirmed: "Preserving ancient relics is a critical and necessary task in the construction of Vietnam". Preserving cultural heritages is the whole society's responsibility; all acts of destroying cultural heritages are strictly prohibited. Vietnam has eight cultural heritages recognized by UNESCO as World Cultural Heritages and has been planned and protected. The 2017 Forestry Law classifies special-use forests as forests for preserving historical and cultural relics and scenic spots and religious forests (Article 5) and defines religious forests as forests associated with the beliefs, customs and practices of forest-dependent communities (Article 2). These forest areas are assigned to the community for traditional management and use (Article 16). When implementing the forest management plan, forest owners must "work with the community, local people and other relevant parties to identify forests of cultural, religious and recreational significance on maps, in the field, document them and include them in the sustainable forest management plan" and "have regulations for the management, protection and use of forests</p>						

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	<p>identified as having cultural, religious and recreational significance in consultation with the community, local people and relevant parties" (Principle 2, Appendix 1, Circular 28/TT-BNNPTNT). Vietnam currently has 2.21 million hectares of special-use forests, of which 1.165 million are national parks, 1.029 million are nature reserves, 0.069 million are species and habitat conservation areas, and 0.120 million are landscape and cultural-historical relic protection areas. Special use forest areas are being protected as historical, cultural relics and scenic spots, serving recreation and tourism, combined with protection, contributing to environmental protection. Promoting the multi-use value of forests is an inevitable trend to increase income for people living near forests and is also an effective and sustainable solution to protect forests.</p> <p>Biomass materials are mainly exploited from production forests (accounting for only 26.94% of the total forest area), so they have little significance in conservation and culture. Therefore, the impact of forestry production activities in raw material areas on cultural heritage conservation is low risk.</p> <p>Enforcement and monitoring</p> <p>The Ministry of Culture, Sports and Tourism manages cultural heritage. People's Committees at all levels manage cultural heritage in their localities within the scope of their duties and powers. The National Cultural Heritage Council is the Prime Minister's advisory council on cultural heritage. The State Inspectorate of Culture, Sports and Tourism performs specialized inspection functions on cultural heritage.</p> <p>The National Parks' areas are assigned to 34 Management Boards and competent authorities approve their establishment. These National Parks include 6 Management Boards under the Forest Protection Department, 21 Management Boards under the Provincial People's Committee, and 7 Management Boards under the Department of Agriculture and Rural Development of the Provinces (MARD).</p> <p>Risk conclusion and justification</p> <p>Cultural heritages have been planned and protected at the national level under the Cultural Heritage Law. In the forestry sector, areas of high conservation value are planned in strictly protected special-use forests. While most biomass is exploited from production forests, this indicator is assessed as low risk.</p>						
<i>Supply Base Verifiers</i>	<ul style="list-style-type: none"> – Land use certificate or equivalent – Public information – Stakeholder consultation 						
<i>Evidence reviewed</i>	<ul style="list-style-type: none"> – Cultural Heritage Law No. 10/VBHN-VPQH năm 2013 Link – Forestry Law No. 16/2017/QH14 Link – Decision No. 816/QĐ-BNN-KL on the Announcement of Forestry status nationwide in 2023 Link 						
<i>Risk rating</i>	<table border="0"> <tr> <td>State forest</td> <td>Low risk</td> </tr> <tr> <td>Private organizations</td> <td>Low risk</td> </tr> <tr> <td>Smallholders</td> <td>Low risk</td> </tr> </table>	State forest	Low risk	Private organizations	Low risk	Smallholders	Low risk
State forest	Low risk						
Private organizations	Low risk						
Smallholders	Low risk						

Annex 2 List of experts consulted and contacts of Working Body

Expert	Affiliation & role
<p>Msc. Dao Le Huyen Trang</p>	<p>Team leader, Forest management Expert</p> <p>She has work at the Vietnamese Academy of Forest Sciences since 2009, former holding the position Head of General Division of Vietnam Forest Certification Office before transitioning to VAFS's head quarter and work at the Science, Training, and International Corporation Department.</p> <p>She has deep knowledge and extensive experience in the field of sustainable forest management and forest certification and has consulted for many organizations implementing FSC FM, FSC CoC, PEFC CoC certification. She has also consulted for a number of biomass companies integrating RED II into their SBP certification such as Tin Nhan Company, Nong Trai Xanh Company.</p> <p>As her background is environmental sciences, she has much experience in term of environmental and social impact assessments, especially in the areas of wood-based product certification.</p> <p>Additionally, she has also participated in many collaborative projects with FAO, UN-REDD, USAID, BMEL, CIFOR, GIZ, AFoCO, etc.</p>
<p>Prof. Dr. Vo Dai Hai</p>	<p>Forest policy Expert</p> <p>He has more than 35 years of experience in conducting research as well as management in the forestry sector. Being a President of the Vietnam Academy of Forest Sciences, a leading forestry academy of Vietnam, and was also a Deputy Director of the Vietnam Administration of Forestry (VNForest), Ministry of Agricultural and Rural Development (MARD), he has directed or participated in the construction or revision of many major relevant legal documents/Vietnam standards or technical procedures for forestry development. For the research activities, he has implemented a lot of forest-based studies, especially on policy solutions for sustainable forest management; forest certification, value - chain of forest products; carbon identification and calculation for a number of value tree species, REDD+, as well as silviculture measures for forest restoration. He has also been a lecturer/trainer for many education programs on related issues: post-graduated training or other short-term training.</p>
<p>Dr. Tran Lam Dong</p>	<p>Environment, Silviculture and Forest management Expert</p> <p>He was a director of the Silvicultural Research Institute (belonging to VAFS) and became a vice president of VAFS in June 2023. He has nearly 30 years of working experience with a focus on the following fields:</p> <ul style="list-style-type: none"> - Sustainable forest management and Forest certification: Leader of technical working group in development of national forest certification scheme, national FM standard; much experiences in supporting forest owners in development of SFM plan, forest certification, smallholder group certification, chain of custody...

	<ul style="list-style-type: none"> - Develop and revise major forest policies for sustainable forest management: Circular 28/2018/TT-BNNPTNT of the MARD on sustainable forest management, Prime Minister Decision 1288 on sustainable forest management and forest certification, Circular 29/2018/TT-BNNPTNT and 17/2022/TT-BNNPTNT on silvicultural measures for forest management in Vietnam. - Technical measures for forest restoration and afforestation: Silviculture for forest restoration, sustainable plantation management, saw-log production; Site and productivity management of multi-rotation plantations; planting native tree species, etc.
<p>Dr. Nguyen Van Bich</p>	<p>Silviculture and Forest management Expert</p> <p>He has been working for the Silviculture Research Institute (SRI), the VAFS since 2006. With more than 16 years of experience, he has managed and delivered on a range of projects that are aimed at addressing the sustainable challenges facing plantation forestry in Southeast Asian countries, including Indonesia, Thailand, Laos and Vietnam. The basis of the work is to improve our understanding of the effects of site conditions, silvicultural techniques, nutrient and water cycles, seed resources and pests and diseases on the productivity of plantation forestry, especially short-rotation plantation of Acacia and Eucalyptus. In addition, he incorporated his silvicultural knowledge into decision support systems of forest growers to improve their plantation management plans which not only can achieve higher yields and sustainability but also can improve income prior to final harvesting by integrating intercrops and others into the forest. He is also working closely with other silvicultural specialists from the CSIRO network in Australia, who have long experience in supporting sustainable short-rotation Acacia plantation forestry in Southeast Asian countries including Vietnam, in order to develop silvicultural systems for producing saw logs from Acacia plantations. This helps to produce high-value timber for increasing demand in the wood processing industry while improving income for acacia growers. Further, he has been involved in supporting a smallholder group of forest certification and linking with the wood processing business sector to create a sustainable supply chain between forest growers and the timber industry. Last but not least, he is interested in forest certificate (FSC and VFCS/PEFC) and currently working as a freelancer FSC/VFCS/PEFC FM/COC auditor for GFA in Germany and Soil Association in the UK. He has conducted more than 60 FM/COC audits with a range of clients from big companies to small household group certificates.</p>
<p>Dr. Dang Nhu Quynh</p>	<p>Environment and Forest health Expert</p> <p>She has work at the Vietnamese Academy of Forest Sciences since 2008, former holding the position of Head of the Plant Pathology Department before transitioning to the Science, Training, and International Corporation Department of VAFS. She participated in numerous internal and external projects with MARD, ACIAR, AFoCo, and KMFCC. Her primary focus is forest conservation science, encompassing forest health, environment, and forest fire management. She has attended many training sessions and workshops organized by IUFRO, ACIAR, KFS, DFAT, APFISN, AFoCO, FAO, UNEP and KMFCC, all related to mitigation and adaptation to climate change and sustainable forest management. She always commits to contributing to advancing knowledge and practices in the field of forest sciences, and she is dedicated to fostering international collaborations that promote sustainable forest management and address the challenges posed by climate change.</p>
<p>Dr. Vu Tan Phuong</p>	<p>Forest carbon and Climate change Expert</p> <p>He has almost 30 years of working experience with VAFS in many different management positions and he is now a director of the VFCS which manages the Vietnam Forest Certification Scheme (VFCS) - a member of PEFC. Much of his work has been dedicated to forest valuation, forest-based carbon estimates, REDD+, mitigation and adaptation to climate change and sustainable forest management. In</p>

	<p>the forestry sector of Vietnam, he has exclusive knowledge and experience in forest carbon estimates, REDD+ reference level construction, development of forest-based emissions reduction program, carbon footprint assessment, sustainable forest management, development of nationally determined contribution (NDC) for LULUCF and climate change related policies recommendations</p>
<p>Dr. Nguyen Van Thinh</p>	<p>Forest carbon and Forest ecology Expert</p> <p>He obtained a Bachelor of Forestry engineering (with a major in Silviculture and Forest Management) from the Vietnam National University of Forestry in 2003, a Master of Science in Tropical and International Forestry in 2010, and a Doctor of Philosophy in Forest Ecology and Management from the Faculty of Forest Sciences and Forest Ecology, Georg-August-Universität Göttingen, Germany in 2015. His academic knowledge and professional skills focus on sustainable forest management, forest certification, biomass and carbon storage.</p>
<p>Dr. Nguyen Thuy My Linh</p>	<p>Environment and Climate change Expert</p> <p>She started working at the Vietnamese Academy of Forest Sciences in 2011 and undertaking multiple tasks. She has in-depth experience in biomass and carbon calculation and valuation; carbon footprint, Greenhouse Gas Inventory and climate change-related research. Based on her good performance in such domains, she was assigned as Deputy Head of Environment and Climate Change Faculty of the Research Institute for Forest Ecology and Environment under the Vietnamese Academy of Forest Sciences in 2021 and nominated as an expert in the roster of expert of UNFCCC in 2019. She has also been invited to contribute comments, consultation, appraisal and training for the related experiences mentioned.</p>
<p>Dr. Hoang Lien Son</p>	<p>Forest economy Expert</p> <p>Dr Son is now a Director of the Forestry Economic Research Center (FEREC) and has more than 30 years of research experience in the fields of Forestry economics; Forest resource and environment economics, forestry policy, forest products market and forest environmental services, etc. He is also a key member of the working groups for drafting and revising forest-related legal documents. Especially, with his intensive work with the pilot study on integrating Sustainable Forest Management (SFM) practices into the Vietnamese Payment for Forest Environmental Services (PFES) scheme and his leadership in developing the intelligent timber tracking system (iTwood) aiming to enhance timber traceability in supply chains to support the implementation of the Vietnam Timber Legality Assurance System (VNTLAS) make him more qualified in the related field.</p>
<p>Msc. Hoang Nguyen Viet Hoa</p>	<p>Social Forestry Expert</p> <p>She has about 20 years of working in forestry, especially in forest policy, social forestry, sustainable forest management, and forest conservation and restoration of degraded areas; Involved in research in payment for forest environmental services, climate change mitigation, and forest land tenure. She also participated in over 15 projects funded by the Vietnamese government and international organizations, such as ACIAR, USFS, FAO, CIFOR, JICA, ICRAF, the University of Melbourne (Australia), Forestry and Forest Products Institute (Japan), etc. Being a member of these projects, she has carried out a lot of surveys and developed reports on social - economic and environmental impact in localities. Moreover, she is also in charge of managing the international cooperation activities of VAFS.</p>

Annex 3 List of publications used

Publications used

- 2016 GHG inventory report: The Technical Report on National Greenhouse Gas Inventories for inventory year 2016 of Viet Nam (NIR 2016) | [LINK](#)
- Better Work Viet Nam Annual Report 2023, Geneva: International Labor Office and International Finance Corporation, 2023 [Link](#)
- Center for WTO and Integration of Vietnam Federation of Trade and Industry (WTO - FTA) | [LINK](#)
- Children’s Law 2016 [Link](#)
- Circular 09/2023/TT-BNNPTNT dated 24/10/2024 [LINK](#)
- Circular 13/2023/TT-BNNPTNT Sustainable forest management [Link](#)
- Circular 22/2021/TT -BNNPTNT [Link](#)
- Circular 25/2019/TT-BNNPTNT dated December 27, 2019 [Link](#)
- Circular 28/2018/TT-BNNPTNT dated 16/11/2018 [LINK](#)
- Circular 76/2007/TT-BNN [LINK](#)
- Circular 78/2014/TTBTC [Link](#)
- Circular No 26/2022/TT-BNNPTNT Dated December 30, 2022: [Link](#)
- Circular No. 07/2016/TT-BLĐT BXH [Link](#)
- Circular No. 11/2021/TT-BNNPTNT dated September 20, 2021 of the Minister of Agriculture and Rural Development [Link](#)
- Circular No. 16/2013/TT-BNNPTNT dated 15 December 2023 [LINK](#)
- Circular No. 17/2022/TT-BNNPTNT dated 27 October 2022 [LINK](#)
- Circular No. 19/2016/TT-BYT [Link](#)
- Circular No. 19/2021/TT-BNNPTNT dated December 28, 2021 List of pesticides allowed for use in Vietnam [Link](#)
- Circular No. 23/2023/BNNPTNT dated 15 December 2023 [LINK](#)
- Circular No. 26/2022/TT-BNNPTNT dated 30 December 2022 [LINK](#)
- Circular No. 29/2018/TT-BNNPTNT dated 16 November 2018 [LINK](#)
- Circular No. 33/2018/TT-BNNPTNT dated 16 November 2018 [LINK](#)
- Complaint Law No. 02/2011/QH13 [Link](#)
- Conclusion No. 97-KL/TW dated 9 May 2014 of the Political | [LINK](#)
- Consolidated document No. 14 /VBHN-BNNPTNT dated January 25, 2024 regulations on forest fire prevention and fighting [Link](#)
- Constitution 2013 [Link](#)
- Cultural Heritage Law No. 10/VBHN-VPQH năm 2013 [Link](#)

- Dang Kim Vui (2020), Report on assessing the effectiveness of forest protection and development policies on ethnic minorities [Link](#)
- Decision 171/QĐ-TTg dated 07/02/2024 [LINK](#)
- Decision 208/QĐ-TTg dated 29/02/2024 on Approval of the Project on developing multi-use values of forest ecosystems to 2030, with a vision to 2050 [Link](#)
- Decision 2357/QĐ-BNN-KL dated June 14, 2023 Announcing the current state of forests nationwide in 2022 [Link](#)
- Decision 523/QĐ-TTg Vietnam Forestry Development Strategy 2021-2030 dated April 1, 2021 [LINK](#)
- Decision 816/QĐ-BNN-KL on Announcing the national forest status in 2023 [Link](#)
- Decision No. 10/2007/QĐ-TTg [Link](#)
- Decision No. 149/QĐ-TTg dated 28/01/2022 [Link](#)
- Decision No. 1693/QĐ-BNN-KHCN dated 28 April 2023 [LINK](#)
- Decision No. 182/1999/QĐ-CTN dated 18/6/1999 [Link](#)
- Decision No. 208/QĐ-TTg dated February 29, 2024 [LINK](#)
- Decision No. 2170/QĐ/BVTV-KH Technical process for integrated management of wilt disease [Link](#)
- Decision No. 2234/QĐ-TTg ngày 30/12/2021 [Link](#)
- Decision No. 2242/QĐ-TTg dated 11 December 2014 [LINK](#)
- Decision No. 2327/QĐ-BNN-LN dated 13 June 2023 | [LINK](#)
- Decision No. 31/QĐ-BNN-LN dated January 3, 2024 [LINK](#)
- Decision No. 327/QĐ-TTg dated 10 March 2022 [LINK](#)
- Decision No. 45/QĐ-TTg dated January 8, 2014 of the Prime Minister approving the master plan for biodiversity conservation of the country until 2020, with a vision to 2030 [Link](#)
- Decision No. 523/QĐ-TTg dated 1 April 2021 [LINK](#)
- Decision No. 782/QĐ-TTg dated 27/05/2021 [Link](#)
- Decision No. 809/QĐ-TTg dated 12/07/2022 [Link](#)
- Decision No. 816/QĐ-BNN-KL on the Announcement of Forestry status nationwide in 2023 [Link](#)
- Decision No. 993/QĐ-TTg dated August 24, 2023 on the National Plan to implement the Glasgow Declaration on forests and land use until 2030 [Link](#) -
- Decision số 178/QĐ-TTg [LINK](#)
- Decree 125/2021/NĐ-CP [Link](#)
- Decree 145/2020/NĐ-CP dated 14/12/2020 [Link](#)
- Decree 31/2021/NĐ-CP [Link](#)
- Decree 38/2015/ND-CP dated April 24, 2015 [Link](#)
- Decree 43/2015/ND-CP [Link](#)

- Decree No. 45/2019/QH14 [Link](#)
- Decree No. 06/2022/NĐ-CP dated 7 January 2022 [LINK](#)
- Decree No. 102/2020/ND-CP dated 01/Sep/2020: [Link](#)
- Decree No. 110/2017/NĐ-CP dated 04/10/2017 [Link](#)
- Decree No. 156/2018/ND-CP dated 16/11/2018 on detailed regulation to implement the Forestry Law 2017 [Link](#)
- Decree No. 27/2021/NĐ-CP dated 25 March 2021 [LINK](#)
- Decree No. 75/2012/ND-CP [Link](#)
- Degree 168/2016/NĐ-CP [Link](#)
- Degree 44/2016/NĐ-CP [Link](#)
- Degree 84/2021/ND-CP [Link](#)
- Degree No. 113/2004/NĐ-CP dated 16/4/2004 [LINK](#)
- Directive 58/1999/CT-BNN/KL dated March 30, 1999 [Link](#)
- Directive No. 13-CT/TW dated January 12, 2017: [Link](#)
- Disability Law 2010 [Link](#)
- Fair Labor, 2020. Freedom of association in Viet Nam labor code. [Link](#)
- FIPI, 2020. Report on the results of National Forest Resources Investigation, Evaluation and Monitoring Project for the period 2016 - 2020 (cycle V) |PDF attached.
- Forest Inventory and Planning Institute (FIPI), 2020. Report on the results of National Forest Resources Investigation, Evaluation and Monitoring Project for the period 2016 - 2020 (cycle V) | PDF attached.
- Gendal Equality Law 2006 [Link](#)
- H.V.A, 2021 [Link](#)
- Hoang Lien Son and Nguyen Tien Hai, 2022. Policy to improve the responsiveness of Small and Medium-sized timber processing enterprises in Vietnam to satisfy environmental, social and labor provisions of the EVFTA. Policy Brief. SRD.September 2022.
- [Hoang Lien Son and Nguyen Tien Hai, 2022. Policy to improve the responsiveness of Small and Medium-sized timber processing enterprises in Vietnam to satisfy environmental, social and labor provisions of the EVFTA. Policy Brief. SRD. September 2022.](#)
- [Hoang Lien Son and Nguyen Tien Hai, 2022. Policy to improve the responsiveness of Small and Medium-sized timber processing enterprises in Vietnam to satisfy environmental, social and labor provisions of the EVFTA. Policy Brief. SRD.September 2022.](#)
- <https://monre.gov.vn/Pages/viet-nam-hien-co-181-khu-bao-ton-thien-nhien.aspx>
- <https://nongnghiep.vn/keo-va-bach-dan-chiem-70-dien-tich-rung-trong-san-xuat-d240125.html#:~:text=T%E1%BB%AB%20c%C3%A1c%20qi%E1%BB%91ng%20%C4%91%C6%B0%E1%BB%A3c%20c%C3%B4ng,t%C3%ADch%20tr%C3%AAn%201%20tri%E1%BB%87u%20ha.>

- Investigation on the composition of harmful organisms in Vietnam's forestry trees by Pham Quang Thu and colleagues 2015 [Link](#)
- Labor and Employment Survey Report in 2022 [Link](#) and 2023 [Link](#)
- Land Law 31/2024/QH15 [LINK](#)
- Law 13/2008/QH12 the National Assembly on Value-added tax dated on 03 June 2008 [Link](#)
- Law 32/2013/QH13 of the National Assembly on amending and supplementing some articles of the Law on Enterprise Income Tax. [Link](#)
- Law 71/2014/QH13 dated 26 November 2014 of the National Assembly on Amending and Supplementing a Number of Articles of the Laws on Taxes [Link](#)
- Law amending and supplementing a number of articles of the law on personal income tax 26/2012/QH13 [Link](#)
- Law occupational safety and hygiene 84/2015/QH13 [Link](#)
- Law of complaints 02/2011/QH13 [Link](#)
- Law on Forestry 16/2017/QH14 [LINK](#)
- Law on Biodiversity dated 13 November 2008 | [LINK](#)
- Law on enterprise income tax 14/2008/QH12 [Link](#)
- Law on Environmental Protection 72/2020/QH14 dated November 17, 2020 [Link](#)
- Law on occupational safety and hygiene 84/2015/QH13 [Link](#)
- Law on occupational safety and hygiene [Link](#)
- Law on Personal income tax 04/2007/QH12 [Link](#)
- Law on Royalties 45/2009/QH12 [Link](#)
- Law on Severance Tax [Link](#)
- Law on the amendments to the law on enterprise income tax 32/2013/QH13 [Link](#)
- Law on Vocational Education 2014 [Link](#)
- Le Xuan Tung, 2024 [Link](#)
- National Environmental Status Report 2021 [Link](#)
- National report on Biodiversity 2005, 2011 và 2022 [LINK](#)
- National report on Environment 2016 – 2020 [Link](#)
- National statistics | [General Statistics Office of Vietnam](#) | [LINK](#)
- Nguyen An Thinh, Pham Thu Thuy, Value chains of Vietnam's agricultural and forestry products (Chapter 4 – The role of forests and forestry industry in ensuring food security) [Link](#)
- Nguyen Dang Minh Thao, 2019. Minimum wage in Vietnam: Some observations and analysis. Social science magazine No. 10 (254) 2019.
- Nguyen Hoang Ha, 2022. Realizing freedom of association under Vietnam's legislation. Article. Vietnam Law magazine. [Link](#)
- Nguyen Tien Hai et al., 2023. Vietnam Journal of Forest Science No. 1, 2023 [Link](#)

- Notice No. 25/TB-CTVN dated February 17, 2023 on the publication of the list of wild animals and plants included in the appendix of the Convention on International Trade in Dangerous Species of Wild Fauna and Flora grant (CITES) [Link](#)
- Notice No. 511/TB-VPCP dated November 1, 2017 : [Link](#)
- Notice of occupational accidents in 2023 from the Ministry of War Invalids and Social Affairs [Link](#)
- Penal Code 2015 [Link](#)
- Prefer by nature, 2021. Timber Legality Risk Assessment for Viet Nam, V2.0, dated 13 December 2021. [Link](#)
- Production forest management regulations [Link](#)
- Production forest management regulations [Link](#)
- QCVN 05:2009/BTNMT [Link](#)
- QCVN 05:2013/BTNMT [Link](#)
- QCVN 06:2009/BTNMT [Link](#)
- Resolution 80/2019/QH14 [Link](#)
- Resolution No. 104/2020/QH14 [Link](#)
- Resolution No. 29/ND-CP dated March 8, 2024 : [Link](#)
- Results of implementing the Vietnam Forestry Development Strategy [Link](#)
- Social Insurance Law 2014 [Link](#)
- Statistical Yearbook 2022 [Link](#)
- TCVN 11366-1:2016: Plantation - Site requirements - Part 1: *Acacia mangium* and *Acacia hybrid* | [LINK](#)
- TCVN 11366-2:2016: Plantation - Site requirements - Part 2: *Eucalyptus hybrid* | [LINK](#)
- TCVN 11366-3:2016: Plantation - Site requirements - Part 3: *Acacia auriculiformis* | [LINK](#)
- TCVN 11366-4:2019 for planting site requirements of *Acacia difficilis maiden* | [LINK](#)
- TCVN 11366-5:2019 for planting site requirements of *Casuarina equisetifolia* | (not available on website)
- TCVN 11366-6:2016: Plantation - Site requirements - Part 6: *Neem* | [LINK](#)
- TCVN 6993:2001. [Link](#)
- TCVN 6996:2001. [Link](#)
- TCVN 8928:2013 standard on forest disease prevention [Link](#)
- TCVN 8928:2013 standard on forest disease prevention [Link](#)
- Technical REDD+ report attached to BUR3| [LINK](#)
- Third national communication (included 2014 national GHG inventory): National communication of Vietnam The Third - to the united nations framework convention on Climate change | [LINK](#)

- To Xuan Phuc, 2021. Production and export of pellets in Vietnam: Current situation and some aspects that need attention. Forest Trends, Forestry Finance and Trade Program | [LINK](#)
- To Xuan Phuc, Cao Thi Cam, Luong Kim Anh, 2022. Vietnam's pellet production and export: Current status and some policy aspects. Market policy newsletter. VIFOREST, Forest Trends, FPA Binh Dinh, BIFA, HAWA, DOWA | [LINK](#)
- Trade Union Code 2012 [Link](#)
- Unicef [Link](#)
- VFCS/PEFC ST 1003:2019 [Link](#)
- VFCS/PEFC ST 1004: 2019 [Link](#)
- Vietnam Forestry Development Strategy 2021-2030 [Link](#)
- Vietnam Timber Legality Risk Assessment Report, V2.0, December 13, 2021 [Link](#)
- Vietnam's NDC updated in 2022 | [LINK](#)
- Report on Community Water Conservation and Religious Forests - Governance Issues and Policy Recommendations [LINK](#)
- Cao Thi Cam, Tran Le Huy, 2024. Wood industry import and export in 2023 and trends in 2024 [Link](#)

Annex 4 List of Stakeholders

No.	Organization	Type of organization
I	List of stakeholders participated in the consultation workshop	
	Forestry Department	State Management Agency
	Vietnam Forest Owners Association	Social interest
	WWF	Environment interest
	CleverForestry	Environment interest
	Tay Kim Sustainable Forest Management Cooperative	Social interest
	CM Biomass	Economic interest
	Earthworm Foundation	Environment interest
	Sustainable Forest Management and Forest Certification Institute	Research institutions and universities
	Vietnam Timber and Forest Products Association	Social interest
	Vietnam National University of Forestry	Research institutions and universities
	Vietnam Forest Certification Office (Branch in the South)	Official representatives of forestry certification schemes
	Duong Linh Production Company Limited	Economic interest
	Netma Phu Tho Company	Economic interest
	Biomass Fuel Vietnam Co., Ltd.	Economic interest
	Smart Wood Joint Stock Company	Economic interest
	Idemitsu Vietnam Company	Economic interest

	Preffered by Nature	Certifcation Bodies
	TUV SUD Vietnam	Certifcation Bodies
	Hanwa Việt Nam Co.,Ltd	Economic interest
	Consultative and Research Center on Natural Resources Management (CORENARM)	Research institutions and universities
	Phu Tai Bio-Energy Joint Stock Company	Economic interest
	SGS Viet Nam	Certifcation Bodies
	PEFC	Official representatives of forestry certification schemes
	Vietnam Rubber Association	Social interest
	Bureau Veritas Vietnam	Certifcation Bodies
	CellMark Vietnam Co., Ltd.	Economic interest
	Eastwood Energy Joint Stock Company	Economic interest
	Cell Mark Vietnam	Economic interest
	Forest Science Institute of South Vietnam	Research institutions and universities
II	List of Stakeholders consulted via email	
	Enviva Biomass	Economic interest
	CM Biomass	Economic interest
	Netma Phu Tho	Economic interest
	Duong Linh Co. Ltd	Economic interest

	Phu Tai Bio energy	Economic interest
	Vietnam Forest Owners Association	Social interest
	Vietnam Cooperative Alliance	Social interest
	Association of Vietnam Timber and Forest Product	Social interest
	Vietnam farmers' Union	Social interest
	Vietnam General Confederation of Labour	Social interest
	WWF	Environment interest
	Forest Trends	Environment interest
	PanNature	Environment interest
	GFA Consulting group	Certification Bodies
	SGS Việt Nam	Certification Bodies
	Bureau veritas	Certification Bodies
	Vinacontrol	Certification Bodies
	Preferred by Nature	Certification Bodies
	Department of Forestry, Ministry of Agriculture and Rural Development	Research institutions and universities
	Forest Protection Department, Ministry of Agriculture and Rural Development	Research institutions and universities
	Vietnam National University of Forestry	Research institutions and universities
	Training Center for Sustainable Management and Forest Certification	Official representatives of forestry certification schemes

	Sustainable Forest Management and Forest Certification Institute	Official representatives of forestry certification schemes
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Annex 5 Stakeholder consultation report

Stakeholder	Comment	Response
Earthworm Foundation	p.6: forest land in 2021 here is not matched with the data in p.3; p.10: it needs to clear " kills about 10-20% of planted trees" is for what (in a same planting plot / plantation or country); p.18: need an explain for % of Other TT: 1991.77% and 3018.48%, it is too much higher than Japan and Korea markets but is not mentioned.	Page 6 - Corrected according to the Resolution No. 39/2021/QH15 on National Land Use Planning for 2021 - 2030, with a vision to 2050 Page 10 - 10-20% planted Acacia is killed by the diseases such as Ceratocystis wilt disease. It is clearly mentioned on the sentences Page 18 - Data from the General Department of Customs, calculated by the Research Group of Wood HH and Forest Trends without explanation, therefore the WG decided to remove this data and updated the data of 2023.
	p.22: 2^, remove "p";	Corrected
	p.23: 6^, need to clear what is "???"	Corrected
	1.1.3: state, change to Specified risk; 1.1.4, 4,1,6, 4.1.7 and 4.1.9: change N/A to "Low risk"	Because the indicator requirement is not applicable, we used the approach of N/A
	Yes, Please add document as Report on Community Water Conservation and Religious Forests - Governance Issues and Policy Recommendations https://snrd-asia.org/wp-content/uploads/2024/11/18-Policy-recommendations-for-community-forests_VN.pdf	Contributed to the Annex 3 List of publications used
	Indicator 1.1.3 The risk is low when forest management is central to state forest owners, such as in forestry companies or protection forest management. However, in cases where forest management is secondary, like with the army, national defense, or police, there is often a lack of responsible personnel for forestry. This can lead to standing trees sold locally without proper documentation, such as a packing list or harvesting permit. Consequently, this indicator may shift to a specific risk status for state forests.	Currently, state forest owners including forestry companies, protection forest management boards, army, national defense or police, implement the regulations very well. The forest managed by army, national defense, or police is limited and the procedure of forest management strictly follows the regulation. Therefore, this indicator is considered as low risk for state forest owners.
	Indicator 1.1.4 If this is not applicable for the smallholder, please change it to Low	Because the indicator requirement is not applicable, we used the approach of N/A

	risk because we have two categories for rate: Low and Specific Risk.	
	<p>Indicator 1.1.5 HCV (High Conservation Value) is recognized within the context of Vietnam's planted forests, particularly in upstream protection forests (HVC4). Numerous annual programs are implemented for the reforestation and protection of these upstream forests, mainly overseen by the Protection Forest Management Board. However, in many instances, the board has not successfully developed sustainable forest management plans. This indicates that HCV has not been effectively managed and protected. As a result, it is recommended that this situation be addressed as a specific risk for the State Forest Owner.</p>	This indicator is related to the legality of mining activities. The issue of biodiversity conservation is addressed in the indicators under principle 2.
	<p>Indicator 2.1.3 HCV (High Conservation Value) is recognized within the context of Vietnam's planted forests, particularly in upstream protection forests (HVC4). Numerous annual programs are implemented for the reforestation and protection of these upstream forests, mainly overseen by the Protection Forest Management Board. However, in many instances, the board has not successfully developed sustainable forest management plans. This indicates that HCV has not been effectively managed and protected. As a result, it is recommended that this situation be addressed as a specific risk for the State Forest Owner.</p>	The protection forest management boards have developed sustainable forest management plans and implemented the plans that meet the requirements related to HCV4, therefore the risk is considered as low.
	<p>Indicator 2.2.5 Households often cultivate the entire slope surface, fail to maintain buffer zones for streams, and do not preserve natural vegetation on hilltops, which negatively impacts both surface and underground water flows</p>	The Indicator 2.2.5 is considered a specified risk for smallholders and the issue is highlighted in the risk conclusion of the indicator.
	<p>Indicator 4.1.6 Forest owners typically have flexible working hours that depend on the weather and the family's general workload. Overtime is usually unregulated and seldom occurs for forest owners. Overtime management is often inadequate in small and medium-sized processing enterprises. Additionally, the policies, regulations on trade</p>	As explained in Scale of assessment, this indicator does not apply to smallholders since they carry out forest planting, tending, and harvesting activities or may contract with local seasonal workers.

	<p>unions, labor agreements, and labor regulations in these businesses frequently do not meet the required standards. However, when evaluating the situation specifically for forest owners, this aspect can be assessed as a low risk.</p>	
	<p>Indicator 4.1.7 Sometimes, smallholders can hire additional laborers for tasks such as planting and harvesting over several days, though this is not included in the labor contract, then it poses a low risk and is not as N/A</p>	<p>Smallholders often hire short-term seasonal workers on a voluntary basis without a contract. Under labor law, this is referred to as workers without labor relations. Therefore, this indicator is proposed to not apply to smallholders.</p>
	<p>Indicator 4.1.8 Planting activities are routine for farmers, so there is no need to conduct training on occupational safety and health for them. However, training on Reduced Impact Logging (RIL) and occupational safety and health should be provided to individuals involved in exploitation activities. Currently, most households either conduct exploitation on their own or hire untrained workers. This lack of training also impacts forest owners, whether they belong to state or private organizations, as such training is often not fully implemented</p>	<p>The lack of technical training for workers and labors in forestry industry is recognized, so this indicator is assessed as a specified risk for both state organizations, private organizations and smallholders.</p>
	<p>Indicator 4.1.9 For smallholder farmers, individuals will directly follow state guidance and laws, resulting in a low-risk assessment, though it is not classified as N/A</p>	<p>This indicator refers to Mechanisms for resolving grievances and disputes in the workplace, so this indicator is not applicable to smallholders who doing their own business and production.</p>
	<p>Indicator 4.1.10 Planting activities are routine for farmers, so there is typically no need for them to receive training on occupational safety and health. However, individuals involved in exploitation activities should receive training on Reduced Impact Logging (RIL) as well as on occupational safety and health. Currently, most households either conduct exploitation on their own or hire untrained workers. This lack of training not only affects the workers but also impacts forest owners, whether they are part of state or private organizations, as such training is often not fully implemented. Additionally, personal protective equipment (PPE) is commonly used by farmers, particularly during harvesting activities. However, collective forest owners often lack mechanisms to ensure the health and safety of their laborers. Delete this sentence: "However, violations of occupational safety and</p>	<p>The sentence "However, violations of occupational safety and hygiene regulations are still common, so this indicator is assessed as a specified risk for all subscopes" is revised to "There has been no comprehensive assessment of the implementation of occupational safety and hygiene regulations in forestry, so this indicator is assessed as a specified risk for all subscopes"</p>

	<p>hygiene regulations are still common, so this indicator is assessed as a specified risk for all subscopes" because there have not been many inspections of violations of occupational safety and hygiene at forest owners, therefore, there is no conclusion as "violations of occupational safety and hygiene regulations are still common"</p>	
	<p>Indicator 4.2.3 Remove this sentence "The feedstock supply chain mostly comes from production forests with low biodiversity and conservation value." The supply chain for biomass primarily involves harvested plantation forests, which may include areas related to High Conservation Value 4 (HCV4), such as watershed protection and erosion control. However, High Conservation Value 5 (HCV5), which is essential for meeting the basic needs of local communities, is not present within these plantations.</p>	<p>The sentence "The feedstock supply chain mostly comes from production forests with low biodiversity and conservation value." is revised to "The feedstock supply chain mostly comes from production forests with low biodiversity and conservation value, and tiny part from thinning planted protection forest. High Conservation Value 5 (HCV5), which is essential for meeting the basic needs of local communities, is not present within these plantations."</p>
	<p>Indicator 4.2.3 Change the sentence "Wood materials are mostly exploited from production forests, which have little impact on the protection value (protecting and maintaining water resources) and forests' biodiversity and conservation value" to "Wood materials are mostly exploited from production forests, and sometimes from the plantation protection forest, however, High Conservation Value 5 (HCV5), which is essential for meeting the basic needs of local communities, is not present within these plantations"</p>	<p>The sentence "Wood materials are mostly exploited from production forests, which have little impact on the protection value (protecting and maintaining water resources) and forests' biodiversity and conservation value" is revised to "The feedstock supply chain mostly comes from production forests with low biodiversity and conservation value, and tiny part from thinning planted protection forest. High Conservation Value 5 (HCV5), which is essential for meeting the basic needs of local communities, is not present within these plantations."</p>
	<p>Indicator 4.2.4 Furthermore, the forest areas recognized by Indigenous peoples and local communities are often limited in size, with unclear boundaries that overlap with other land users. In some cases, land use rights for those forests have not been granted to the community</p>	<p>Vietnam does not have indigenous people by the United Nations definition, land is owned by the entire people and is represented and uniformly managed by the State. However, the State ensures that ethnic minorities and communities living in forests are allocated forests in conjunction with land for combined forestry, agriculture and fishery production (Article 4, Forestry Law), and the principle of forest allocation must respect the living space, customs and practices of the community; priority is given to allocating forests to ethnic minorities, households, individuals and communities with customs, practices, culture, beliefs and traditions associated with forests (Article 14, Forestry Law). Up to now, 4.2 million hectares of forest land have been allocated to households, individuals and communities, accounting for 28.3%. For 28.6% of the unallocated forest that have not been allocated to communities, they may not be eligible for allocation and are being managed by the People's Committees of communes.</p>

Annex 6 REDII Level A risk assessment

Sustainable harvesting criteria 29(6)

The country in which forest biomass was harvested has national or sub-national laws applicable in the area of harvest as well as monitoring and enforcement systems in place ensuring:

(i) The legality of harvesting operations

Step 1: Identification of applicable laws

<i>Have the applicable law(s) been identified?</i>	✓ Yes • No, Level B route is required
<i>List of applicable law(s)</i>	<ul style="list-style-type: none"> – Law on Forestry 2017 – Law on Resources tax 45/2009/QH12_ – Decree No. 156/2018/ND-CP on enforcement of the Law on Forestry – Circular 26/2022/TT-BNNPTNT on management and tracing of forest products – Circular 22/2023/TT-BNNPTNT on amendments and supplements to a number of articles of circulars in the field of forestry – Decision No. 2242/QĐ-TTg dated 11 December 2014 – Directive No. 113/2004/NĐ-CP dated 16/4/2004
<i>Sources</i>	<ul style="list-style-type: none"> – Land Law 2024 Link – Law on Forestry 2017 Link – Law on Resources tax 45/2009/QH12 Link – Degree 102/2024/NĐ-CP on Implementation of a number of articles of the land law Link – Decree No. 156/2018/ND-CP on enforcement of the Law on Forestry Link – Degree 91/2024/NĐ-CP on Amending and supplementing a number of articles of Decree no. 156/2018/nd-cp dated november 16, 2018 of the government detailed regulations on implementation of a number of articles of the forestry law Link – Circular 26/2022/TT-BNNPTNT on management and tracing of forest products Link – Circular 22/2023/TT-BNNPTNT on amendments and supplements to a number of articles of circulars in the field of forestry Link – Decision No. 2242/QĐ-TTg dated 11 December 2014 link – Directive No. 113/2004/NĐ-CP dated 16/4/2004 link

Step 2: Description of enforcement and monitoring

<i>Description of the practical implementation of the law(s)</i>	<p>In Vietnam, forest sector is managed by the Ministry of Agricultural and Rural Development (MARD). The management system is based on the National level – the Ministry of Agriculture and Rural Development (MARD), provincial level (Provincial Department of Agricultural and Rural Development) and in the district level (District Department of Agricultural and Rural Development). Under each level, there is Forest Protection department (or Forest ranger system) is assigned to advise local People's Committees to manage the forest sector for ensuring that all forest management activities are complied with applicable laws.</p> <p>The Ministry of Agriculture and Rural Development manages all forestry, issues and supervises all entities involved in the forest sector. So called Forest Managing Boards are in charge of protection and special use forests. State Forest Enterprises are in charge of managing production forests whereas private enterprises, households, individuals and communities are supposed to</p>
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	<p>be involved in production forest use and management. Details roles and responsibilities of state management of Forestry and Forest Rangers are clearly described in the Law on Forestry 2017: Chapter XI - state management of forestry and forest rangers.</p> <p>Basically, state management system is responsible for managing forest sector while Forest rangers from governmental level to provincial and district level are responsible for enforcement/monitoring of forest regulations.</p>
<i>Sources</i>	<ul style="list-style-type: none"> - Law on Forestry 2017 Link
<i>Is the enforcement and monitoring ensured for the identified law(s)?</i>	<p>✓ Yes • No, Level B route is required</p>

Step 3: Evaluation of the effectiveness of the legal framework on the legality of timber harvesting

<i>Evaluation of the practical implementation of the law(s) and explanation for the evaluation</i>	<p>Forest in Vietnam is divided into three types, including special-use forests, protection forests and production forest. Regarding the origin of the forest, it is divided into natural forest and plantation forest. Harvest of timbers from special-use forests, protection forests and natural production forests is only applicable to salvage harvest. However, since 2014 Vietnam has restricted logging from natural forests and since 2017 a complete ban on logging from natural forests has been applied. Hence, feedstock sources from natural forest in Vietnam is subjected to illegal logging.</p> <p>Most of the feedstock are exploited from production forests and a small part from the thinning of planted protective forests which is regulated by a MARD's circular No. 26/2022/TT-BNNPTNT and circular 22/2023/TT-BNNPTNT on managing and tracing forest products. Based on these requirements, state forest owners of production plantation or forest owners of protection plantation need to develop harvesting plan and submit it to the competent state agency for approval. The other production plantation forest owners (smallholders) are required to develop and inform the harvesting plan to the provincial forest management agencies.</p> <p>According to the Resource Tax Law provisions, only products of natural forests (excluding animals) are subject to this tax. Meanwhile, Vietnam has applied a ban on logging for natural forests since 2017; most of the feedstock are exploited from production forests and a small part from the thinning of planted protective forests (protective forests are natural forests that are not allowed to be exploited). Therefore, people who exploit and use wood materials from Vietnam are not subject to this tax.</p>
<i>Sources</i>	<ul style="list-style-type: none"> - Law on Forestry 2017 Link - Law on Resources tax 45/2009/QH12 Link - Decree No. 156/2018/ND-CP on enforcement of the Law on Forestry Link - Circular 26/2022/TT-BNNPTNT on management and tracing of forest products Link - Circular 22/2023/TT-BNNPTNT on amendments and supplements to a number of articles of circulars in the field of forestry Link - Decision No. 2242/QĐ-TTg dated 11 December 2014 link - Degree No. 113/2004/NĐ-CP dated 16/4/2004 link - Stakeholder consultation
<i>Is the legal framework effective?</i>	<p>✓ Yes • No, Level B route is required</p>

(ii) Forest regeneration of harvested areas

Step 1: Identification of applicable laws

<i>Have the applicable law(s) been identified?</i>	<p>✓ Yes • No, Level B route is required</p>
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<i>List of applicable law(s)</i>	<ul style="list-style-type: none"> – Law on Forestry No. 16/2017/QH14 November 15, 2017 – Decision 49/2016/QD-TTg on Promulgating the regulation on production forest management
<i>Sources</i>	<ul style="list-style-type: none"> – Law on Forestry No. 16/2017/QH14 November 15, 2017 Link – Decision 49/2016/QD-TTg on Promulgating the regulation on production forest management Link

Step 2: Description of enforcement and monitoring

<i>Description of the practical implementation of the law(s)</i>	<p>At the central level, the Ministry of Agriculture and Rural Development is responsible for developing regulations and mechanisms to monitor forest planting, exploitation and regeneration.</p> <p>At the local level, the Department of Agriculture and Rural Development and the Forest Protection Department are responsible for monitoring and supervising compliance with regulations on planting, exploiting and regenerating forests.</p>
<i>Sources</i>	<ul style="list-style-type: none"> – Law on Forestry No. 16/2017/QH14 November 15, 2017 Link
<i>Is the enforcement and monitoring ensured for the identified law(s)?</i>	<p>✓ Yes • No, Level B route is required</p>

Step 3: Evaluation of the effectiveness of the legal framework on the legality of timber harvesting

<i>Evaluation of the practical implementation of the law(s) and explanation for the evaluation</i>	<p>Actual field surveys show that forest owners in Vietnam all replant forests within 3-6 months after harvesting. The 2022 statistical yearbook shows that forestry production is developing stably, the output of exploited wood is increasing due to the area of plantation forests reaching harvest time, the wood consumption market is recovering, and the demand for feedstock from processing factories is increasing, wood selling prices also increase. Timber output for the year is estimated to reach 20.1 million m³, an increase of 9.4% compared to 2021. The area of newly plantation forests in 2022 is estimated to reach 306.5 thousand hectares, an increase of 5.7%.</p>
<i>Sources</i>	<ul style="list-style-type: none"> – Statistical Yearbook 2022 Link – Stakeholder consultation
<i>Is the legal framework effective?</i>	<p>✓ Yes • No, Level B route is required</p>

(iii) That area designated by international or national law or by the relevant competent authority for nature protection purposes, including in wetlands and peatlands, are protected unless evidence is provided that the harvesting of that raw material does not interfere with those nature protection purposes

Step 1: Identification of applicable laws

<i>Have the applicable law(s) been identified?</i>	<p>✓ Yes • No, Level B route is required</p>
<i>List of applicable law(s)</i>	<ul style="list-style-type: none"> – Land Law 2024 – Law on Forestry 2017 – Law on Biodiversity 2008 – Decree No. 156/2018/ND-CP on enforcement of the Law on Forestry – Decree 66/2019/ND-CP on the conservation and sustainable use of wetlands

	<ul style="list-style-type: none"> - Decision No. 45/QD-TTg dated January 8, 2014 of the Prime Minister approving the master plan for biodiversity conservation of the country until 2020, with a vision to 2030 - Decision No. 993/QD-TTg dated August 24, 2023 on the National Plan to implement the Glasgow Declaration on forests and land use until 2030 - Notice No. 25/TB-CTVN dated February 17, 2023 on the publication of the list of wild animals and plants included in the appendix of the Convention on International Trade in Dangerous Species of Wild Fauna and Flora grant (CITES) - Circular 28/2018/TT-BNNPTNT on sustainable forest management - Circular 13/2023/TT-BNNPTNT on sustainable forest management
<p><i>Sources</i></p>	<ul style="list-style-type: none"> - Land Law 2024 Link - Law on Forestry 2017 Link - Law on Biodiversity Link - Decree No. 156/2018/ND-CP on enforcement of the Law on Forestry Link - Decree 66/2019/ND-CP on the conservation and sustainable use of wetlands Link - Decision No. 45/QD-TTg dated January 8, 2014 of the Prime Minister approving the master plan for biodiversity conservation of the country until 2020, with a vision to 2030 Link - Decision No. 993/QD-TTg dated August 24, 2023 on the National Plan to implement the Glasgow Declaration on forests and land use until 2030 Link - Notice No. 25/TB-CTVN dated February 17, 2023 on the publication of the list of wild animals and plants included in the appendix of the Convention on International Trade in Dangerous Species of Wild Fauna and Flora grant (CITES) Link - Circular 28/2018/TT-BNNPTNT on sustainable forest management Link - Circular 13/2023/TT-BNNPTNT on sustainable forest management Link

Step 2: Description of enforcement and monitoring

<p><i>Description of the practical implementation of the law(s)</i></p>	<p>The Law on Biodiversity stipulates that the Ministry of Natural Resources and Environment is responsible to the Government for implementing state management of biodiversity (Article 6, Clause 2). The Ministry of Natural Resources and Environment presides over and coordinates with relevant ministries and ministerial-level agencies to organize the preparation and submission to the Government for approval and adjustment of the national biodiversity conservation master plan (Article 10, Clause 1). 1). Based on the national biodiversity conservation master plan, ministries, management agencies, and provinces will prepare biodiversity conservation planning within the management scope.</p> <p>Forest rangers under the Forest Protection Department and Forest Protection Departments of the provinces are responsible for inspecting, guiding and organizing the implementation of legal regulations on the management and protection of endangered and precious forest plants and animals and implementation of the Convention on International Trade in Endangered Species of Wild Fauna and Flora.</p>
<p><i>Sources</i></p>	<ul style="list-style-type: none"> - Law on Biodiversity 2008 Link - Law on Forestry 2017 Link

<i>Is the enforcement and monitoring ensured for the identified law(s)?</i>	✓ Yes • No, Level B route is required
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Step 3: Evaluation of the effectiveness of the legal framework on the legality of timber harvesting

<i>Evaluation of the practical implementation of the law(s) and explanation for the evaluation</i>	<p>Vietnam has developed and implemented the Law on Biodiversity 2008 and the Law on Forestry 2017, in which special-use forests are explicitly planned to conserve natural forest ecosystems and biological genetic resources. According to statistics, by the end of 2021, Vietnam has 181 nature reserves in Vietnam, including terrestrial and marine protected areas, with a total area of 2,641,521.55 hectares. The area of terrestrial protected areas accounts for 93.7% of the total protected area. Most of the terrestrial protected areas are natural forest. Specifically, among these 181 protected areas, there are 34 national parks, 60 nature reserves, 22 species and habitat conservation areas, and 65 landscape protection areas.</p> <p>Regarding wetlands, Vietnam currently has a system of 26 types of wetlands with a total area of 11,847,975 hectares, accounting for 37% of Vietnam's total natural land area. Vietnam has participated in the Ramsar Convention since 1989, and the planning and protection of wetlands and peatlands have explicitly been regulated in the Law on Biodiversity and Decree 66/2019/ND-CP on the conservation and sustainable use of wetlands.</p> <p>Vietnam has limited harvesting wood from natural forests since 2014 and totally banning harvesting natural forest since 2027. Therefore, the feedstock is mainly from planted production forests with low biodiversity value.</p>
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<i>Sources</i>	<ul style="list-style-type: none"> - Law on Forestry 2017 Link - Law on Biodiversity Link - Decree No. 156/2018/ND-CP Link - Decision 2242/QD-TTg of 2014 Link - Decree 66/2019/ND-CP on the conservation and sustainable use of wetlands Link - Directive 13-CT/TW of 2017 Link - Circular 28/2018/TT-BNNPTNT and Circular 13/2023/TT-BNNPTNT dated November 30, 2023 Link - National report on Biodiversity 2 005, 2011 and 2022 Link - https://monre.gov.vn/Pages/viet-nam-hien-co-181-khu-bao-ton-thien-nhien.aspx
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<i>Is the legal framework effective?</i>	✓ Yes • No, Level B route is required
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(iv) That harvesting is carried out considering the maintenance of soil quality and biodiversity with the aim of minimizing negative impacts

Step 1: Identification of applicable laws

<i>Have the applicable law(s) been identified?</i>	✓ Yes • No, Level B route is required
<i>List of applicable law(s)</i>	<ul style="list-style-type: none"> - Land Law 2024 - Law on Forestry 2017 - Law on Biodiversity 2008 - Law on environmental protection 20220 - Circular 13/2023/TT-BNNPTNT on sustainable forest management - Circular 09/2023/TT-BNNPTNT on promulgating lists of approved and prohibited plant protection chemicals in vietnam

	<ul style="list-style-type: none"> – Decree 43/2015/ND-CP on providing the establishment and management of water source protection corridors
<i>Sources</i>	<ul style="list-style-type: none"> – Land Law 2024 link – Law on Forestry 2017 link – Law on Biodiversity link – Law on environmental protection 20220 Link – Circular 13/2023/TT-BNNPTNT dated 30/11/2023 on sustainable forest management Link – Circular 09/2023/TT-BNNPTNT on promulgating lists of approved and prohibited plant protection chemicals in vietnam link – Decree 43/2015/ND-CP on providing the establishment and management of water source protection corridors Link

Step 2: Description of enforcement and monitoring

<i>Description of the practical implementation of the law(s)</i>	<p>At the National level, the Ministry of Natural Resources and Environment is responsible for managing and monitoring environmental impacts according to the Law on Environmental Protection and implementing state management of biodiversity; The Ministry of Agriculture and Rural Development is responsible for managing and monitoring environmental impacts in the forestry sector.</p> <p>At the local level, the Department of Natural Resources and Environment monitors environmental impact; The Department of Agriculture and Rural Development and the Forest Protection Department supervise forestry production activities according to the Forestry Law and decrees and circulars related to stream buffer zone protection and sustainable forest management.</p>
<i>Sources</i>	<ul style="list-style-type: none"> – Law on Forestry 2017 link – Law on Biodiversity link – Law on environmental protection 20220 Link
<i>Is the enforcement and monitoring ensured for the identified law(s)?</i>	✓ Yes • No, Level B route is required

Step 3: Evaluation of the effectiveness of the legal framework on the legality of timber harvesting

<i>Evaluation of the practical implementation of the law(s) and explanation for the evaluation</i>	<p>At the national level, according to the National Environmental Status Report for the period 2016 - 2020, the quality of Vietnam's soil environment is generally quite good. Restoration and increase of forest cover have positively impacted reducing the risks of erosion and surface soil leaching. However, intensive afforestation can cause the risk of soil pollution, accumulation of heavy metals due to people using chemical fertilizers, pesticides, herbicides (for rubber forests) and soil degradation due to short-cycle afforestation. the commonly applied afforestation techniques that have the potential to affect soil quality such as burning residues causing loss of organic matter in the soil, adversely affecting soil microorganisms, soil ecology, increasing the risk of erosion on sloping land.</p> <p>In term of biodiversity protection, Vietnam has planned areas with high biodiversity conservation value to protect and completely ban the exploitation of natural forests. Most of the feedstock are from plantation forests with low biodiversity. However, for plantation forests, Vietnam also has specific regulations on protecting stream buffer zone. The implementation of regulations on protecting stream buffer zone is only well implemented by forest</p>
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	owners who are organizations but not fully implemented by smallholders due to limited knowledge and awareness.
<i>Sources</i>	<ul style="list-style-type: none"> - National report on Biodiversity 2005, 2011 và 2022 link - National report on Environment 2016 – 2020 Link - Stakeholder consultation and field survey
<i>Is the legal framework effective?</i>	<ul style="list-style-type: none"> ▪ Yes ✓ No, Level B route is required

(v) That harvesting maintains or improves the long-term production capacity of the forest

Step 1: Identification of applicable laws

<i>Have the applicable law(s) been identified?</i>	✓ Yes ▪ No, Level B route is required
<i>List of applicable law(s)</i>	<ul style="list-style-type: none"> - Law on Forestry 2017 - Decree No. 156/2018/ND-CP on enforcement of the Law on Forestry - Circular 13/2023/TT-BNNPTNT dated 30/11/2023 on sustainable forest management
<i>Sources</i>	<ul style="list-style-type: none"> - Law on Forestry 2017 link - Decree No. 156/2018/ND-CP on enforcement of the Law on Forestry Link - Circular 13/2023/TT-BNNPTNT dated 30/11/2023 on sustainable forest management Link

Step 2: Description of enforcement and monitoring

<i>Description of the practical implementation of the law(s)</i>	<p>At the central level, Ministry of Agriculture and Rural Development (MARD) shall act as the focal point to assist the Government in state management of forestry with the responsibilities to issue and implement strategies, planning, plans, policies or legislative documents on forestry and manage issuance of certificates of sustainable forest management and forest valuation</p> <p>At the provincial level, MARD provides directions and guidance to Department of Agriculture and Rural Development (DARD) to manage and monitor forest management and forestry development programs. Forest Ranger have responsibilities to response to violations against regulations of law on forestry and disseminate and raise people's awareness of forest protection and development.</p>
<i>Sources</i>	<ul style="list-style-type: none"> - Law on Forestry 2017 link
<i>Is the enforcement and monitoring ensured for the identified law(s)?</i>	✓ Yes ▪ No, Level B route is required

Step 3: Evaluation of the effectiveness of the legal framework on the legality of timber harvesting

<i>Evaluation of the practical implementation of the law(s) and explanation for the evaluation</i>	<p><i>Vietnam forestry development strategy for the period 2021 - 2030, with a vision to 2050</i> aims to maintain a stable national forest cover rate of 42% to 43%, while the output of timber exploited from plantation forests strives to reach 35 million m³ by 2025 and 50 million m³ by 2030.</p> <p>According to national statistics, there are significantly increases in production</p>
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	of exploited wood has increased significantly from 2010 (4,042.6 thousand m ³) to 2022 (20119.1 thousand m ³), and area of new concentrated plantation forest from 2010 (252.2 thousand ha) to 2022 (306.5 thousand ha). In addition, according to the national GHG inventory, the carbon loss from wood removal is smaller than the carbon sequestration generated by plantation forests. For example, estimated carbon loss from wood removal for 2022 is 20.8 Mt CO ₂ e (about 20.1 million m ³ of timber harvested in 2022) and carbon gain from 4.6 million ha of plantation forests is 50 Mt CO ₂ e. Carbon stocks of forest types in Vietnam are stable or increasing. It means that wood exploitation does not negatively affect long-term production capacity of the forest.
<i>Sources</i>	<ul style="list-style-type: none"> – Decision 523/QĐ-TTg dated 01/04/2021 on Vietnam forestry development strategy for the period 2021 - 2030, with a vision to 2050 Link – National statistics General Statistics Office of Vietnam link – Forest Inventory and Planning Institute (FIPI), 2020. Report on the results of National Forest Resources Investigation, Evaluation and Monitoring Project for the period 2016 - 2020 (cycle V) PDF attached
<i>Is the legal framework effective?</i>	✓ Yes • No, Level B route is required

LULUCF criteria 29(7)

<i>Paris Agreement ratified?</i>	✓ Yes • No
<i>Submission of a relevant NDC</i>	✓ Yes • No
<i>Sources</i>	<ul style="list-style-type: none"> – Paris Agreement: UNFCCC’s party information about Estonia: https://unfccc.int/node/61061 – NDC: European Commission. (2020). Update of the NDC of the European Union and its Member States. https://unfccc.int/sites/default/files/NDC/2022-06/EU_NDC_Submission_December%202020_0.pdf
<i>Brief description of how agriculture, forestry and land use are accounted for in NDC</i>	<p>European Commission (2020):</p> <p>“Accounting for emissions and removals from LULUCF follows specific rules depending on the land accounting category in accordance with Regulation (EU) 2018/841. Afforested Land and Deforested Land use baseline zero (gross-net accounting). Managed Grassland, Managed Cropland and Managed Wetland use as baseline the average emissions between 2005 and 2009 (net-net accounting). Managed Forest Land uses as baseline a Forest Reference Level based on the continuation of Forest Management Practices between 2000 and 2009 and taking into account the age-class structure of forests, projected through the compliance period. The mere presence of carbon stocks is excluded from accounting.”</p>

OR (this option below must be used if the previous point about NDC is not satisfied)

The origin country has national or sub-national laws in place, in accordance with Article 5 of the Paris Agreement, applicable in the area of harvest, to conserve and enhance carbon stocks and sinks, and providing evidence that reported LULUCF-sector emissions do not exceed removals

Step 1: Identification of applicable laws

Have the applicable law(s) • Yes • No, Level B route is required

<i>been identified?</i>	
<i>List of applicable law(s)</i>	
<i>Sources</i>	

Step 2: Description of enforcement and monitoring

<i>Description of the practical implementation of the law(s)</i>	
<i>Sources</i>	
<i>Is the enforcement and monitoring ensured for the identified law(s)?</i>	<ul style="list-style-type: none"> ▪ Yes ▪ No, Level B route is required

Step 3: Evaluation of the effectiveness of the legal framework on the legality of timber harvesting

<i>Evaluation of the practical implementation of the law(s) and explanation for the evaluation</i>	
<i>Sources</i>	
<i>Is the legal framework effective?</i>	<ul style="list-style-type: none"> ▪ Yes ▪ No, Level B route is required