
MEMORANDUM OF UNDERSTANDING

BETWEEN

REPUBLIC OF KOREA

AND

KINGDOM OF CAMBODIA & SOCIALIST REPUBLIC OF VIET NAM

**FOR IMPLEMENTATION OF ASEAN-ROK FOREST COOPERATION
PROJECT:**

**“PROMOTION OF FOREST REHABILITATION IN CAMBODIA AND VIET
NAM THROUGH DEMONSTRATION MODELS AND IMPROVEMENT OF
SEED SUPPLY SYSTEM”**





MEMORANDUM OF UNDERSTANDING (MOU)

Provision of funds from the Korea Forest Service
to
Forestry Administration (FA) of Cambodia and Viet Nam Administration of Forestry
(VNFOREST) of Viet Nam

for implementation of ASEAN-ROK Forest Cooperation Project

“Promotion of forest rehabilitation in Cambodia and Viet Nam through demonstration models and improvement of seed supply system”

1. Introduction

- a) At the invitation of proposals for new regional projects by the Korea Forest Service (hereinafter referred to as "KFS") of the Republic of Korea (hereinafter referred to as "ROK") during the 3rd Session of the Governing Council of the Agreement between the Governments of the Republic of Korea and the Member States of the Association of Southeast Asian Nations on Forest Cooperation (hereinafter referred to as "AFoCo Agreement") on 18 October 2013, new regional project proposals have been presented at the 4th Session of the Governing Council on 30 April 2014. As agreed and guided by the Governing Council of AFoCo Agreement, KFS is committed to support funding for the implementation of "ASEAN-ROK Forest Cooperation Project: **Promotion of forest rehabilitation in Cambodia and Viet Nam through demonstration models and improvement of seed supply system**" (hereinafter referred to as "Project").
- b) The KFS, through the Secretariat of the AFoCo Agreement (hereinafter referred to as the "Secretariat"), will make available to Cambodia and Viet Nam (hereinafter referred to as "Implementing Countries") a financial contribution for implementation of the Project, specified under Article 6 "Terms of Payment" of this Memorandum of Understanding (hereinafter referred to as "MOU"). The Project will be implemented for five (5) years over the period from 2015 to 2020. The Forestry Administration of Cambodia (hereinafter referred to as "FA") will be the lead coordinating agency of the project.

2. Purpose

- a) Funds transferred by the KFS through the Secretariat under this MOU will be used by Implementing Countries exclusively for implementation of the activities identified in the Project Document as attached in Annex-1, which constitutes an integral part of this MOU.
- b) The project information, objectives, outputs, work plan, budget plan, implementation arrangement, monitoring arrangement and the inputs provided by the Implementing Countries, if any, are given in detail in the attached Annex-1 entitled "Project Document".

3. General Conditions

- a) The Implementing Countries will immediately carry out necessary management actions for implementation of activities identified in the Project Document with reference to the Operating Guidelines (Annex-2) and the domestic regulations of each country".
- b) Upon coming into effect of this MOU, FA will immediately appoint a Project Director and Support Staff under the terms and conditions identified in the Project Document and Operating Guidelines as well as in accordance with the domestic regulations of Cambodia.
- c) FA will provide a furnished office for the purpose of coordination and effective implementation of activities under the project.
- d) All intellectual property rights (including copyright) in respect of any technological development, products or services development to be carried out jointly under this MOU will be jointly owned by the respective countries. For those carried out through the sole and separate effort of the individual countries, will be owned by the country concerned. This provision will survive the expiration or termination of this MOU.
- e) All publications and technical reports resulting from implementation of this project will carry statements of appropriate recognition to the contribution and role of KFS and Implementing Countries.
- f) The personnel assigned under this MOU for the operation of the activities will not enjoy any compensation or reimbursement by the KFS or the Secretariat.
- g) In accordance with the provisions under Article XIV of the AFoCo Agreement, the termination of AFoCo Agreement will not affect the on-going implementation under this MOU. In case of termination of AFoCo Agreement prior to completion of the project, the Sides concerned to this MOU will discuss and decide on the activities related to the Governing Council and Secretariat of the AFoCo Agreement.

- h) If the continued implementation of the project under this MOU becomes impossible or impractical, any Side concerned will, through the Secretariat, notify the other Sides its intention and reason for termination of the project at least one (1) month prior to this effect. However, such termination will be in effect upon consent by all Sides.
- i) Implementing Countries will ensure that the activities are implemented as effectively as possible in accordance with the Project Document. In the event of failure to comply with the terms of this MOU, the Implementing Countries will provide clarification. Without such clarification, the payment of fund will be suspended or terminated. As such, Implementing Countries will refund to the Secretariat any payment already received in respect of activities that have not been performed in accordance with the Project Document.

4. Reporting

- a) The Implementing Countries will submit the project progress reports to the Governing Council through FA, every six (6) months.
- b) The Implementing Countries will submit to the Governing Council through FA, the financial status report which comprises balance sheet, statement of cash flow and statement of expenditures every six (6) months.
- c) The Implementing Countries will disseminate and share with the other members of the AFoCo Agreement, the outputs of project implementation such as study paper, technical document and policy brief within six (6) months after completion of each activity.
- d) The Implementing Countries will submit to the Governing Council through FA, a final project completion report within six (6) months after completion of the last activity of project.
- e) The Implementing Countries, through the Secretariat, will submit to the KFS and the Governing Council, a final audited statement of accounts and an itemized statement of expenditures certified by an independent auditor or a similar third party auditor, following the completion of the last activity of project.
- f) The Implementing Countries will maintain supporting documentation showing the utilization of funds under this MOU and all other documentation and records related to the activities for a period of five (5) years following the completion of the activities, during which period, the Governing Council or a person designated by the KFS will have the right to review or audit the relevant records.
- g) All documents and reports will be done in English language.

5. Monitoring Arrangement

Subject to approval by the Governing Council, the taskforce for assessment for implementation of the AFoCo Agreement will independently monitor the progress of the implementation of the activities and report to the Governing Council under the terms and conditions set forth by the Governing Council.

6. Terms of Payment

- a) For the implementation of the activities under this MOU, the KFS through the Secretariat will make the payment as follows:
 - i. The payment will be made upon the recommendation by FA on the financial request by Implementing Countries on quarterly basis with reference to the work plan and budget plan of the Project Document (Annex-1) and the Operating Guidelines (Annex-2); and
 - ii. The fund allocation for implementation of activities in the Implementing Countries will be up to one million United States dollars (USD 1,000,000) as specified under the budget plan of the Project Document (Annex 1).
- b) The Secretariat will remit the above-mentioned payments in accordance with the banking instructions provided by the Implementing Countries as attached in Annex-3.

7. Settlement of Disputes

Any dispute between the Sides arising out of the interpretation or execution of this MOU will be settled amicably through mutual consultations and/or negotiations among the Sides, without reference to any third party or international tribunal.

8. Amendments

Any amendment to this MOU will be effected by consensus among the Sides.

9. Coming into Effect

This MOU will come into effect upon signature by all Sides.

IN WITNESS WHEREOF, the undersigned, duly authorized thereto by their respective Governments, have signed this MOU.

DONE at Busan, Republic of Korea, this Ninth day of December Two Thousand and Fourteen, in three original copies, in English language.

Sides to this MOU	Signature
1. Korea Forest Service 189 Cheongsa-ro, Seo-gu Daejeon Republic of Korea, 302-701	LEE, Changjae Director General
3. Forestry Administration Ministry of Agriculture, Forestry & Fisheries #40, Preah Norodom Blvd, Phnom Penh Kingdom of Cambodia	H.E. Chheng Kimsun Delegate of the Royal Government and Head
3. Viet Nam Administration of Forestry (VNFOREST) No. 2, Ngoc Ha Street, Ba Dinh District Hanoi Socialist Republic of Viet Nam	H.E. Ha Cong Tuan Vice Minister/Director General

Project Document

Project title	Promotion of forest rehabilitation in Cambodia and Viet Nam through demonstration models and improvement of seed supply system
Supervisory agency	Ministry of Agriculture, Forestry and Fisheries (Cambodia) and Ministry of Agriculture and Rural Development (Viet Nam)
Executing agencies	Institute of Forest and Wildlife Research and Development (Cambodia) and Research Institute for Forest Ecology and Environment (Viet Nam)
Expected project duration:	5 years (2015 to 2020)
Target areas:	Cambodia: Phnom Penh, Siem Reap and Preah Sihanouk provinces Viet Nam: Ha Noi and Hoa Binh province)
Total budget (USD)	US\$ 1,000,000 requested from AFoCo/KFS US\$ 200,000 Contribution (in kind) from Cambodia and Viet Nam

Abbreviations and Acronyms

AFoCo	ASEAN-ROK Forest Cooperation
DSA	Daily Subsistence Allowance
FA	Forestry Administration
GDANCP	General Department of Administration for Nature Conservation and Protection
IRD	Institute of Forest and Wildlife Research and Development
KFS	Korean Forest Service
MAFF	Ministry of Agriculture, Forestry and Fisheries (Cambodia)
MARD	Ministry of Agriculture and Rural Development (Viet Nam)
NGO	Non-Government Organization
PMU	Project Management Unit
PSC	Project Steering Committee
VNFOREST	Viet Nam Administration of Forestry

Contents

<u>Abbreviations and Acronyms</u>	2
<u>1. Rationale</u>	3
<u>1.1 Project Context and Justification</u>	3
<u>2. Project Information</u>	5
<u>2.1 Guiding Principles</u>	5
<u>2.2 Regionality</u>	6
<u>2.3 Participants</u>	6
<u>2.4 Beneficiaries and Stakeholders</u>	6
<u>3. Goals, Objectives and Outputs</u>	7
<u>3.1 Goals</u>	7
<u>3.2 Objectives</u>	7
<u>3.3 Outputs/Deliverables</u>	8
<u>4. Work Plan and Staffing Plan</u>	10
<u>4.1 Indicative work plan</u>	10
<u>4.2 Staff resource plan</u>	12
<u>5. Management and Implementation Arrangements</u>	13
<u>5.1 Management arrangements</u>	13
<u>5.2 Implementation arrangements</u>	13
<u>5.3 Monitoring and evaluation</u>	14
<u>5.4 Reporting</u>	14
<u>6. Budget Plan and Arrangements</u>	15
<u>6.1 Budget from AfoCo</u>	15
<u>6.2 Budget contribution by Cambodia and Viet Nam</u>	17
<u>6.3 The Budget Line Items</u>	17
<u>7. Support Information</u>	19
<u>7.1 Sustainability</u>	19
<u>7.2 Potential risks and mitigation strategy</u>	20
<u>7.3 Potential gender, environmental and social impacts</u>	20
<u>7.4 Possible follow-up projects</u>	21
<u>8. Attachment</u>	23

1. Rationale

1.1 Project Context and Justification

By 2010, about 69,000 ha of forest plantations were established in Cambodia, the least area compared to neighboring countries (FAO, 2010). One of the influential factors in the promotion of reforestation programmes is the access to tree seeds/planting materials which is difficult in Cambodia as the country is lacking a seed distribution system.

The availability of quality seeds is one of the principal barriers affecting the development of forest plantations (Varmola and Carle, 2002). A number of tropical trees produce only a small amount of seed every year, and others have an intermittent seed production with intervals of several years (Schmidt, 2000). More significantly, in fragmented forest landscapes or degraded areas, finding good quality parent plants for seed collection is very difficult. Many tropical trees produce recalcitrant seeds, e.g., the Dipterocarpaceae, the most widely planted indigenous species, and long-term storage of this type of seed remains a challenge (Blakesley *et al.*, 2002). Therefore, seeds have to be moved as quickly as possible from the sources to the users. There are a number of identified seed sources in natural forests, established by the Cambodia Tree Seed Project 10 years ago, across Cambodia where a number of mother trees of 20 tree species were marked for seed collection (FLD *et al.*, 2006). However, only a limited amount of seeds of, particularly, *Dalbergiacochinchinensis* have been collected from the sources. The identified seed sources in natural forests represent the early stage in the tree improvement strategy. In addition to the limited availability of seed sources, the mechanism to moving seeds from seed sources to seed users is lacking.

Being the neighboring nation of Cambodia, Viet Nam also has problems with degradation of forest and forest land. The forest cover of Viet Nam had dramatically declined from 43% in 1943 to around 28% in 1985. Since 1990s, the forest cover of Viet Nam has gradually increased to about 39.5% in 2013 due to a huge effort of the country (Dang *et al.*, 2001, MARD, 2014). Despite a great result achieved, however, Viet Nam still has a huge open and degraded area, which need to significantly rehabilitate. Furthermore, most natural forest of the country is in poor condition that also requires suitable silvicultural methodologies such as replanting, enrichment, agro-forestry and good management to improve its quality (MARD, 2013). These problems occur in all forest types of Viet Nam and the watershed forest has no exception, despite its extremely important function for ecological environment protection, biodiversity conservation, economic development and daily life maintenance of nearby and down-stream people.

Hoa Binh is a mountainous province of Viet Nam, located in the northwest of the country, just about 70 km northwest of Hanoi. The total land area of the Province is 460,869 ha, of which watershed forest area occupies 239,993 ha, covering 49.3% of the total land area of the Province (MARD, 2013). The watershed forest of Hoa Binh Province is very important in terms of ecological environment protection, biodiversity conservation, economic development and poverty alleviation. Especially, this watershed forest is feeding the biggest hydro-power plant of the country, also has a great impact on the daily life of people in the province and downstream. The watershed also harbors various forest ecosystems that play a great role in controlling water sources, protecting ecological environment and mitigating the negative impact of climate change. More importantly, nearly 3 million people from 23 ethnic minorities settle in the northwest region, of which ethnic minorities comprise over 80% of the regional population.

Despite its important role, the watershed forest of the province has been severely degraded. Currently, the province still has 133,421 ha of bare land which needs to be reforested and rehabilitated in order to protect the ecological environment, conserve biodiversity, water source maintenance and improve living standards of local people. The natural forest of the watershed is generally in poor conditions that need suitable silvicultural methodology and management to improve its quality and protective functions.

There are several factors that have great impacts on the effort to rehabilitate the watershed forest of the region. Firstly, the province lacks sustainable and good seed sources and seedling production to support the rehabilitation program. Furthermore, the province is still struggling to establish standard demonstration models of forest rehabilitation which include, enrichment planting, agroforestry system and, more importantly, a community based-forest management. These models will be used for demonstrating new technique of forest rehabilitation to participants attending training courses, and, more importantly, they will demonstrate to local people and relevant stakeholders on how degraded forests and forested land in the region should be rehabilitated. Therefore, a project promoting access to improved seeds and quality seedlings, and demonstrating models of reforestation and forest rehabilitation is very important to the region and to the nation.

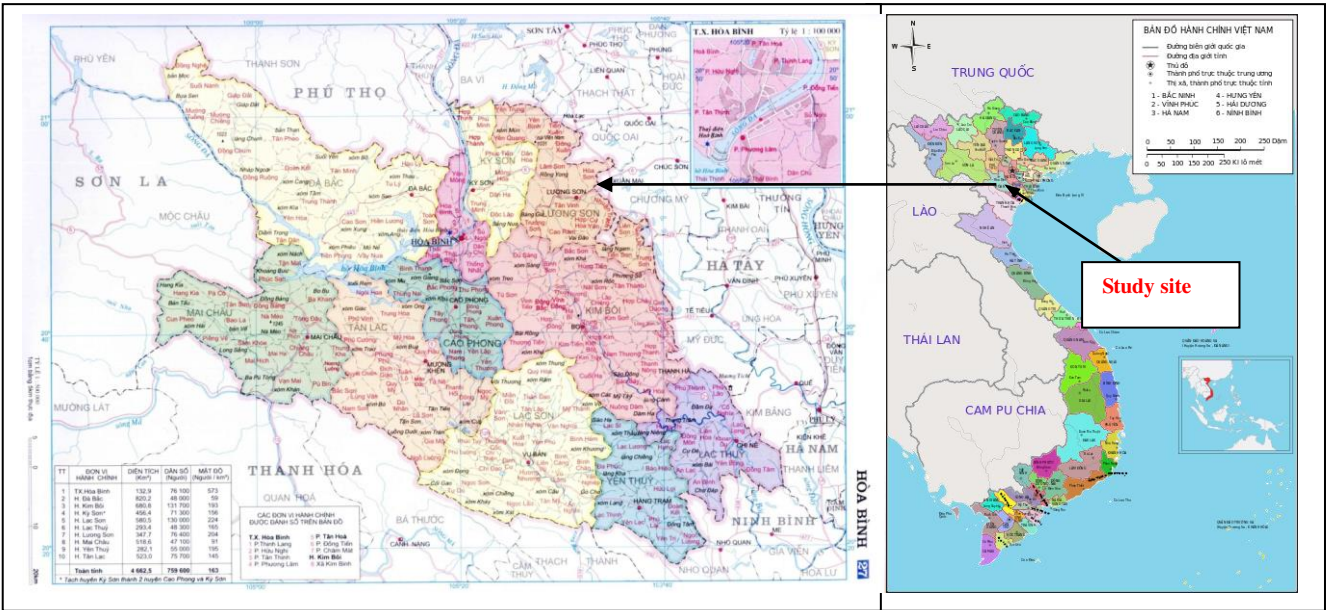


Figure 1. Map of Hoa Binh province, Viet Nam

2. Project Information

2.1 Guiding Principles

The primary goal of the project is “to promote reforestation and forest rehabilitation by a wider range of stake holders through better access to seeds/planting materials and good practices of demonstration rehabilitation models. The effective forest restoration can be achieved if there is strong participation of the communities, private sector, NGOs and government agencies. When the seeds/planting materials are easily accessible, stake holders will more or less participate in reforestation. In Cambodia, however, accessing to tree seeds is difficult as the country does not have an established seed distribution system to move seeds from seed sources to seed users. And this is one of the reasons that Cambodia stays behind its neighbors in terms of areas reforested annually. The current distribution system of tree seeds operates in an informal manner, with requests made to villagers to collect seeds from random mother trees, without assurance of the collection of good quality seeds. Given authority the FA is well placed to facilitate the transfer of seeds between producers and users, whilst promoting the establishment of a formal marketing system. Ongoing quality seed availability requires the networking and full cataloguing of seed sources, seed suppliers and the development of a quality control. A strong advertising campaign to promote the importance of using good seeds, and ongoing research into seed demand to ensure availability of the required species is a necessity.

Accessing to seeds has to start with the availability of seed sources; and this is the reason that establishment of seed production areas (in natural forests and plantations) was proposed. Both short-term, fast-growing tree species (exotic) and long-term, indigenous trees have been taken into considerations. The short term species will meet the need of local communities for fuel wood, poles and pulp wood while the long-term, high-value timber species will meet the need of timber production, carbon storage and biodiversity conservation. Seed dialers have to be identified and assisted (in terms of trainings and provided with basic equipment for seed collection and storage, and advertisement) in order that they can supply seeds to tree planting programmes.

Having seeds is not sufficient to convince stake holders to engage in tree planting or forest rehabilitation programmes. They need to learn how to establish forest plantations or conduct forest rehabilitation programmes to suit their budget and site conditions. This is why demonstration plots of forest rehabilitation/restoration were proposed. A few methods of forest rehabilitation including high-density planting of indigenous tree species, suitable for biodiversity conservation and watershed areas, agroforestry system, suitable in farmer’s land or where partnership forestry is promoted, and direct seeding—a low-cost method of forest restoration, which is suited to where biodiversity and protective function of the forest is the main concern. Demonstration of good practice of forest rehabilitation will encourage stake holders to actively participate in the tree planting and forest rehabilitation programmes.

In order to achieve the project goal, relevant stake holders will be involved in different stages of project implementation. The project's stakeholders include local communities, local authorities (local FA in Cambodia), private institutions, research institutions, and scientists. Local communities and authorities will be the main beneficiaries from the project. They will participate in and get benefits from seed collection and seedling production (in Viet Nam) which resulted in availability of quality seeds and seedlings. Local communities and authority will also be involved in the establishment of demonstration models of which they will learn from each other and from the scientists on how to develop the models. They will also be participated in training courses and workshops to be held by the project to strengthen skills and knowledge of local authority and communities to make sure the success of the rehabilitation programme.

2.2 Regionality

This project proposal tries to address the common problem of the two countries, deforestation and forest degradation. However, the methodologies proposed are not necessary exactly the same as the conditions and needs in each country are different. Viet Nam focuses more on the implementation of reforestation in a watershed area while Cambodia tries to address the basic needs in reforestation programmes, the availability of tree seeds, capacity building and demonstration of good practice. The component in Cambodia is clearly "promotion of reforestation and rehabilitation of degraded forests". Viet Nam is more advance in tree seed sector and tree improvement, particularly with fast-growing tree species, which can be shared with the Cambodian counterpart. A staff from the FA will be sent to Viet Nam for a short-term training course (on-the-job training) on tree improvement under supervision of the Viet Nam Administration of Forestry. In addition, improved planting materials of the fast-growing tree species that have been tested and used in Viet Nam will be brought to Cambodia for establishment of seed production areas. The two countries will also exchange tree seeds of indigenous tree species when they establish demonstration plots/areas of forest restoration.

In addition, a number of areas of common interests/concerns were proposed. One of the important outcomes, demonstration areas on forest restoration, will be established in each country. These demonstrations will showcase methodologies of forest restoration which can be implemented in different site conditions or in accordance to the objectives of forest rehabilitation/restoration programmes. For examples, high density planting of indigenous tree species are commonly used in watershed areas or where biodiversity is the main concern. Direct seeding, on the other hand, is used where the cost of reforestation programme is the main concern. As rehabilitation of degraded forest and forest land is a hot issue of many countries in the ASEAN countries, the demonstration models and lessons learned during the implementation of the project will be disseminated into other ASEAN countries. Workshops and meetings about issues related to forest rehabilitation will also be organized to exchanged knowledge and skills among ASEAN countries. The two countries will jointly publish lessons learned from the implementation of the forest restoration project. The publication (proceeding or paper) will be distributed at the completion workshop. The lessons learned from the project implementation have a great potential of expanding to other countries in the Mekong Sub-region.

2.3 Participants

The Forestry Administration's Institute of Forest and Wildlife Research and Development and the Research Institute for Forest Ecology and Environment, the proponents of this proposal, will be the main implementing agencies. The component in Cambodia will also involve local Forestry Administration in Siem Reap province as an implementing partner. The component in Viet Nam will involve the Sub-Department of Forestry, Sub-Department of Forest Protection and the Environmental Experiment Research Center in Hoa Binh provinces as implementing partners. Some relevant agencies and institutions, such as the Research Institute for Forest Tree Improvement, PMU of Da River Protection Forest, Thuong Tien Nature Reserve will be invited to participate in the project. Apart from the agencies mentioned above, local authorities and communities of Districts and Communes within or nearby the project site will also be invited to implement the activities of the project.

2.4 Beneficiaries and Stakeholders

Promotion of reforestation and forest rehabilitation will generally benefit the whole nation. Of particular beneficiaries are stakeholders in the reforestation and forest rehabilitation programmes. These are farmers, local communities managing community forests, local NGOs and IOs, tree planting companies, and local government agencies which include FA, GDANCP (in Cambodia) and relevant Sub-Departments and

research institutions in Viet Nam. These stakeholders will benefit from the project in terms of capacity building on seed collection, seed handling and marketing through attending training courses and workshops, visits to the demonstration sites, and ease of access to reliable planting materials and other services (below). They will also generate income through seed sales.

The private companies will be able access to improved planting materials and services, such as seed testing and consultancies provided by the tree seed laboratory. Tree planting companies get the most benefit of the seed distribution system and tree improvement considering their large-scale tree planting programmes. Local communities, currently managing nearly 400 000 ha of natural forests in Cambodia, are well placed to manage natural forests where identified seed sources will be located. Commercialization and marketing of quality tree seeds will generate additional income for villagers, and highlights the importance of widening marketing opportunities to a broader range of forest products. Individual farmers do not involve in large-scale reforestation programmes, however, their numbers outweigh the tree planting companies. A recent study in Cambodia indicates that annual income generated from family woodlots of rural communities ranked the third after rice and livestock production (Maningo, 2014). It is not known, however, the number of farmers own family woodlots. When the seed distribution put into operation, it is expected that more farmers will participate in tree planting which resulted in the diversification of rural economy. The Forestry Administration, on the other hand, has the formal management authority over the majority of the forested areas. Currently, local FA manages a few identified seed sources in natural forests, and it has some technical expertise in tree seed technology. The capacity of the FA on seed technology and marketing of seeds will be improved. A seed laboratory equipped with supporting facilities will be established at the Institute of Forest and wildlife Research and Development (IRD), and two staff members of the IRD will be trained in seed technology. These will enable the IRD to provide services, which include trainings, seed testing and consultancies, to other stakeholders. Trained staff at the IRD's seed laboratory will play a coordinating role between the suppliers and users of tree seeds.

In Viet Nam, the management and control of seed sources and seedling production of the province and its districts will be improved to make sure a good and standard seedling sources for the afforestation and rehabilitation programmes. Knowledge and skill of the staff at research institutions, Sub-department of Forestry, PMU of Da River Protection Forest will also be improved through trainings, workshops, meetings and implementing activities organized by the project. In addition, the forest rehabilitation program will in turn provide local people with good environment, good biodiversity conservation and maintain good water sources for the hydro-power plant and for the daily life of people nearby and downstream.

3. Goals, Objectives and Outputs

3.1 Goals

The project goal is to promote forest rehabilitation in Cambodia and Viet Nam through better access to quality seeds/planting materials and good practices of forest rehabilitation and management models.

3.2 Objectives

The project has the following objectives:

1. To initiate a seed distribution system in Cambodia with identified seed sources and seed distributors
2. To establish a tree seed laboratory with supporting facilities and trained staffing in Cambodia
3. To improve seed sources and seedling production and management in Viet Nam
4. To establish demonstration models of forest rehabilitation in Cambodia and Viet Nam
5. To assess the impact of forest rehabilitation on the environment and climate change in Viet Nam

3.3 Outputs/Deliverables

The project proposal has six outputs. The outputs and their deliverable indicators with responsible country are shown in the table below:

Output	Indicator	Responsible country
Output 1: Seed sources in natural forests identified and seed production areas established	• Between 5 and 10 seed sources in natural forests identified by the end of year 2.	Cambodia
	• One staff member from the IRD attended an on-the-job training in Viet Nam on tree improvement for two to three months by the end of year 1.	Cambodia
	• Two seed production areas, one ha each, of fast-growing species established by the end of year 4	Cambodia
	• Two seed production areas (one ha each) of indigenous trees established by the end of year 3	Cambodia
	• Existing seed production areas of indigenous tree species in Kbal Chhay Watershed maintained and monitored.	Cambodia
Output 2: Improvement of seed sources, seedling production and management in Hoa Binh Province	• A assessment report on nursery system, seed sources and seedling production and management	Viet Nam
	• A strategy/plan to manage and develop good seed sources and seedling productivity	Viet Nam
	• Four staff of a research center and Sub-department of forestry of Hoa Binh are trained on seed testing, preservation, seedling production and management and tissue culture technology.	Viet Nam
	• Two curriculums for 2 technical trainings: (i) Nursery system; seed collection, handling and marketing; seed sources production and management; (ii) Seedling production and tending of some main forest tree species for forest planting and rehabilitation.	Viet Nam
	• Six training courses on: (i) Nursery system; seed collection, handling and marketing; and seed sources production and management; and (ii) Seedling production and tending of some main forest tree species for forest planting and rehabilitation for staff of relevant agencies and institutions	Viet Nam
Output 3: A tree seed laboratory and tissue culture laboratory established with supporting facilities and trained staff and put into operation	• Two staff members from the IRD sent to Korea for a period between two and three months each for on-the-job training on seed technology by the end of year 2.	Cambodia
	• A tree seed laboratory equipped with supporting facilities established at the IRD and put into operation by the end of year 3.	Cambodia
	• Between 50 and 100 kg of seeds collected/purchased for distributing to seed users and seed testing.	Cambodia

Output	Indicator	Responsible country
	<ul style="list-style-type: none"> A list of methods of seed pretreatment and storage for tree species prepared by the end of year 5. 	Cambodia
	<ul style="list-style-type: none"> A tissue culture laboratory (Lab) is established and operated to improve the quality and quantity of seedling sources in the region. 	Viet Nam
Output 4: Tree seeds distribution system in Cambodia established	<ul style="list-style-type: none"> A seed demand survey conducted in year 1. 	Cambodia
	<ul style="list-style-type: none"> Four training courses on seed collection, seed handling, and marketing of tree seeds conducted by the end of year 5. 	Cambodia
	<ul style="list-style-type: none"> Between 10 and 15 seed suppliers which include communities, farmers, private sector, local government agencies identified by the end of year 3. 	Cambodia
	<ul style="list-style-type: none"> Between 5 and 10 seed suppliers from communities, private sector/individual, and/or government agencies identified and equipped with some basic equipment for seed collection, seed handling and storage and marketing. 	Cambodia
	<ul style="list-style-type: none"> Two leaflets, a booklet and poster of 1,000 copies each, on tree seeds produced for training and marketing purpose by the end of year 5. 	Cambodia
	<ul style="list-style-type: none"> List of seed sources and seed suppliers and seed users developed and uploaded to the IRD's website. 	Cambodia
Output 5: Demonstration plots of forest rehabilitation established and monitored	<ul style="list-style-type: none"> A demonstration plot, about 0.5 to 1 ha, on forest restoration by high-density planting of indigenous tree species established by the end of year 2 and maintained and monitored until completion of the project. 	Cambodia
	<ul style="list-style-type: none"> A demonstration plot, about 0.5 to 1 ha, on forest restoration by high-density of direct seeding of indigenous tree species established by the end of year 3 and maintained and monitored until completion of the project. 	Cambodia
	<ul style="list-style-type: none"> The forest restoration plots, about 2 ha, established under individual AFoCo project in Siem Reap province, maintained and monitored until completion of the project. 	Cambodia
	<ul style="list-style-type: none"> Survey report and model designs of new planting, enrichment, agro-forestry and community based forest management in watershed forest area in the region. 	Viet Nam
	<ul style="list-style-type: none"> Ten hectares of new planting model (with both suitable native and exotic species) 	Viet Nam
	<ul style="list-style-type: none"> Ten hectares of enrichment model (with both suitable native and exotic species) 	Viet Nam
	<ul style="list-style-type: none"> Ten hectares of agro-forestry model (with suitable native, NTFP and exotic species) 	Viet Nam

Output	Indicator	Responsible country
	• Community based forest management (in one commune)	Viet Nam
	• One curriculum for the technical training: Rehabilitation of degraded watershed forest: techniques and management.	Viet Nam
	• Two training courses on: Rehabilitation of degraded watershed forest: techniques and management.	Viet Nam
	• Permanent plots for data collection: soil erosion and water pattern under different forest types.	Viet Nam
	• Permanent plots/equipment for hydrological data collection: e.g. temperature, rainfall, wind speed, humidity, sunlight time	Viet Nam
	• Permanent plots for tree growth data and demography of species components	Viet Nam
	• Technical report and publications: Impact of forest rehabilitation on the environment and climatic change in watershed forest.	Viet Nam
	• A proceeding compiling lesson learned on forest restoration in Cambodia and Viet Nam published by the end of year 5.	Cambodia + Viet Nam
	• Between two and four field visits to the models of forest rehabilitation organized by the end of year 5	Cambodia
Output 6: Support to operation, monitoring and evaluation	• Inception and completion workshops and reports	Cambodia + Viet Nam
	• Five Project Steering Committee Meetings and reports	Cambodia + Viet Nam
	• Semi-annual progress reports	Cambodia + Viet Nam
	• Five annual progress reports	Cambodia + Viet Nam
	• Five audit reports	Cambodia + Viet Nam
	• Five Project Steering Committee Meetings and reports	Cambodia + Viet Nam

4. Work Plan and Staffing Plan

4.1 Indicative work plan

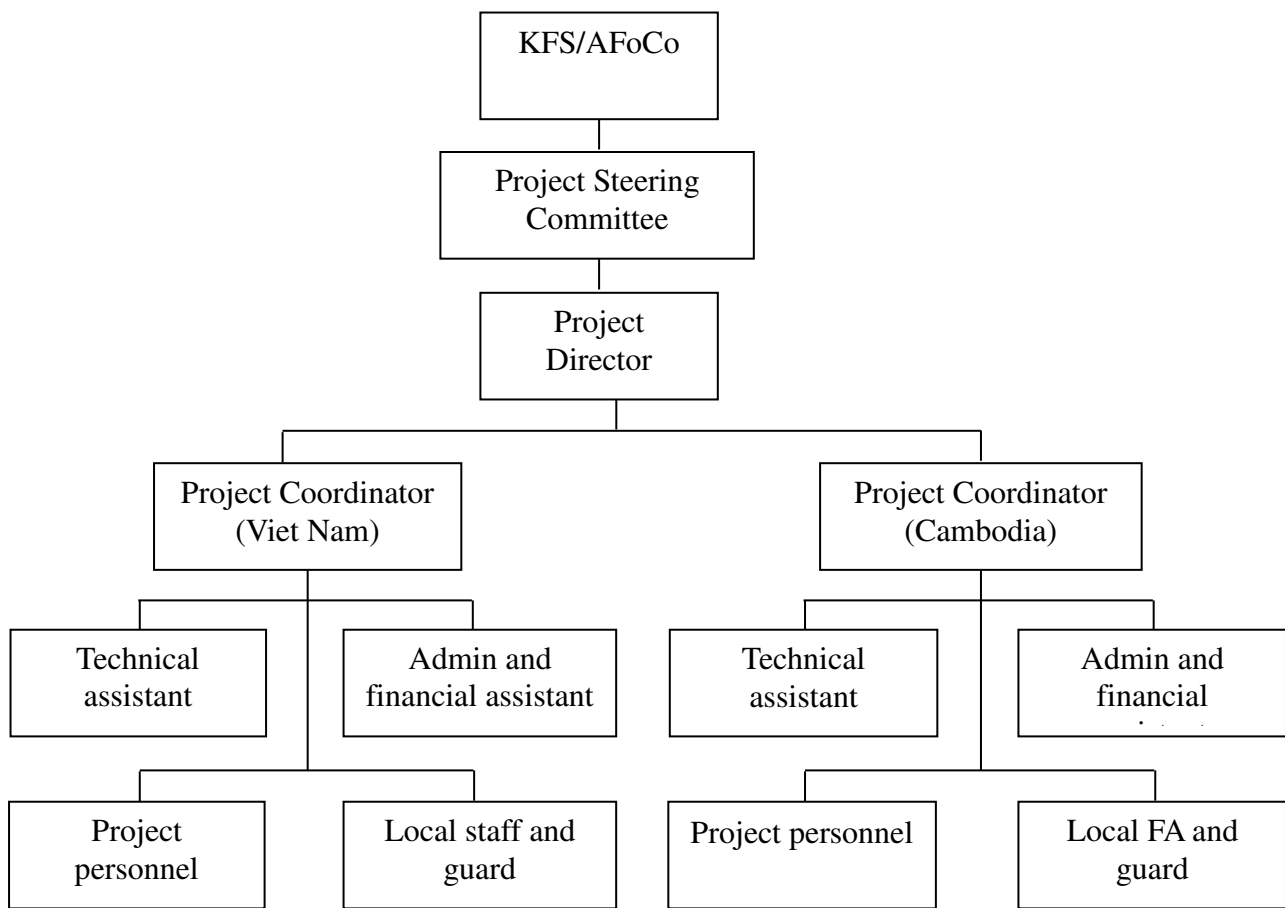
The five-year work plan of the proposed project is shown in the table below:

Output and Activity No.	Outputs / Key Activities	Planning by year					Imp. country	Res. person
		1	2	3	4	5		
Output 1	Seed sources in natural forests identified and seed production areas established							
Activity 1.1	Identify seed sources of priority tree species in natural forests resulted in the list of seed sources, tree species, and seed suppliers						CA	Consultant + PMU
Activity 1.2	On-the job training of one FA personnel on tree improvement in Viet Nam						CA	PMU
Activity 1.3	Establish, maintain and monitor two seed production areas of two fast-growing tree species, one ha each						CA	PMU
Activity 1.4	Establish, maintain and monitor three seed production areas of three priority, indigenous tree species, one ha each						CA	PMU

Output and Activity No.	Outputs / Key Activities	Planning by year					Imp. country	Res. person
		1	2	3	4	5		
Activity 1.5	Maintain and monitor the existing seed production areas in Kbal Chhay Watershed Protected Area						CA	PMU
Output 2	Improvement of seed sources, seedling production and management in Hoa Binh province							
Activity 2.1	Survey on nursery system, seed sources and seedling production and management						VN	
Activity 2.2	Develop a strategy to develop, use and manage seed sources and seedling production						VN	
Activity 2.3	Organize trainings to improve capacity of seed and seedling production and management						VN	
Output 3	A tree seed laboratory and tissue culture laboratory established with supporting facilities and trained staff and put into operation							
Activity 3.1	On-the job training of two FA personnel on tree seed technology in Korea						CA	PMU
Activity 3.2	Established a tree seed laboratory (laboratory space)						CA	Consultant + PMU
Activity 3.3	Procurement and installation of equipment and tools for the seed laboratory						CA	Consultant + PMU
Activity 3.4	Collection and purchase of seeds						CA	PMU
Activity 3.5	Running of tree seed laboratory (seed testing and storage)						CA	PMU
Activity 3.6	Running of the existing tissue culture laboratory						CA	PMU
Activity 3.7	Establish and operate a tissue culture laboratory (Lab) in Hoa Binh Province						VN	
Output 4	Tree seeds distribution system in Cambodia established							
Activity 4.1	Conduct a seed demand survey						CA	Consultant + PMU
Activity 4.2	Conduct trainings/training workshops on seed collection, handlings and seed storage to selected seed suppliers						CA	Consultant + PMU
Activity 4.3	Identify and equip potential seed suppliers with basic equipment and tools for startup seed distribution system						CA	Consultant + PMU
Activity 4.4	Produce/Reproduce training and marketing materials (booklets, leaflets and posters)						CA	Consultant + PMU
Activity 4.5	Marketing of tree seeds (distribution of materials, organize field visits to seed sources, workshops and upload list of seed catalogue onto the IRD's website)						CA	PMU
Output 5	Demonstration plots of forest rehabilitation established							
Activity 5.1	Establish, maintain and monitor a demonstration plot on forest restoration by high-density planting of mix, indigenous tree species in Siem Reap province						CA	Consultant + PMU
Activity 5.2	Establish, maintain and monitor a demonstration plot on forest restoration by direct seeding of mixed species in Siem Reap province						CA	Consultant + PMU
Activity 5.3	Maintenance of the forest restoration plots established under individual AFoCo project in Siem Reap province						CA	PMU
Activity 5.4	Carry out survey and develop designs of demonstration models on new planting, enrichment, agro-forestry, and community based forest management						VN	
Activity 5.5	Establish and maintenance of the demonstration models on new planting, enrichment, agro-forestry, and community based forest management						VN	
Activity 5.6	Study the impact of forest rehabilitation on soil, water sources, hydrologic patterns and biodiversity conservation in Watershed forest of Hoa Binh						VN	
Activity 5.7	Compiling of lessons learned on forest restoration in Cambodia and Viet Nam						CA + VN	Consultant + PMU
Activity 5.8	Organize field visits of relevant stake holders to the models forest restoration						CA	PMU
Output 6	Support to operation and monitoring							
Activity 6.1	Inception, establishment of the PSC, hiring and orientation of staff and inception workshop						CA + VN	PMU
Activity 6.2	Completion workshop						CA + VN	PMU
Activity 6.3	Auditing						CA + VN	Auditors+ PMU
Activity 6.4	Meetings/workshops of the project staff + project steering committee (in Cambodia and Viet Nam)						CA + VN	PMU

4.2 Staff resource plan

The project organization chart is as follow:



Project management team

No.	Project personnel	Number	Role/Duty station	Remark
I. Project Steering Committee				
1	Representative of the Forestry Administration	1	Head	
2	Representative of the Viet Nam Administration of Forestry	1	Deputy Head	
3	Representative of the AFoCo	1	Member	Optional
4	AFoCo focal points in the two countries	2	Member	
5	Project Director	1	Member	
6	Project Coordinators	2	Member	
II. Project Director		1	Phnom Penh	Part time
III. Project Management Unit (Cambodia)				
1	Project Coordinator	1	Phnom Penh	Part time
2	Admin and financial assistance	1	Phnom Penh	Part time
3	Technical assistance	1	Phnom Penh	Full time
4	Project personnel	2	Phnom Penh	Part time
5	Local project staff (local FA)	2	Siem Reap	Part time
6	Guard	1	Siem Reap	Full time
III. Project Management Unit (Viet Nam)				
1	Project Coordinator	1	Ha Noi and Hoa Binh	Part time
2	Admin and financial assistance	1	Ha Noi and Hoa Binh	Part time
3	Technical assistance	1	Ha Noi and Hoa Binh	Full time

No.	Project personnel	Number	Role/Duty station	Remark
4	Project personnel	1	Ha Noi and Hoa Binh	Part time
5	Local project staff	2	Hoa Binh	Part time
6	Guard	1	Hoa Binh	Full time

5. Management and Implementation Arrangements

5.1 Management arrangements

A Project Steering Committee (PSC) will be established to oversee the project implementation. It is in direct coordination with AFoCo Secretariat. Members of the PSC include representatives from host institutions, Forestry Administration (a Deputy Director General) and Viet Nam Administration of Forestry, and a representative from the AFoCo Secretariat (optional), the AFoCo focal points in Cambodia and Viet Nam, the Project Director and the Project Coordinators. The PSC will meet annually, preferably in January. Ad hoc meetings, however, will be convened on request of the Project Director. The PSC will oversee the progress of and provide guidance to the project implementation. It has the authority to make decisions on the annual work plan and any changes of activities and budget plan proposed by the project Director. The PSC meeting will take place alternately in the two countries.

The project implementing body will be led by the Project Director (based in Cambodia). He is responsible for the planning and the overall project implementation in the two countries. The Project Director will directly report to the AFoCo Secretariat. In each country, a Project Management Unit (PMU) will be formed. The two units are under direct supervision of the Project Director. The PMU consists of a Project Coordinator, Financial Officer, Technical Assistant and project personnel (both at central and provincial levels).

5.2 Implementation arrangements

The roles and responsibilities of the project implementation body are as follows:

Position	Duties and responsibilities:
Project Director	<p>The Project Director will be working part-time with the project. His responsibilities are as follows:</p> <ul style="list-style-type: none"> ▪ Ensure the efficient flow of communication and reporting of the progresses of the project to the donor agency (AFoCo); ▪ Provide the overall supervision of the project and its staff; ▪ Responsible for the implementation of all project activities; ▪ Responsible for the timely producing of project outputs; ▪ Responsible for the management of the financial resources of the project;
Project Coordinator	<p>The Project Coordinators will be working part-time with the project. Their responsibilities are as follows:</p> <ul style="list-style-type: none"> ▪ Responsible for the implementation of the work plans and monitoring of the progress of the implementation of the field activities in their respective countries; ▪ Prepare biannual progress reports and annual report; and
Financial Assistant	<p>S/he is not a staff member of the FA or VNFOREST. S/he will be employed full time and paid by the project. S/he has the following responsibilities:</p> <ul style="list-style-type: none"> ▪ Responsible for handling of the project’s financial resources; ▪ Responsible for disbursement and liquidation of the financial resources of the project; ▪ Preparation of financial reports for auditing; ▪ Procurement of the vehicle and laboratory equipment;

Position	Duties and responsibilities:
Project Assistant	<p>S/he is not a staff member of the FA or VNFOREST. S/he will be employed full time and paid by the project. S/he has the following responsibilities:</p> <ul style="list-style-type: none"> ▪ Responsible for implementation of the work plans; ▪ In consultation with the project Coordinators, provide guidance to the project personnel and local staff; ▪ Responsible for liaison with or involvement of stake holders;
Project Personnel	<p>Project Personnel are staff members of FA and VNFOREST, but they are assigned to work with the project as team members of the PMU. They are not paid by the project. Their responsibilities are as follows:</p> <ul style="list-style-type: none"> ▪ Responsible for the running of the tree seed laboratory; and ▪ Participate in all project activities in the field.
Local project staff (local FA)	<p>These are staff members at the provincial level. They are assigned to work with the project as team members of the PMU. They are not paid by the project. They are responsible for assisting project Assistant in the implementation of field activities in Siem Reap and Hoa Binh provinces.</p>

5.3 Monitoring and evaluation

A designated official of KFS and the corresponding officer of the AFoCo Secretariat will monitor the progress of the implementation of the activities under the Implementation Agreement together with the relevant assigned officers of Recipient Organizations.

The internal monitoring system includes annual meeting of the PSC and the semiannually internal meeting of project staff (project management unit in each country meet separately). Meetings of the PSC will be conducted in Cambodia and Viet Nam alternately. The staff meetings will be held by the Project Implementation Unit in each country. It is a forum for reporting and discussion of all project related issues. It is also a forum where the Project Coordinators provide technical instructions to the local field staff and project personnel before the implementation of activities. The Project Coordinator also makes regular visits to the fields in order to check the progress of field activities. An independent auditing company will be hired to audit the project account annually.

5.4 Reporting

Three reports will be made available to the AFoCo annually during the project implementing period as follows:

No.	Report	Deadlines for submission
1	Progress report (every 6 months)	30 June, 31 December
2	Annual work plan for subsequent year × 1	31 December
3	Financial status report including balance sheet, statement of cash flow and statement of expenditures (every 6 months)	30 June, 31 December
4	Annual auditing report	31 January of the following year

The Project Implementation Unit of Viet Nam prepares a technical report, including the statement of expenditures, and send it to Cambodia. As a lead country, Cambodia will then prepare a regional report combining those from the two countries and submit it to KFS/AFoCo Secretariat.

6. Budget Plan and Arrangements

6.1. Budget from KFS

Output and Activity No.	Outputs / Key Activities	Budget by year (US\$)					Total (US\$)	country
		Year 1	Year 2	Year 3	Year 4	Year 5		
A. DIRECT ACTIVITY COSTS		159,000	128,600	176,400	177,000	176,000	817,000	
Output 1	Seed production areas established and seed sources in natural forests identified	31,800	15,200	14,400	12,200	5,700	79,300	
Activity 1.1	Identify seed sources of priority tree species in natural forests resulted in the list of seed sources, tree species, and seed suppliers	20,800	6,000				26,800	CA
Activity 1.2	On-the job training of one FA personnel on tree improvement in Viet Nam	8,000					8,000	CA
Activity 1.3	Establish, maintain and monitor two seed production areas of two fast-growing tree species, one ha each			6,500	6,500	1,000	14,000	CA
Activity 1.4	Establish, maintain and monitor three seed production areas of three priority, indigenous tree species, one ha each		6,200	4,900	2,700	1,700	15,500	CA
Activity 1.5	Maintain and monitor the existing seed production areas in Kbal Chhay Watershed Protected Area	3,000	3,000	3,000	3,000	3,000	15,000	CA
Output 2	Improvement of seed sources, seedling production and management in Hoa Binh province	19,000	6,600	15,400	8,000	8,000	57,000	
Activity 2.1	Survey on nursery system, seed sources and seedling production and management	10,000					10,000	VN
Activity 2.2	Develop a strategy to develop, use and manage seed sources and seedling production		2,600	7,400			10,000	VN
Activity 2.3	Organize trainings to improve capacity of seed and seedling production and management	9,000	4,000	8,000	8,000	8,000	37,000	VN
Output 3	A tree seed laboratory established with supporting facilities and three staff trained on seed technology	23,400	55,000	72,300	56,900	10,200	101,800	
Activity 3.1	On-the job training of two FA personnel on tree seed technology in Korea	18,000					18,000	CA
Activity 3.2	Established a tree seed laboratory (laboratory space)		4,000				4,000	CA
Activity 3.3	Procurement and installation of equipment and tools for the seed laboratory		7,600	30,000	17,000		54,600	CA
Activity 3.4	Collection and purchase of seeds			900	2,500	1,800	5,200	CA
Activity 3.5	Running of tree seed laboratory (seed testing and storage)		2,000	2,000	2,000	2,000	8,000	CA
Activity 3.6	Running of the existing tissue culture laboratory	2,400	2,400	2,400	2,400	2,400	12,000	CA
Activity 3.7	Establish and operate a tissue culture laboratory (Lab) in Hoa Binh Province	3,000	39,000	37,000	33,000	4,000	116,000	VN
Output 4	Tree seeds distribution system in Cambodia established	8,000	3,300	9,000	26,900	42,500	89,700	
Activity 4.1	Conduct seed demand survey	8,000					8,000	CA

Output and Activity No.	Outputs / Key Activities	Budget by year (US\$)					Total (US\$)	country
		Year 1	Year 2	Year 3	Year 4	Year 5		
Activity 4.2	Conduct trainings/training workshops on seed collection, handlings and seed storage to selected seed suppliers		3,300	4,500	8,000	11,000	26,800	CA
Activity 4.3	Identify and equip potential seed suppliers with basic equipment and tools for startup seed distribution system				5,000	17,000	22,000	CA
Activity 4.4	Produce/Reproduce training and marketing materials (booklets, leaflets and posters)				5,400	7,000	12,400	CA
Activity 4.5	Marketing of tree seeds (distribution of materials, organize field visits to seed sources, workshops and upload list of seed catalogue onto the IRD's website)			4,500	8,500	7,500	20,500	CA
Output 5	Demonstration for forest restoration plots established	42,800	32,500	49,300	57,000	75,600	257,200	
Activity 5.1	Establish, maintain and monitor a demonstration plot on forest restoration by high-density planting of mix, indigenous tree species in Siem Reap province	7,800	8,000	3,000	2,000	2,000	22,800	CA
Activity 5.2	Establish, maintain and monitor a demonstration plot on forest restoration by direct seeding of mixed species in Siem Reap province		5,500	16,300	2,000	2,000	25,800	CA
Activity 5.3	Maintenance of the forest restoration plots established under individual AFoCo project in Siem Reap province	2,000	2,000	2,000	2,000	2,000	10,000	CA
Activity 5.4	Carry out survey and develop designs of demonstration models on new planting, enrichment, agro-forestry, and community based forest management	10,000		5,000	5,000		20,000	VN
Activity 5.5	Establish and maintenance of the demonstration models on new planting, enrichment, agro-forestry, and community based forest management	11,000	11,000	15,000	26,000	39,000	102,000	VN
Activity 5.6	Study the impact of forest rehabilitation on soil, water sources, hydrologic patterns and biodiversity conservation in Watershed forest of Hoa Binh	12,000	6,000	6,000	6,000	10,000	40,000	VN
Activity 5.7	Compiling of lessons learned on forest restoration in Cambodia and Viet Nam			2,000	9,000	17,000	28,000	CA + VN
Activity 5.8	Organize field visits of relevant stake holders to the models forest restoration				5,000	3,600	8,600	CA
Output 5	Support to operation and monitoring	34,000	16,000	16,000	16,000	34,000	116,000	
Activity 5.1	Inception, establishment of the PSC, hiring and orientation of staff and inception workshop	18,000					18,000	CA + VN
Activity 5.2	Completion workshop					18,000	18,000	CA + VN
Activity 5.3	Auditing	6,000	6,000	6,000	6,000	6,000	30,000	CA + VN
Activity 5.4	Meetings/workshops of the project staff + project steering committee (in Cambodia and Viet Nam)	10,000	10,000	10,000	10,000	10,000	50,000	CA + VN
B. INDIRECT COST/SUPPORT TO		41,000	71,400	23,600	23,000	24,000	183,000	

Output and Activity No.	Outputs / Key Activities	Budget by year (US\$)					Total (US\$)	country
		Year 1	Year 2	Year 3	Year 4	Year 5		
OPERATIONS								
	Car (pick-up truck)	17,200	47,800				65,000	CA + VN
	Office facility	2,200	2,000	2,000	1,400	2,400	10,000	VN
	Financial Assistant	10,800	10,800	10,800	10,800	10,800	54,000	CA + VN
	Technical Assistant	10,800	10,800	10,800	10,800	10,800	54,000	CA + VN
	Total	200,000	200,000	200,000	200,000	200,000	1,000,000	

6.2 Budget contribution by Cambodia and Viet Nam

6.2.1 Budget contribution by Cambodia

Outputs / Key Activities	Budget by year (US\$)					Total
	Year 1	Year 2	Year 3	Year 4	Year 5	(US\$)
INDIRECT COST/SUPPORT TO OPERATIONS						
Office space for the tree seed and tissue culture laboratories	3,000	3,000	3,000	3,000	3,000	15,000
Electricity (for offices and laboratories)	1,500	1,500	1,500	1,500	1,500	7,500
Water (for offices and laboratories)	800	800	800	800	800	4,000
Land for demonstration and seed production areas	3,000	3,000	3,000	3,000	3,000	15,000
Telephone and Internet	700	700	700	700	700	3,500
Salary for four technical staff (Director, Coordinator, Staff, FAC)	11,000	11,000	11,000	11,000	11,000	50,000
Total	20,000	20,000	20,000	20,000	20,000	100,000

6.2.2 Budget contribution by Viet Nam

Outputs / Key Activities	Budget by year (US\$)					Total
	Year 1	Year 2	Year 3	Year 4	Year 5	(US\$)
INDIRECT COST/SUPPORT TO OPERATIONS						
Office space for the tissue culture laboratory	3,000	3,000	3,000	3,000	3,000	15,000
Electricity (for offices and laboratories)	1,500	1,500	1,500	1,500	1,500	7,500
Water (for offices and laboratories)	800	800	800	800	800	4,000
Land for demonstration model	5,000	5,000	5,000	5,000	5,000	25,000
Telephone and Internet	700	700	700	700	700	3,500
Salary for four staff (Coordinator, Staff)	9,000	9,000	9,000	9,000	9,000	40,000
Total	20,000	20,000	20,000	20,000	20,000	100,000

6.3 The Budget Line Items

Among the important cost component of the project are the following. The detailed breakdown of the costs is presented in Annex 1.

1. Project staffing. The project will be implemented by the staff members of the FA and some are recruited as full-time staff of the project. The part-time FA will not be provided with supplemental salary from the project. The salary of the project staff serves as counterpart of the FA.

Financial Assistant. The project will need an Admin/Finance Officer who will focus on the financial disbursements. A part-time staff will be recruited from outside of the Executing

Agencies. This is to ensure the safety and accountability of the financial resources. The Admin/Finance Assistant will receive a modest salary of \$400-500/month.

The project will also need a Technical Assistant who will assist the project Coordinator implementing field activities. A full-time staff will be recruited from outside of the Executing Agencies. This is to ensure the safety and accountability of the financial resources. The Project Assistant will receive a modest salary of \$400-500/month.

2. Consultants. An International Consultant will be hired to provide technical supports on the designing of the tree seed laboratory, identification of equipment and materials for the laboratory, and assisting in the start-up of the laboratory in Cambodia. The international consultant will work from his home country and in Cambodia. S/he will be paid at a rate of US\$ 400/day.

National consultants. The project will commission local consultants to conduct seed demand surveys, prepare training materials and provide assistance to organize trainings and workshops. They will serve as resource persons during meetings and workshops. The duration of their engagements will vary depending on the activities. For the individual experts/consultants, they will be paid at a daily rate of US\$150/day.

The local experts, together with the International Consultants will also be the resource persons for the training on restoration, seed collection, surveys and other studies that will be identified by the Project Director and Project Coordinators (Section 4.1).

3. Office Operation Cost. The office operation cost will include internet and communications (telephone), maintenance of project equipment, electricity and water. Some of these will be counterpart contribution to the project. Communication is essential in coordinating the operations as well as exchange of information among the staff and with stakeholders.
4. Purchase of Vehicle. Two vehicles, one for each country, will be purchased by the project to increase the mobility of the project staff during the course of project implementation in both Cambodia and Viet Nam. This is also part of building the capacity of the Tree Seed Offices in sustaining the project after it ends. Most of the seed sources areas and the rehabilitation models are in remote villages and project vehicle are indispensable in project implementation and monitoring.
5. Travels. Budget will be provided for the local travels of the Field Staff (provincial FA in Cambodia), Project Personnel and some village officials. The travels in the villages will sometimes require riding on a motorbike since some parts might not be accessible to vehicles. The Project Director or the Project Coordinators also need to travel to Viet Nam for coordination meetings. The host of the meetings will be held alternately by Cambodia and Viet Nam.
6. Cost of renovation of the Laboratory. At present, the FA has no established laboratory of tree seeds. A room in the Training Center will be converted to a laboratory. However, there is a need that the room has to be renovated to meet the specifications and fixtures have to be installed. It is the same in Viet Nam that a place is available for the seed testing/tissue culture lab establishment, but needs to be improved to fit new situations. The laboratory will also be equipped with relevant equipment and tools.
7. Laboratory Equipment. Laboratory equipment will be purchased to be installed at the laboratories. The equipment aims to increase the capability of the laboratories to store seeds and conduct experiments. The purchase of the equipment and tools as well as the design of the laboratory will be consulted with experts (most likely from Korea) to ensure that the design will conform to the international standards.
8. Cost of Design and Reproduction of Posters and Information Materials. The project intends to produce information materials that will promote the knowledge and learning from the project.

The technology derived from the project will be disseminated to the target seed suppliers to ensure that they will produce the quality seeds.

9. **Supplies and Materials.** The supplies and materials will be purchased for office, needed in the field and reagents for the laboratories. This budget item will also be used for the purchase of some seeds as well as some materials for the field operation such as plastic bags that will contain the seeds, among others.
10. **Venue Rental.** The project needs to disseminate its result to the wider public thru forum and meetings. The meetings may be conducted in a function room of an establishment to accommodate several people. Snacks and refreshments will be provided during meetings (including community gathering) and trainings.
11. **Labour Cost.** Labour costs will be provided to cover the expenses for the labourers doing the establishment of seed sources/seed sources and forest restoration areas, conducting surveys, and seed collection among others. The labourers to be hired will come from the locality where the project site is located.
12. **Audit Cost.** A budget of US\$ 3,000 per country will be provided for the independent auditing firm on the cash disbursement of the project. This is to ensure transparency of the operation of the project.

7. Support Information

7.1 Sustainability

This project is design in a way that the seed distribution system can still fully operate even after the completion of the project. The key players in the seed distribution system are the Forestry Administration, local communities, farmers and private sector. These players, either at the user side or supplied side, are assigned with clear tasks and responsibilities. The seed suppliers will be selected based on their ready access to the seed sources. They will be trained on seed collection, handling, seed storage and, particularly, marketing of tree seeds. Some of the suppliers, those that are in need of supports, will be equipped with basic equipment and tools for seed collection, handling and seed storage. A seed catalog with the detail of seed suppliers and tree species will be developed and distributed to seed users. Both seed suppliers and seed users will be invited to a training workshop on seed demand and supply in Cambodia which will allow the contact and networking between seed users and suppliers. This means that the seed distribution system has been put into operation. It is expected that this system will continue to operate even after the finish of the project. Even after the completion of the project, the Forestry Administration will continue playing the coordinating role between seed suppliers and users. Seed catalog will be maintained on the IRD's website and updated therefore, the seed users know where to go when they need seeds.

The demonstration sites in Cambodia will be maintained by the Institute of Forest and Wildlife Research and Development. The demonstration sites are located in a protected forest under the jurisdiction of the FA. The forest restoration sites will be used for demonstration and trainings for both local and central FA as well as wider stake holders, communities, NGOs, IOs, private companies, students and researchers. The two demonstration sites, high-density planting and direct seeding, will be planted with high-density of seedlings. This method will enable the seedlings to shade out the grass within a few years of planting; and, therefore, bring to an end the cost of weeding. A small budget, however, will be sought from the state budget for maintaining of the sites, such as pruning and thinning operation.

After the termination of the project component in Viet Nam, the demonstration models will be placed under the management of local authority and householders, and they will be used for demonstration, visiting and training. Extension staff and local householder and officers will be trained and they will then use the demonstration models and training curriculums for further training. Budget for training and extension model may get from state budget through the forest protection and management program and potential donors.

7.2 Potential risks and mitigation strategy

Some potential risks and mitigation strategies are summarized in the table below:

Potential risks	Mitigation strategy
Seed suppliers, local communities, local FA and private sector, are not interested in supplying of tree seeds	The project staff explains about the benefits from seed sale highlighting examples from the current seed suppliers. Provide technical supports, in terms of training and assist in marketing of tree seeds and establishment of seed sources; and Provide basic equipment and tools for seed collection, handling and storage.
Frequently transfer of the project staff from their assigned positions	There will be a backup of the project staff. Explain the decision makers about the importance of retaining the staff members in their positions throughout the project time frame.
Lack of good relationship between the project teams and stake holders	The project staff will build relationship and work closely with stake holders from the beginning
Land encroachment to and illegal cutting in the seed sources/seed production areas and the models of forest rehabilitation	<ul style="list-style-type: none">• Boundary demarcation;• Erect signposts;• Organize patrolling;• Build good relationship with local authorities and communities; and• Construction of fire breaks.
The selected communities, farmers, local FA and private sector may not continue to participate through the entire duration of the project	The selection of the communities, farmers, local FA and private sector should be strategically located and thoroughly assessed
Lack of qualified trainers on seed collection, handling and marketing	<ul style="list-style-type: none">• The project proponent has long experience with the tree seed sector. He can easily mentor a university lecturer to be a trainer.• International trainer/consultant is an alternative
Seed users do not trust the quality of seeds traded by seed suppliers	<ul style="list-style-type: none">• Carefully select seed suppliers to list in the seed catalogue;• Certify seed suppliers;• Seed suppliers keep records; and• Close monitoring and supervision by the FA, such as spot checks by the Tree Seed Office.

Whereas in Viet Nam, the demonstration models will last long, so that the land use for those purposes must be remained for ages. That is why the province authority will be involved in the project to make sure the longevity of the models established. Low awareness of local people, particularly ethnic authorities is also a problem to barrier their encroachment to new techniques and credit. The project will work closely with local authority and local people to solve this problem. However, this issue needs time to step up.

7.3 Potential gender, environmental and social impacts

The project is expected to bring socio-economic and environmental benefits to the direct and indirect beneficiaries of the project. Particularly, it will provide financial benefits and job opportunity to women, who will play an active role in implementation of the project. The selection of the participants to the training courses will base on the interests, both men and women have the same opportunities to attend the

courses. Women are encouraged to participate in seed collection and handling. Some of the activities in the seed distribution system, such as seed processing, packaging and testing, are more suitable to women than the men. Having a community's seed source means that jobs have been created right in the village, and villagers will participate in protection of the forests (seed sources). The demand for seed of *Dalbergia cochinchinensis*, is very high, and the price is skyrocketing in the past five years starting from about USD 150 in 2010 to USD 350 per kg seed in 2014. For some species, income from seed sale may not be high, but it adds up to that from the sale of NTFPs in general. Living standard and awareness of local people will be improved, and this will help to reduce deforestation in the region. Some of the seed sources may be located in the spiritual forests which are traditionally owned by local communities.

7.4 Possible follow-up projects

The current proposal on seed distribution system in Cambodia aims at establishing markets of tree seeds. It simply makes sure that seeds are available to seed users with minimum attention on seed quality. The seed quality control, such as certification, and development of relevant legal frameworks will be implemented in the second phase. In Viet Nam, the results achieved in the first phase such as the standard of seed sources and seedling production and management could be applied and extended into other regions the second phase. Furthermore, the demonstration models will be continued to support training and visiting of local people, and could be extended into other region. In addition, the study on the impact of rehabilitation activity on environment and climate change should be continued in the second phase as well.

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8. Attachment

8.1 Indicative work plan for Cambodia

Output and Activity No.	Outputs / Key Activities	Planning by year					Responsible person
		1	2	3	4	5	
Output 1	Seed production areas established and seed sources in natural forests identified						
Activity 1.1	Identify seed sources of priority tree species in natural forests resulted in the list of seed sources, tree species, and seed suppliers						Consultant + PMU
Activity 1.2	On-the job training of one FA personnel on tree improvement in Viet Nam						PMU
Activity 1.3	Establish, maintain and monitor two seed production areas of two fast-growing tree species, one ha each						PMU
Activity 1.4	Establish, maintain and monitor three seed production areas of three priority, indigenous tree species, one ha each						PMU
Activity 1.5	Maintain and monitor the existing seed production areas in Kbal Chhay Watershed Protected Area						PMU
Output 2	A tree seed laboratory established with supporting facilities and three staff trained on seed technology						
Activity 2.1	On-the job training of two FA personnel on tree seed technology in Korea						PMU
Activity 2.2	Established a tree seed laboratory (laboratory space)						Consultant + PMU
Activity 2.3	Procurement and installation of equipment and tools for the seed laboratory						Consultant + PMU
Activity 2.4	Collection and purchase of seeds						PMU
Activity 2.5	Running of tree seed laboratory (seed testing and storage)						PMU
Activity 2.6	Running of tissue culture laboratory						PMU
Output 3	Tree seeds distribution system in Cambodia established						
Activity 3.1	Conduct seed demand survey						Consultant + PMU
Activity 3.2	Conduct trainings/training workshops on seed collection, handlings and seed storage to selected seed suppliers						Consultant + PMU
Activity 3.3	Identify and equip potential seed suppliers with basic equipment and tools for startup seed distribution system						Consultant + PMU
Activity 3.4	Produce/Reproduce training and marketing materials (booklets, leaflets and posters)						Consultant + PMU
Activity 3.5	Marketing of tree seeds (distribution of materials, organize field visits to seed sources and trials, workshops and upload list of seed catalogue onto the IRD's website)						PMU
Output 4	Demonstration for forest restoration plots established						
Activity 4.1	Establish, maintain and monitor a demonstration plot on forest restoration by high-density planting of mix, indigenous tree species in Siem Reap province						Consultant + PMU
Activity 4.2	Establish, maintain and monitor a demonstration plot on forest restoration by direct seeding of mixed species in Siem Reap province						Consultant + PMU
Activity 4.3	Maintenance of the forest restoration plots established under individual AFoCo project in Siem Reap province						PMU
Activity 4.4	Compiling of lessons learned on forest restoration in Cambodia and Viet Nam						Consultant + PMU
Activity 4.5	Organize field visits of relevant stake holders to the models forest restoration						PMU
Output 5	Support to operation and monitoring						
Activity 5.1	Inception, establishment of the PSC, hiring and orientation of staff and inception workshop						Consultant + PMU
Activity 5.2	Completion workshop						Consultant + PMU
Activity 5.3	Auditing						PMU

Output and Activity No.	Outputs / Key Activities	Planning by year					Responsible person
		1	2	3	4	5	
Activity 5.4	Meetings/workshops of the project staff + project steering committee (in Cambodia and Viet Nam)						PMU

8.2 Indicative work plan for Viet Nam

Output and Activity	Outputs/Key Activities	Planning by year					Implementing country
		1	2	3	4	5	
Output 1	Improvement of seed sources, seedling production and management in the Province						VN
<i>Activity 1.1</i>	Survey on nursery system, seed sources and seedling production and management						VN
<i>Activity 1.2</i>	Develop a strategy to develop, use and manage seed sources and seedling production						VN
Activity 1.2.1	Develop the strategy to manage, develop and use seed sources and seedling production						VN
Activity 1.2.2	Meeting to comment on the strategy						VN
<i>Activity 1.3</i>	Establish and operate a tissue culture laboratory (Lab) in Hoa Binh Province						VN
Activity 1.3.1	Training staff on seed and seedling production and management and tissue culture technology						VN
Activity 1.3.2	Establish a tissue culture laboratory (space)						VN
Activity 1.3.3	Purchase and assemble laboratory equipment and tools						VN
Activity 1.3.5	Running of the Lab						VN
<i>Activity 1.4</i>	Organize trainings to improve capacity of seed and seedling production and management						VN
Activity 1.4.1	Development of master and annual plans for training and capacity building						VN
	* Survey the demand and to develop master and annual plans on training and capacity building						VN
	* Meeting to comment on the master and annual plans						VN
Activity 1.4.2	Preparation of training curriculums and organization of training courses						VN
	* Preparation of curriculums						VN
	* Meeting to comment on documents						VN
Activity 1.4.3	Organization of training courses						VN
Output 2	Demonstration models of new planting, enrichment, agro-forestry, and community based forest management						VN
<i>Activity 2.1</i>	Carry out survey and develop designs of demonstration models						VN
Activity 2.1.1	Survey and design of new planting model (10 ha)						VN
Activity 2.1.2	Survey and design of enrichment model (10 ha)						VN
Activity 2.1.3	Survey and design of agro-forestry model (10 ha)						VN
Activity 2.1.4	Survey and design of community based forest management model (1 commune)						VN
<i>Activity 2.2</i>	Establish demonstration models						VN
Activity 2.2.1	Establish new planting model						VN
Activity 2.2.2	Establish enrichment model						VN
Activity 2.2.3	Establish agro-forestry model						VN
Activity 2.2.4	Establish model of community based forest management						VN
Activity 2.2.5	Maintenance of demonstration models						VN
Activity 2.2.6	Preparation of training curriculum: Rehabilitation of degraded watershed forest: techniques and management						VN
	* Preparation of training curriculum						VN

Output and Activity	Outputs/Key Activities	Planning by year					Implementing country
		1	2	3	4	5	
	* Meeting to comment on the curriculum						VN
Activity 2.2.7	Organize training course						VN
Output 3	Pilot study on the impact of forest rehabilitation on the environment and climate change						VN
Activity 3.1	Study 1: Impact of forest rehabilitation on soil, water sources, hydrologic patterns and biodiversity conservation in Watershed forest of Hoa Binh						VN
Output 4	Support to operate, monitoring and disseminate						VN
Activity 4.1	Inception, establishment of the PIU, hiring and orientation of staff and inception workshop						VN
Activity 4.2	Completion workshop						VN
Activity 4.3	Auditing						VN
Activity 4.4	Meetings/workshops of the project staff + project steering committee (in Cambodia and Viet Nam)						VN
Activity 4.5	Publications and dissemination						VN

8.3 Budget plan for Cambodia

Output and Activity No.	Outputs / Key Activities	Budget by year (US\$)					Total (US\$)
		Year 1	Year 2	Year 3	Year 4	Year 5	
A. DIRECT ACTIVITY COSTS		88,000	58,000	88,000	88,000	88,000	410,000
Output 1	Seed production areas established and seed sources in natural forests identified	31,800	15,200	14,400	12,200	5,700	79,300
Activity 1.1	Identify seed sources of priority tree species in natural forests resulted in the list of seed sources, tree species, and seed suppliers	20,800	6,000				26,800
Activity 1.2	On-the job training of one FA personnel on tree improvement in Viet Nam	8,000					8,000
Activity 1.3	Establish, maintain and monitor two seed production areas of two fast-growing tree species, one ha each			6,500	6,500	1,000	14,000
Activity 1.4	Establish, maintain and monitor three seed production areas of three priority, indigenous tree species, one ha each		6,200	4,900	2,700	1,700	15,500
Activity 1.5	Maintain and monitor the existing seed production areas in Kbal Chhay Watershed Protected Area	3,000	3,000	3,000	3,000	3,000	15,000
Output 2	A tree seed laboratory established with supporting facilities and three staff trained on seed technology	20,400	16,000	35,300	23,900	6,200	101,800
Activity 2.1	On-the job training of two FA personnel on tree seed technology in Korea	18,000					18,000
Activity 2.2	Established a tree seed laboratory (laboratory space)		4,000				4,000
Activity 2.3	Procurement and installation of equipment and tools for the seed laboratory		7,600	30,000	17,000		54,600
Activity 2.4	Collection and purchase of seeds			900	2,500	1,800	5,200
Activity 2.5	Running of tree seed laboratory (seed testing and storage)		2,000	2,000	2,000	2,000	8,000
Activity 2.6	Running of tissue culture laboratory	2,400	2,400	2,400	2,400	2,400	12,000
Output 3	Tree seeds distribution system in Cambodia established	8,000	3,300	9,000	26,900	42,500	89,700
Activity 3.1	Conduct seed demand survey	8,000					8,000
Activity 3.2	Conduct trainings/training workshops on seed collection, handlings and seed storage to selected seed suppliers		3,300	4,500	8,000	11,000	26,800
Activity 3.3	Identify and equip potential seed suppliers with basic equipment and tools for startup seed distribution system				5,000	17,000	22,000

Output and Activity No.	Outputs / Key Activities	Budget by year (US\$)					Total (US\$)
		Year 1	Year 2	Year 3	Year 4	Year 5	
Activity 3.4	Produce/Reproduce training and marketing materials (booklets, leaflets and posters)				5,400	7,000	12,400
Activity 3.5	Marketing of tree seeds (distribution of materials, organize field visits to seed sources, workshops and upload list of seed catalogue onto the IRD's website)			4,500	8,500	7,500	20,500
Output 4	Demonstration for forest restoration plots established	9,800	15,500	21,300	17,000	15,600	79,200
Activity 4.1	Establish, maintain and monitor a demonstration plot on forest restoration by high-density planting of mix, indigenous tree species in Siem Reap province	7,800	8,000	3,000	2,000	2,000	22,800
Activity 4.2	Establish, maintain and monitor a demonstration plot on forest restoration by direct seeding of mixed species in Siem Reap province		5,500	16,300	2,000	2,000	25,800
Activity 4.3	Maintenance of the forest restoration plots established under individual AFoCo project in Siem Reap province	2,000	2,000	2,000	2,000	2,000	10,000
Activity 4.4	Compiling of lessons learned on forest restoration in Cambodia and Viet Nam				6,000	6,000	12,000
Activity 4.5	Organize field visits of relevant stake holders to the models forest restoration				5,000	3,600	8,600
Output 5	Support to operation and monitoring	18,000	8,000	8,000	8,000	18,000	60,000
Activity 5.1	Inception, establishment of the PSC, hiring and orientation of staff and inception workshop	10,000					10,000
Activity 5.2	Completion workshop					10,000	10,000
Activity 5.3	Auditing	3,000	3,000	3,000	3,000	3,000	15,000
Activity 5.4	Meetings/workshops of the project staff + project steering committee (in Cambodia and Viet Nam)	5,000	5,000	5,000	5,000	5,000	25,000
B. INDIRECT COST/SUPPORT TO OPERATIONS		12,000	42,000	12,000	12,000	12,000	90,000
	Car (pick-up truck)		30,000				30,000
	Financial Assistant	6,000	6,000	6,000	6,000	6,000	30,000
	Technical Assistant	6,000	6,000	6,000	6,000	6,000	30,000
	Total	100,000	100,000	100,000	100,000	100,000	500,000

8.4 Budget plan for Viet Nam

Output and Activity No.	Outputs/Key Activities	Budget by year (US\$)					Total (US\$)
		Year 1	Year 2	Year 3	Year 4	Year 5	
A. DIRECT ACTIVITY COST		71,000	70,600	88,400	89,000	88,000	407,000
Output 1	Improvement of seed sources, seedling production and management in the Province	22,000	45,600	52,400	41,000	12,000	173,000
Activity 1.1	Survey on nursery system, seed sources and seedling production and management	10,000					10,000
Activity 1.2	Develop a strategy to develop, use and manage seed sources and seedling production		2,600	7,400			10,000
Activity 1.2.1	Develop the strategy to manage, develop and use seed sources and seedling production		2,600	6,400			9,000
Activity 1.2.2	Meeting to comment on the strategy			1,000			1,000
Activity 1.3	Establish and operate a tissue culture laboratory (Lab) in Hoa Binh Province	3,000	39,000	37,000	33,000	4,000	116,000
Activity 1.3.1	Training staff on seed and seedling production and management and tissue culture technology	3,000	3,000				6,000

Output and Activity No.	Outputs/Key Activities	Budget by year (US\$)					Total (US\$)
		Year 1	Year 2	Year 3	Year 4	Year 5	
Activity 1.3.2	Establish a tissue culture laboratory (space)		5,000				5,000
Activity 1.3.3	Purchase and assemble laboratory equipment and tools		30,000	35,000	30,000		95,000
Activity 1.3.5	Running of the Lab		1,000	2,000	3,000	4,000	10,000
Activity 1.4	Organize trainings to improve capacity of seed and seedling production and management	9,000	4,000	8,000	8,000	8,000	37,000
Activity 1.4.1	Development of master and annual plans for training and capacity building	5,000					5,000
	* Survey the demand and to develop master and annual plans on training and capacity building	4,000					4,000
Activity 1.4.2	Preparation of training curriculums and organization of training courses	4,000	4,000				8,000
	* Preparation of curriculums	3,000	3,000				6,000
	* Meeting to comment on documents	1,000	1,000				2,000
Activity 1.4.3	Organization of training courses			8,000	8,000	8,000	24,000
Output 2	Demonstration models of new planting, enrichment, agro-forestry, and community based forest management	21,000	11,000	20,000	31,000	39,000	122,000
Activity 2.1	Carry out survey and develop designs of demonstration models	10,000		5,000	5,000		20,000
Activity 2.1.1	Survey and design of new planting model (10 ha)	5,000					5,000
Activity 2.1.2	Survey and design of enrichment model (10 ha)	5,000					5,000
Activity 2.1.3	Survey and design of agro-forestry model (10 ha)			5,000			5,000
Activity 2.1.4	Survey and design of community based forest management model (1 commune)				5,000		5,000
Activity 2.2	Establish demonstration models	11,000	11,000	15,000	26,000	39,000	102,000
Activity 2.2.1	Establish new planting model	6,000	6,000	6,000	6,000	6,000	30,000
Activity 2.2.2	Establish enrichment model	3,000	3,000	3,000	3,000	3,000	15,000
Activity 2.2.3	Establish agro-forestry model			3,000	3,000	9,000	15,000
VN Activity 2.2.4	Establish model of community based forest management				5,000	15,000	20,000
Activity 2.2.5	Maintenance of demonstration models	2,000	2,000	2,000	2,000	2,000	10,000
Activity 2.2.6	Preparation of training curriculum: Rehabilitation of degraded watershed forest: techniques and management	0	0	1,000	3,000	0	4,000
	* Preparation of training curriculum			1,000	2,000		3,000
	* Meeting to comment on the curriculum				1,000		1,000
Activity 2.2.7	Organize training course				4,000	4,000	8,000
Output 3	Pilot study on the impact of forest rehabilitation on the environment and climate change	12,000	6,000	6,000	6,000	10,000	40,000
Activity 3.1	Study 1: Impact of forest rehabilitation on soil, water sources, hydrologic patterns and biodiversity conservation in Watershed forest of Hoa Binh	12,000	6,000	6,000	6,000	10,000	40,000
Output 4	Support to operate, monitoring and disseminate	16,000	8,000	10,000	11,000	27,000	72,000
Activity 4.1	Inception, establishment of the PIU, hiring and orientation of staff and inception workshop	8,000					8,000

Output and Activity No.	Outputs/Key Activities	Budget by year (US\$)					Total (US\$)
		Year 1	Year 2	Year 3	Year 4	Year 5	
Activity 4.2	Completion workshop					8,000	8,000
Activity 4.3	Auditing	3,000	3,000	3,000	3,000	3,000	15,000
Activity 4.4	Meetings/workshops of the project staff + project steering committee (in Cambodia and Viet Nam)	5,000	5,000	5,000	5,000	5,000	25,000
Activity 4.5	Publications and dissemination			2,000	3,000	11,000	16,000
A. INDIRECT COST/SUPPORT TO OPERATIONS		29,000	29,400	11,600	11,000	12,000	93,000
	Running cost						
	Car (pick up truck)	17,200	17,800				35,000
	Office facility	2,200	2,000	2,000	1,400	2,400	10,000
	5 personal services						
	Financial assistant	4,800	4,800	4,800	4,800	4,800	24,000
	Technical assistant	4,800	4,800	4,800	4,800	4,800	24,000
	TOTAL	100,000	100,000	100,000	100,000	100,000	500,000

Operating Guidelines

For Implementation of Regional Cooperation Projects

**under the Agreement between the Governments of the Member
States of the Association of Southeast Asian Nations and the
Republic of Korea on Forest Cooperation**

December 2014

I. Definition

1. For the purpose of applying these Operating Guidelines:
 - a) “AFoCo Agreement” shall mean the “Agreement between the Governments of the Member States of the Association of Southeast Asian Nations and the Republic of Korea on Forest Cooperation” that was signed on 18 November 2011 in Bali in Indonesia and entered into force on 5 August 2012.
 - b) “Council” shall mean the Governing Council established under the AFoCo Agreement.
 - c) “Executive Director” shall mean the head of the Secretariat established under the AFoCo Agreement.
 - d) “Implementing Agency” shall mean an agency nominated by the Implementing Country for implementation of the project activities in the country.
 - e) “Implementing Country” shall mean a party to the Implementation Agreement of the Project, who is responsible for implementation of activities under the Project.
 - f) “Implementation Agreement” shall mean an agreement signed by the respective parties for implementation of the project under the specific terms and conditions.
 - g) “Project” shall mean any regional cooperation projects approved by the “Council” to be implemented under the framework of the AFoCo Agreement.
 - h) “Project Director” shall mean a person-in-charge appointed through the Implementation Agreement, based on the nomination of Implementing Country for coordination and financial management of the project at regional level.
 - i) “Project Personnel” shall mean any personnel appointed, hired or assigned for implementation of the project activities.
 - j) “Secretariat” shall mean the Secretariat established under the AFoCo Agreement.

II. Introduction

2. These Guidelines shall be applied for operation of the regional cooperation projects under the AFoCo Agreement.
3. The projects will be implemented in accordance with the respective legal instrument and under the framework of the AFoCo Agreement. As such, these

regional projects are implemented within the scope of the objectives and areas of cooperation identified in the AFoCo Agreement.

III. Scope and purpose

4. These Guidelines cover the basic conditions of service, rights, entitlements, and obligations of Project Personnel as well as fund management procedure to be applied in carrying out the activities of the Project. These guidelines shall be applied in accordance with the institutional regulations and national laws of the Implementing Country.

5. In case of difference or dispute arisen from applying between the Project Document and these Guidelines (between Annex-1 and Annex-2 of the Implementation Agreement), these Guidelines shall prevail in order to maintain consistency in project implementation.

IV. Staff management

4.1 Status, Duties and Obligations

4.1.1 Status of Project Personnel

6. Subject to terms and conditions agreed mutually under a service contract, Project Personnel are considered contract-based professionals working for the project.

4.1.2 Duties and obligations of Project Personnel

7. By accepting contractual appointment, the Project Personnel shall observe the following duties and obligations:

- a) The Project Personnel shall work under the Implementing Country who has ultimate responsibility for the implementation of project activities.
- b) The Project Personnel pledge themselves to discharge their functions efficiently and uphold the highest standards of competence, integrity and respect for all cultures.
- c) The Project Personnel shall neither seek nor accept instructions from any other external source. They shall not engage in any activity that is incompatible with the proper discharge of their assigned duties.
- d) The Project Personnel shall exercise the utmost discretion in regard to all matters of official business. They shall not disclose, by reason of their official position, to any person any information which has not been made public, except in the course of their duties. Nor shall they at any time use such information to private advantage.
- e) For the purpose of project coordination, monitoring and financial management at the regional level, the Secretariat or a lead coordinating country shall appoint a Project Director. Terms of Reference of the Project Director are described as follows:

Terms of Reference (Project Director)

Under the overall guidance of the Council and in close cooperation with the Executive Director of the ASEAN-Korea Forest Cooperation Secretariat, the Project Director will be responsible for:

- Managing the project office, staff and financial matters to ensure the operation of the Project and delivery of service at the highest possible standard and quality;
- Coordinating with the relevant officials from the implementing countries for efficient operation of the Project;
- Supporting timely implementation of the activities at the national and regional levels identified in the Project Document;
- Providing necessary assistance in organizing activities, workshops and training courses of the Project;
- Compiling and submitting regular and special reports of the Project submitted by the Implementing Countries to the Council;
- Preparing and submitting financial report and itemized statement of expenditures to the Secretariat, intended for consideration of the Council, in a timely manner as required in the implementation of the Project;
- Keeping record of activities implemented and accomplished including technical documents, recommendations and consultancy reports;
- Ensuring managerial and financial accountability in accordance with the approved Project Document and Operating Guidelines; and
- Undertaking other duties as may be assigned as appropriate in implementing the Project.

4.2 Working Hours and Official Holidays

8. Normal working hours shall be 40 hours per week from 9:00 a.m. to 5:00 p.m. Monday through Friday, however; the working hours can be adjustable subject to national regulations of the Implementing Country.

9. National holidays of the Implementing Country shall be regarded as the official holidays for the Project Personnel.

4.3 Recruitment and Appointment

4.3.1 Recruitment procedure

10. Recruitment of Project Personnel shall only be on the basis of merit, equal opportunity, and without discrimination. The recruitment shall be open solely to nationals of the Implementing Country and key considerations in the selection of personnel shall be proficiency in spoken and written English, competent interpersonal skill, integrity, adequate technical knowledge and experience in

regional forestry cooperation matters. The Implementing Country shall ensure to apply a standard transparent recruitment procedure.

4.3.2 Appointment procedure

11. Prior to employment for the Project, a candidate may be required to present a medical certificate from a duly qualified medical practitioner attesting that the candidate is fit for performing his or her duties.

12. The designated authority of the Implementing Country shall issue a "Letter of Appointment" with the terms and conditions of employment to the successful candidate for the vacant post. The appointment shall take effect from the date on which the performance of duties is commenced. In order to ensure effective collaboration, communication and implementation of the Project, the Implementing Country shall keep the Secretariat informed of any new appointment, resignation or termination.

4.3.3 Consultancy and Expert Assignment

13. A Service Contract Agreement is required in hiring consultant firm, individual consultancy or expert assignment. The Contract Agreement shall cover scope of work, deliverables or outputs, work program and schedule, place of work, fees and other benefits for the assignment. The consultancy fee for international consultant / expert shall be within the limit of USD 300 to 400 per man-day based on qualifications and experience. For the national consultant, a fee limit of USD 100 to 200 per man-day shall be applied. The consultancy fee shall be inclusive of social security and any other personal insurance applicable by the Implementing Country.

4.4 Remuneration of the project personnel

14. Remuneration of the Project Personnel shall be stated in and determined by the Project Document approved by the Council.

4.5 Social Security, Insurance and other benefits

15. All Project Personnel shall be covered by a social security and insurance system applicable under the national laws and regulations of the Implementing Country. The Project Director shall ensure all Project Personnel have equal access to basic health care services and social security entitlements provided to the nationals of the Implementing Country.

4.6 Annual and Other Types of Leave

16. Project Personnel shall be entitled to annual and other types of leave in accordance with the national regulations of the Implementing Country.

4.7 Official Travel

4.7.1 Travel authorization and coverage

17. Subject to the availability of the budget, official travel shall be authorized upon the approval by the Implementing Country, the Secretariat or lead coordinating country before it is undertaken.

18. In case of overseas travel, the expenses shall be covered for the most direct

economy class air transportation, lodging allowance at the rate of USD 105 per night and daily subsistence allowance at the rate of USD 105 per day¹. Such allowances are entitled for actual day(s) of mission plus one (1) day of travel.

19. In case of domestic travel, expenses shall be covered for the most direct economy class ground or air transportation, lodging allowance at actual cost, daily subsistence allowance at the rate of USD 35 per day². Such allowances are entitled for actual day(s) of mission plus one (1) day of travel.

20. The travelling Project Personnel are entitled to the incidental travel expenses mentioned below:

- a) Charges for visas;
- b) Vaccinations (if required by the destination country);
- c) Hire of local transportation (applicable when public transport is unavailable or unreliable);
- d) Telephone, telegraph, radio and internet communications related to the work;
- e) Transportation or storage of authorized baggage used on official business;
- f) Travel-related insurances; and
- g) Such other incidentals as specifically approved by the respective authority.

4.7.2 Payment of the travel expenses

21. Expenses arising from official travel shall be reimbursed after completion of travel and upon receipt of the travel claim. Where appropriate, the project office may directly arrange air ticket for the official travel.

4.8 Termination from Service

4.8.1 Termination

22. Any Project Personnel may be terminated by the immediate authority in any of the following instances with one (1) month written prior notice.

- a) If the person concerned does not observe the highest degree of conduct and causes serious breach in delivery of service;
- b) If the service of person concerned proves unsatisfactory based on his or her performance appraisal by the Implementing Country;
- c) If the person concerned is absent from service for more than ten (10) working days without notice; and
- d) If the person concerned is incapacitated for reasons of health to preclude him or her from carrying out the assigned duties.

1 Overseas rates are with reference to the staff guideline of the ASEAN-ROK Forest Cooperation Secretariat.

2 Domestic daily subsistence allowance rate is one-third of overseas rate and also with reference to the average rate applied for individual cooperation projects in 2011.

4.8.2 Resignation

23. The Project Personnel may resign from the post upon presenting the Project Director with one (1) month written prior notice unless otherwise specified under the terms of his or her appointment.

4.9 Last Day for Pay Purposes

24. When a Project Personnel is separated from service, the date on which entitlement to remuneration and benefits shall cease, shall be determined in accordance with the following provisions:

- a) For the end of regular service of project personnel, the date shall be the date specified in the Letter of Appointment;
- b) In case of termination or resignation, the date shall be either the date of termination mentioned in the written notice under the sections 4.8.1 or 4.8.2. Outgoing Project Personnel are expected to perform his or her duties during the period of notice. Annual leave shall be granted during the notice of termination or resignation only for brief periods; and
- c) In case of death, the date on which entitlement to remuneration and benefits shall cease shall be the date of death. In such case of death, the surviving dependents shall be entitled to receive one month base remuneration per year of service.

V. Fund management

5.1 Fiscal Year

25. The fiscal year of the project shall be from 1 January to 31 December of each calendar year.

5.2 Accounting control

26. The Implementing Agency shall ensure a proper bookkeeping and account control system in place and submit quarterly financial reports to the designated authority of the Implementing Country and the Executive Director.

5.3 Procurement of Goods and Services

27. For procurement of goods or services valued more than USD 1,000, at least three (3) bids (quotations) from the suppliers or providers should be invited prior to procurement and the Implementing Country, in accordance with the related national laws and regulations, shall determine the lowest and appropriate bid for purchase of goods or services. Direct purchase can be made for those items with value less than USD 1,000 subject to the purchase regulations of the Implementing Country.

VI. Project management

6.1 Inception

28. Immediately after signing of the Implementation Agreement by the respective Implementing Countries and upon receipt of fund, the Implementing Countries shall initiate the inception of the Project and begin the implementation of activities.

6.2 Planning and Implementation

29. In order to carry out project implementation in a timely and efficient way, the Implementing Agencies shall develop quarterly work plans with detailed activities, timeline and budget based on the Project Document and these Guidelines.

30. In case of organizing short-term training course, seminar and workshop under the project, the same conditions and rates for travel, accommodation and daily subsistence allowance described under section 4.7.1 shall be applied for the participants of the event.

6.3 Reporting

31. The Project Director shall compile regular progress reports submitted by the Implementing Country to the Executive Director intended for consideration of the Council. Where appropriate, the Project Director shall also submit to the Governing Council other reports (annual report, study report, workshop report, technical paper, policy brief) of the activities within one (1) month after completion of the activity.

32. The Project Director shall compile a financial status report, comprising balance sheet, certified statements of cash flow and expenditures submitted by the Implementing Country to the Executive Director intended for consideration of the Council every three (3) months (quarterly).

33. The Project Director, in close cooperation and consultation with the Implementing Countries, shall submit a final project completion report intended for the Governing Council via the designated authority of the Implementing Country to the Executive Director, within one (1) month after completion of the last activity of project. The final report shall cover the outcomes of the project in the outlines mentioned below:

Project title:

Project duration:

Executive summary

I. Introduction

II. Objectives

III. Project management structure

IV. Project outputs (both tangible and intangible)

V. Implementation status (tabulated)

VI. Major achievements/success stories

VII. Issues and constraints

VIII. Plan for the sustainability of project activities

IX. Conclusion/Recommendation

X. Annexes/Appendices

a. Financial statement

b. Audited financial report

c. Matrix of planned and actual activities

d. Other relevant documents

6.4 Termination

34. The submission and acceptance of final report and the financial audited report represent the completion of the Project. The respective Project Personnel shall hand over the records, documents and all other transferrable to the designated authority of the Implementing Country before discharging his or her official duties. The designated authority of the Implementing Country, in consultation with the Executive Director, shall officially announce the effective termination date of the Project.

VII. Monitoring Arrangement

35. The Project shall be monitored in accordance with the procedure for assessment for implementation of the AFoCo Agreement and report to the Council under the terms and conditions set forth by the Council.

Detailed Banking Instructions of the Implementing Countries¹

Cambodia

Name of Bank:

Address of the Bank:

Name of Account Holder:

Type of Account:

Account Number:

Swift Code:

Viet Nam

Name of Bank:

Address of the Bank:

Name of Account Holder:

Type of Account:

Account Number:

Swift Code:

¹ This information will be provided subject to internal regulation of each Implementing Country.