



REDD+ Country Participant Completion Report Template for the Readiness Fund of the FCPF

About this template

The Grant Agreements for the Readiness Fund of the FCPF with the World Bank require the grant recipients to prepare and furnish to the World Bank a Completion Report in accordance with the provision of Section 2.06(b) (ii) of the Standard Conditions not later than six (6) months after the Closing Date of the grant. The REDD+ Country Participants who entered into a Grant Agreement with the World Bank should prepare the Completion Report using this template, and submit it to the World Bank Task Teams not later than six (6) months after the Closing Date of the grant.

Submission Date: March 17, 2021

Project Name	Support for the REDD+ readiness preparation in Vietnam Phase 2 (FCPF 2)
Country	Vietnam
Implementing Agency	Ministry of Agriculture and Rural Development
Grant Objectives	Support Vietnam to become ready for future REDD+ implementation by preparing the key elements, systems and policies needed in a socially and environmentally sound manner.
Original Amount (US\$)	5,000,000
Revised Amount (US\$)	
Actual Disbursed (US\$)	4,522,060.55
Effectiveness Date	11/18/2016
Original Closing Date	12/31/2019
Actual Closing Date	06/30/2020

1. Overall Outcome and its Sustainability

This section provides overall accomplishment of the objectives of the Grant and a plan designed to ensure the sustainability of the Project's achievements.

The FCPF provided the additional grant funding to continuously contribute to the preparation for REDD+ Readiness of Vietnam, including analytical studies and development of capacities for the effective and efficient REDD+ implementation at national and provincial levels, policies and technical support on state forest companies (SFC) and forest management boards (FMB) reform for REDD+ service provision, private sector engagement and support for Forest Law Enforcement, Governance and Trade (FLEGT) implementation, development of strategic environmental and social assessments, national and sub-national REDD+ strategy options, stakeholder consultations and participation.

Vietnam has completed the Emission Reduction Payment Agreement (ERPA) negotiation successfully. All key technical requirements were finalized, including a revised Environmental and Social Management Framework (ESMF) and other safeguards instruments, emission reductions (ER) title transfer documentation, a reversal risk management mechanism, benefit sharing plan (BSP) and related procedures for the Adaptive Collaborative Management Approach (ACMA).

Several components, such as the development of a feedback and grievance redress mechanism (FGRM) and the Safeguards Information System (SIS), were coordinated with the UN-REDD Program. The national SIS is used to report on safeguards for the Emission Reduction Program (ER-P), for which the FCPF Carbon Fund is to provide results payments.

Contribution was provided to the development of regulatory documents (Decrees and Circulars) which are required to implement the Forestry Law (approved by the National Assembly in November 2017).

Capacity at the central level and in the project provinces has been strengthened and will enable Vietnam to implement the signed ERPA effectively and successfully to provide additional resources to address the drivers of deforestation and forest degradation in the North Central (NC) provinces.

2. Outcome of each Readiness Grant Activity

This section outlines assessment of achievement of each Activity indicated in the Grant Agreement.

Component 1: Analytical studies and capacities are developed for effective and efficient REDD+ implementation at national and provincial levels, through the following outputs:

- Capacity building activities: 10 training courses on high-yield and large-timber forest plantation, transforming the short-term rotation plantation forests to long-term rotation plantation forests, restoration of natural forests, and promotion of natural regeneration for natural forests were held for SFCs and FMBs, forest owners, forest smallholders, and technical staff in Ha Tinh Province. Capacity of forest monitoring for nearly 210 staff from the Provincial Forest Protection Departments (PFPDs), FMBs, and district and commune-based forest rangers continues to be improved in 2019 through one training of trainers course and 16 extension training courses on using tablet PCs in monitoring forest and

forestland changes in the six NC provinces. The forest monitoring devices (350 tablet PCs, 49 GPS, 50 laser distance measures, 50 tree height measuring instruments) were handed-over to the six NC provinces.

- REDD+ steering committees in NC provinces are established and supported. Then, they were integrated into the provincial steering committees of the Target Program on Sustainable Forest Development.
- Support was provided to provinces to facilitate implementation, including operation costs, reviewing and approving the provincial proposals in time, equipping the provincial project management unit (PPMU) offices with necessary equipment (computers, photocopiers, printers, cameras, etc.).
- Support to national REDD+ entities, including contribution to safeguards sub-technical working group on development of SIS and Summary of Information (SOI), the ability to transfer title of ERs to the Carbon Fund, the REDD+ registry system and data management system, the reversal management mechanism, the FGRM, development of the approved ER Program Document (ER-PD) in line with Vietnamese format and procedures, etc.
- Forest reference level was established for the NC area (see final ER-PD version), and capacity building activities were implemented for monitoring at provincial level such as 6 training of trainers courses and 13 replication training courses on measurement and reporting of forest changes for nearly 400 staff from the PFPDs, FMBs, and district and commune-based forest rangers in the NC provinces.
- Methodology and terms of references to ensure Vietnam's ability to transfer ER titles have been formulated, and experts recruited to provide technical support.
- Many consultations related to REDD+ Readiness preparations (BSP and related ACMA manual, FGRM, safeguards, the Forestry Law, etc) were organized with around 8,500 participants from all stakeholders such as governmental agencies from central to community levels, non-governmental organizations (NGOs), civil society organizations (CSOs), forest owners, local people, etc. The female participants accounted for around 21%, while the ethnic minority people accounted for nearly 30%.
- More than 3,400 people, of which more than 40% were female participated in communication events and public outreach on REDD+, forest protection, and forest-related aspects of climate change.
- Five Provincial REDD+ Action Plans (PRAPs) in the NC were developed and updated in line with the National REDD+ Action Plan (NRAP). The drafts of PRAP monitoring and evaluation (M&E) framework were discussed with the NC provinces and Quang Tri piloted the M&E.
- Vietnam completed the necessary documents related to ERPA such as the Letter of Approval, the Advanced Draft BSP, the Reversal Management Mechanism, Due Diligence Report on Safeguards in the ER-P in the North Central Region of Vietnam, and the Draft Decision of ability to transfer title to ER. Further elements of the ER-Program were also finalized, with active consultations, such as ER registry, ACMA manual, the upgraded SIS, the Project Operation Manual (POM), documentation framework of monitoring and evaluation in the project on reducing emissions and transferring ER title in the North Central region, the FGRM, MRV System. This has built on active consultations at the national, regional, provincial and local level. In addition, the Ministry of Agriculture and Rural Development (MARD) established a Negotiation Team for the ERPA and completed negotiations with the World Bank on the General Conditions and commercial terms, under the ERPA roadmap that were signed on 22nd October 2020.

Component 2: Vietnam progresses its SFC/FMB reforms to improve REDD+ service provision, engagement of private sector, and FLEGT implementation

- Under the new Forestry Law 2017, the Project supported MARD in the development of two

Decrees and one Circular. Decree No. 156/2018/ND-CP provides the detailed instructions for implementation of some articles in the Forestry Law. Decree No. 01/2019/ND-CP is on policy, mechanism, and operation of the forest protection force. The development of the Circular No. 29/2019/TT-BNN regulates silvicultural technics for restoration, enrichment of natural forest and plantations. They include specific provisions on extension of mechanisms to provide forest services, promote REDD+ implementation, enhances the role of the private sector in sustainable forest development and reform SFC and FMBs functions.

- Training and technical assistance was provided to support planning and certification of SFC and FMB, for instance a protection forest management board in Thanh Hoa Province was supported to implement the sustainable forest management and got the forest certification, 3 training courses on the sustainable forest management and forest certification were held for potential forest owners in the NCR; and SFC in Ha Tinh supported to maintain its forest certificate.
- FCPF supported the Government of Vietnam with negotiations on the FLEGT Voluntary Partnership Agreement (VPA), which successfully concluded in May 2017. The project also supported preparation towards full VPA implementation. For example, two regional consultation workshops on the Organizations Classification System (OSC) in the FLEGT. Moreover, the NC provinces evaluated the status of implementation of the forestry law and policies and legal timber through consultations with local stakeholders (authorities, forest owners, forest protection departments, traders, processing companies, communities and people).
- Four training courses, one workshop, three study tours with nearly 600 participants on sustainable forest management and applying for the forest certification were implemented in the NC provinces. Moreover, Ha Tinh Huong Son Service and Forestry One Member Limited Company in Ha Tinh Province was supported to maintain its FSC forest certification. The project also supported Tay Kim Cooperatives Union in Ha Tinh Province to get the FSC forest certification. In addition, a pre-assessment of the FSC forest certification was made for Lang Chanh Protection Forest Management Board in Thanh Hoa Province.
- The project supported an assessment about implementation of the Decree No. 118/2014/CP-ND dated December 17, 2014, on restructuring, development and improvement of agriculture and forestry companies.
- Vietnam and the EU signed their VPA on FLEGT in October 2018. The EU and Vietnam ratified the VPA agreement on the FLEGT and its enforcement was on the 1st of June 2019. This success was partly supported by the project.
- Moreover, the NC provinces evaluated the status of implementation of the forestry law and policies and legal timber through consultations with local stakeholders. 73 consultations with nearly 1,800 people from local authorities, forest owners, forest protection departments, traders, processing companies, local communities and people were conducted.

Component 3: The SESA has been completed and will be updated as needed, and ESMF and other safeguards instruments for implementation of safeguards at central and provincial level have been completed

- Strategic Environmental and Social Assessment (SESA) was completed, including many capacity building and consultations at both national and provincial levels in the ER-P area.
- ESMF was improved and received final comments from WB regional safeguards specialists. Two consultation workshops on social and environmental safeguards and two consultation workshops on the ESMF in the NCR were organized. In addition, 25 consultation meetings at district and commune levels with main participation of women and ethnic minorities people were organized in the NC provinces.
- The project collaborated with UN-REDD to finalize the FGRM at national level (completed) and an expert proposed regulations adapted to ER-P operational implementation in NC areas.

- Two consultation workshops on the ESMF of the ER-PD in the North Central Region were organized with participation of 107 members from PPMU members, Forest Protection Management Boards, Special-use Forest Management Boards and Forestry State Companies; two consultation workshops on FGRM were held with participation of 133 members, in which: 25 women and 15 ethnic minority people.
- Safeguard Operation Manual development was completed.
- Due Diligence Report on Safeguards in the ER-P were developed and submitted to the FCPF.
- 46 technical meetings, consultation workshops on SESA, ESMF, FGRM, Resettlement Policy Framework (RPF), Gender Action Plan (GAP), Ethnic Minority Planning Framework (EPF) were organized with the participation of 2,190 people, in which: 600 women and 1,261 ethnic minority people.
- A number of communication events were conducted in six provinces on Forestry Law, ER-PD in NCR with participation of 5,397 people, in which 2,519 women and 2,315 ethnic minority people.
- Communication materials were developed and distributed widely at central and provincial level.

Component 4: The project was adequately managed, monitored and evaluated

- Capacities were in place at the central project management unit (PMU) and PPMUs to implement the project. Workshops and training courses were conducted for Government agencies, the PMU and the six PPMUs on project management, finance, monitoring.
- M&E system was established and operational, and supported timely activities and financial reporting. The regular evaluation reports were completed and sent to the MARD and the World Bank on time.
- Annual audits and performance evaluations were implemented as planned.
- Overall workplan, annual workplans and procurement plans were developed.
- The project document was amended and approved by MARD.
- PRAP M&E indicators and REDD+ implementation M&E indicators were collected in the six provinces of the North Central Region.

3. Lessons Learned

This section briefly presents the most significant positive and negative lessons learned from the operation's experience.

- REDD+, especially the transfer of emission reductions internationally has been a new issue in Vietnam, which is not regulated by the national law. Therefore, roles of the Government, relevant Ministries, particularly MARD and the participating provincial authorities is very important. Their leadership and support is essential to enable the project to move forward and achieve the expected objectives.

During the project implementation process, there was strong support and close coordination from the Provincial People's Committees, the Provincial Departments of Agriculture and Rural Development to implement the project.

- Since a variety of new expertise, which was not always available in country, was required, the project approached the constraints by promoting regular discussions between national and international agencies and experts, frequent communication with donors to update on changes and lessons learned.

- As highlighted in the previous report, the ER-P is a result-based payment program. The budget to implement the program mainly comes from different existing and potential

projects/programs that contribute to the REDD+ objectives in the North Central Region. The government has not yet approved a program document like this before. Therefore, to adopt the EPRD or sign the ERPA, the government has applied an exceptional and special mechanism. Some topics are being discussed and require endorsement at the highest levels (for instance on ER title transfer) while conveying strong and innovative technical significance. Navigating this integration of both technical and political dimensions to deliver on final ERPA formulation, signature and implementation proved to be challenging, as anticipated.

- At the moment, Vietnam REDD+ institutions are strengthened with adequate instruments to manage REDD+ implementation, but financial and capacity gaps remain to enter the full implementation phase. In the short-term, additional international public finance is expected to flow in like the ER-P in North Central Region. There's been progress on engaging the private and financial sector as well, and innovative approaches like the deforestation-free jurisdiction initiative are increasing the prospect for more resources in the future. However, a gap in timing remains where the Government of Vietnam has limited resources to invest to bridge the gap.

- REDD+ international instruments are still in a consolidation mode in many ways, which can create confusion to guide national actions. For instance, the FCPF Carbon Fund's new guidance on safeguards, MRV, ER Monitoring Report, suggest that it takes more time and energy for Vietnam to keep up to date with all requirements. In addition, REDD+ has been designed as a "step-wise" approach, with many instruments expected to be upgraded progressively. Vietnam has completed the Warsaw package, though continuous effort and investment is needed to keep improving REDD+ instruments like the forest reference emission level/forest reference level, the national forest monitoring system, the SIS. Echoing the first challenge with the financial gap above, this continuous need to invest in REDD+ architecture can be seen as a burden.

- The REDD+ planning has generated a wealth of innovation and transformational directions that are extremely relevant but very challenging to implement, facing many institutional, psychological, cultural and economic barriers. Removing them takes time and energy, and requires significant improvement to the power balance in favor of sustainable forest development, which remains a costly endeavor in Vietnam.

- REDD+ has made active progress and produced significant lessons learned in many ways (technical, institutional, political), but the collection and management of knowledge should be further strengthened, and a better sharing of experiences and lessons between programs should be further encouraged for more impacts (as illustrated by the dialogue between various partners including WB, USAid, UNDP, UNEP on Carbon-Payment for Forest Ecosystem Services (PFES)).

- Legal and administrative procedures of Vietnam has been influencing the progress towards ERPA signature. It also takes time for the Vietnamese Government Office and relevant ministries to review and finalize the ERPA and the enclosed conditions of effectiveness.

4. Project Cost by Readiness Grant Activity

Category	Description	Amount (USD)
1	Goods, non-consulting services, consultants' services, operating costs, training and workshop	4,522,022.55
	Designated Account - B	38.00
	Total Disbursement	4,522,060.55
	Cancelled as of October 31, 2020	477,939.45
	Total Amount	5,000,000.00

Activities	Amount at Approval (US\$)	Actual at Project Closing (US\$)	Percentage of Approval (%)
Component 1	1,694,896	1,512,996.89	89%
Component 2	378,561	365,787.20	97%
Component 3	1,527,675	1,369,833.61	90%
Component 4	1,337,159	1,220,482.16	91%
Contingency	61,709	52,960.69	86%
Total	5,000,000	4,522,060.55	90%