

## Vietnam's update on CF17 Chair's Summary (August 2020)

1. *Take required actions to have the Prime Minister's Decision issued, prior to ERPA signature, to demonstrate the Program Entity's ability to transfer Title to emission reductions to the Carbon Fund of the FCPF.*

**Update:** The Prime Minister's office (Office of the Government, OOG) has been consulted and briefed throughout the government-internal decision-making process related to the ERPA. Following the acceptance of the ER-PD in 2018, MARD was advised and instructed to prepare two separate Decisions (rather than one as initially expected and reflected in the CF17 Chair's summary). The first OOG Decision from March 2020 formally appointed MARD as the Program Entity and authorized it to negotiate and sign the ERPA. The second OOG Decision will follow ERPA signature and will encompass the provisions for MARD's ability to transfer ER title and the adoption of the final BSP. A principal reason for this is that final terms of the ERPA have to be agreed (i.e. ERPA signed) before the OOG submits the Decision to the Prime Minister to sign this second (and very high-level) Decision. This requirement aims to avoid a situation when the Decision is issued, but MARD and FCPF fail to sign the ERPA. After the legal ERPA negotiations in June, MARD reported to the OOG on the outcome (referencing the Minutes of Negotiation prepared by the FMT). Following ERPA signature, MARD will report to the OOG again and prepare the second Decision to OOG (drafts of which have been reviewed and commented on by the task team and Carbon Fund lawyers). This Decision is expected to be signed in the first half of 2021 in line with internal government procedures and regulations as per our latest discussions with MARD. In summary, MARD's ability to transfer ERs to the FCPF will be secured.

2. *Further elaborate and continue the development of the Adaptive Collaborative Management Approach (ACMA), including provision of additional information on how the ER Program will:*

- *promote full and effective participation of ethnic minorities and forest-dependent communities in the ACMA process and benefit sharing arrangements under the ER Program, in accordance with the new Forestry Law, paying particular attention to the forest management and user rights of these ethnic minorities and forest-dependent communities; and*
- *align with other ongoing activities to support and empower ethnic minorities and forest-dependent communities.*

**Update:** Following the acceptance of the ER-PD in 2018, MARD has held several additional rounds of consultations and made modifications to strengthen and clarify benefit sharing arrangements and the design of the ACMA. These are reflected in the Advanced Draft BSP, which has been part of the above-noted consultations with the OOG. The crucial role and importance of ethnic minorities is fully reflected in the BSP and reflected in key legislation (notably new Forestry Law). In fact, the ACMA is a defining feature of the ER Program and so is the inclusion of local-communities and ethnic minorities. It is relevant to note that as part of preparation, the World Bank has supported MARD in a detailed mapping of these groups to inform the BSP and ACMA design. Also, the global program by the FCPF Readiness Fund that supports the engagement of

ethnic minorities and local communities in REDD+ has supported an ACMA pilot project in one of the six provinces in the program (Thanh Hoa). This was done in collaboration with local CSOs. This experience provides important lessons to further improve ACMA implementation and effectively engage local stakeholders going forward. In this context it is also important to note that key sources of funding for the ER program come from long-standing government programs that support ethnic minorities and forest-dependent communities and it has been of strategic importance of having that reflected in the benefits sharing arrangements. Based on feedback, the advanced draft BSP provides more detail on ACMA arrangements and modalities in this regard. These are also reflected in an ACMA manual that has subsequently been developed. Also, following the ER-PD acceptance, the safeguards instruments were finalized, including an Ethnic Minority Planning Framework, which was accepted by the Bank through a corporate review process.