

World Bank - Grant Reporting and Monitoring (GRM) Report

Report to Donor

Ref. TF0A1122
Printed On: 10/05/2018

Reporting Period: 07/01/2017 to 06/30/2018
Report Type: Progress Report
Report Status: Approved

Assignment: TF0A1122

Vietnam: FCPF Readiness Grant Additional Funding FCPFR - Forest Carbon Partnership Facility

Task Team Leader: 00000186457 - Lan Thi Thu Nguyen
Approving Manager: 00000175113 - Christophe Crepin

Summary Information	
TF Status	ACTV
Recipient Country	Vietnam
Executed By	Recipient
Managing Unit	9061 - GENDR
Grant Start Date / End Date	11/18/2016 to 06/30/2020
Original Grant Amount	5,000,000.00
Grant Amount	5,000,000.00
Outstanding Commitments	0.00
Cumulative Disbursements	1,428,380.95 as of 06/30/2018
Disbursed 07/01/2017 to 06/30/2018	428,380.95
Donor	TF602001 - MULTIPLE DONORS

This GRM report includes the following sections: Overview, Components, Outcome, Execution, Program(FCPFR), Disbursements.

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OVERVIEW

Overall Assessments

Grant Objectives:

The objective of the Grant is to 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.

Overall progress from 07/01/2017 to 06/30/2018 with regard to Achieving Grant Objectives:

Comment:

The FCPF provides grant funding for the preparation for REDD+ and preparation of a Readiness Proposal including the development of supporting policies and systems, support for adopting national REDD+ strategies; development of reference emission levels (RELs); the designing of a measurement, reporting, and verification (MRV) systems; and setting up REDD+ national management arrangements, including improvements to existing environmental and social safeguards. FCPF is also supporting work on stakeholder consultations and engagement at different levels, including consultation work with forest dependent village communities, protected area Management Boards, State Forest Companies, District and Provincial officials and non-government organizations. The Grant supports the development of the Vietnam Emission Reduction Program in the North Central Region. Significant progress has been achieved in the grant implementation and the project is on track of achieving the grant objectives (key achievements below).

More specifically during the period, The FCPF supported the VN's Government to complete the ER-PD, and the ERP of Vietnam was eventually selected into the Carbon Fund portfolio by CF17 in early February 2018. The various technical conditions to complete the negotiations on the ER Payment Agreement are under active development.

Overall progress from 07/01/2017 to 06/30/2018 with regard to Implementation of Grant Financed Activities:

Comment:

Major milestones have been achieved, namely finalization of the ER-PD and official selection of Vietnam in the Carbon Fund pipeline in February 2018. This achievement was supported by various technical work and consultations, including for instance the revision of the MRV and FREL for the ER-P using the updated forestry data 2005-2015 in 2017.

Vietnam is also making satisfactory progress towards negotiations of the ER-PA, and by June 2018 all key technical requirements are being addressed with recruited experts and cleared work plan, including on revising the ESMF and other safeguards instruments, ER title transfer, removal mechanism, benefit sharing plan and related ACMA procedures, and ER registry. This included enhanced coordination with the UN-REDD program on developing the Feedback Grievance Redress Mechanism and national Safeguard Information System to serve for reporting on ER-P respect of safeguards.

The project is also looking towards ER-P implementation. Contribution was provided to the development of the Forestry Law (approved by National Assembly in November 2017) and follow-up translation into regulatory documents (Decrees and Circulars). At the level of North Central provinces, there's been continued communication, coordination workshops with six ER-P provinces, capacity building and stakeholders' consultation activities for ERPD finalization and for paving the way for implementation. The project also improved coordination with different projects in NC area.

Grant follow-up and structure

Description and context of Grant:

Current priority areas of the government with regards the forest sector are to reduce deforestation, support forest protection for enhancing resilience against climate change and further develop forest production as a contribution to the economy and sustainable development. Policies and capacity needs to be strengthened to meet the new challenges.

Expected follow up (if any): Follow up project or grant (non-Bank funded)

Comment on follow up:

- Finalization of the Safeguards documents for the ER-Program
- Processing of the Gov. internal review of the ER-Program
- Benefit Sharing Plan finalization
- Prime Minister's decision on piloting the Carbon title transfer

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End Date of Last Site Visit:

Restructuring of Grant:
N/A

OUTCOME

Comments on outcome achieved from 07/01/2017 to 06/30/2018

- #The ER-PD was approved at the CF17 in January/February 2018
- #Capacity in REDD+ readiness is enhanced, especially in the NC region to be ready for the ER-P implementation
- #REDD+ readiness preparation in terms of capacity building, communication, MRV, safeguards, and legal frameworks was improved

Grant Outcome Indicators

No Outcome indicators are defined or used for this grant.

COMPONENTS

Output and Implementation by Component

Analytical studies and capacities are developed for effective and efficient REDD+ implementation at national and provincial levels

Status: Under Implementation

Planned Output: Capacity building, establishment and support to REDD Steering Committee, Policy supports

Actual Output: 8 training courses on restoration of natural forest, promotion of natural regeneration. REDD steering committees were established

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

Status: Under Implementation

Planned Output: supported laws, regulations on SFC restructuring and improved provision of REDD+ services, results of FLEGT implementation support

Actual Output: Forestry Laws approval by national assembly in Nov. 2017, decree to operationalize Forestry Laws being drafted on SFC

SESA

Status: Under Implementation

Planned Output: SESA of the ER-Program developed and Safeguards instruments for the ER-Program be finalized

Actual Output: see actual output in the below section

Program management and M&E

Status: Under Implementation

Planned Output: M&E system, capacity at various level improved

Actual Output: see actual output in the section below

Comment on planned and actual Output

NA

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Comment on component implementation progress

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: Eight 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 at the central level and the six NC provinces. Moreover, some technical consultation workshops on REDD+, the Target Program 886, and development of legal documents under the Law of Forestry were organized at both central and provincial levels. Furthermore, a series of communication activities on REDD+ awareness at the NC provinces have been being held.

-#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 PPMU offices with necessary equipment (computers, photocopiers, printers, cameras, etc.), and follow-up mission from CTA to Thua Thien Hue in June 2018

-#Support to national REDD+ entities, including contribution to safeguards sub-technical working group on development of SIS and SOI, the ability to transfer title to ERs to the Carbon Fund, the REDD+ registry system and data management system, the Reversal Management Mechanism, the FGRM, development of the approved ERPD 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 ToT 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 are recruited to provide technical support

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

-#The new Forest Law was supported by FCPF and approved by National Assembly in November 2017. FCPF has been supporting formulation of two Decrees and a Circular to be issued in the last quarter of 2018 for Forest Law implementation. They include specific provisions on extension of mechanisms to provision forest services, promote REDD+ implementation, enhance the role of the private sector in sustainable forest development and reform SFC and FMBs functioning#

-#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 has been being supported to implement the sustainable forest management and get the forest certification,3 training courses on the sustainable forest management and forest certification were held for potential forest owners in the NCR; SFC in Ha Tinh has been being supported to maintain its forest certificate.

-#FCPF supported GoV with negotiations on FLEGT VPA, successfully concluded in May 2017. The project also supports preparation towards full VPA implementation through the following activities. For example, two regional consultation workshops on the Organizations Classification System (OSC) in the FLEGT. Moreover, the NC provinces have been evaluating the status of implementation of the forestry law and policies and legal timber through consultations with local stakeholders (authorities, forest owners, forest protection departments, trader, processing companies, communities and people).

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 are being completed

-#SESA was completed (see ER-PD and related annexes), 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 services. Expert has been recruited to finalize ESMF and other safeguards instruments according to WB comments, and establish method for safeguards reporting in coordination with national SIS. 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 have been being organized in the NC provinces.

-#The project has collaborated with UN-REDD to finalize the FGRM at national level (completed) and an expert is being recruited to translate into provisions adapted to ER-P operational implementation in NC areas.

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

-#Capacities are in place at PMU and PPMUs to implement the project. A workshop on project M&E was held in October 2017 for the PMU and the six PPMUs. Two training workshops on project finance management and project management were held

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with participation of the PMU, the six PPMUs, and the Forest Management for Forestry Board and the MARD Finance Department.

-#M&E system is established and operational, and supports timely activity and financial reporting. The regular evaluation reports were completed and sent to the MARD and the World Bank timely.

-#The plan for audit and performance evaluation is properly implemented. One audit was conducted for the year 2017.

EXECUTION

Bank project related to the grant

Project ID / Name:	P124584 - Vietnam- FCPF REDD Readiness
Project Status:	Lending
Global Focal Area:	Climate change
Product Line:	CN - Carbon Offset

Implementing agency and contact details

Agency:	Ministry of Agriculture and Rural Development		
Contact:	Nguyen Thi Thu Thuy, PMU Director		
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Phone:	+84 983070876	Email:	thuy@vietnam-fcpf.vn
Website:			

PROGRAM

Program Specific Questions

1. Describe progress in how the Grant activities are being coordinated with other REDD+-related initiatives, including those funded by Describe progress in how the Grant activities are being coordinated with other REDD+-related initiatives, including those f

Vietnam is progressing well towards full REDD+ implementation. FCPF phase 2 project is well connected to other initiatives led by VNFOREST including the UN-REDD Program, the JICA and GIZ bilateral assistance and other investment programs from the World Bank, the UN etc. The project benefits from overall progress at central level, and actively coordinates on topics like safeguards, MRV, benefit sharing, REDD+ policies and measures, capacity building. The project supports the specific preparation of the ER-PA and REDD+ implementation in the NC region, which offers an excellent opportunity for turning the National REDD+ Program into implementation, so optimizing added-value from all coordinated REDD+ initiatives in country.

2. Describe any important changes in the technical design or approach related to the Grant activities.

No significant changes

3. Describe progress in addressing key capacity issues (implementation, technical, financial management, procurement) related to this Grant.

General progress on project#s capacities thanks to recruitment of key experts and capacity building activities. Deployment of the procurement plan was accelerated in 2018 following improvement in the internal operations.

4. Describe progress in addressing social and environmental issues (including safeguards) related to the Grant. Is the SESA conducted in accordance with the Common Approach?

SESA was finalized during the reporting period, in accordance with the Common Approach. Further consultations have been carried out and comments received on the ESMF and other safeguards instruments, including from the WB, and are ready to be incorporated in a revised version. In parallel, progress on FGRM and benefit sharing have also been delivered, so completing the strengthening of the overall safeguards mechanism.

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5. Is the ESMF prepared in accordance with the Common Approach?

Yes. Bank's comments are being reviewed and will support final revision of the ESMF

6. Describe progress in stakeholder consultation, participation, disclosure of information, and the FGRM related to this Grant.

The project continues implementing intense activities of consultation and capacity building to ensure effective participation of multiple stakeholders, including local authorities, communities, CSO and NGO, and the private sector. On FGRM, the national framework was completed in December 2017, and expertise is under recruitment to translate it at regional level.

DISBURSEMENTS

Disbursements Summary in USD

Date From	Date To	Planned Cumulative	Planned Period	Actual Cumulative	Actual Period
07/01/2016	12/31/2016	0.00	0.00	0.00	0.00
01/01/2017	06/30/2017	0.00	0.00	1,000,000.00	1,000,000.00
07/01/2017	12/31/2017	0.00	0.00	1,000,000.00	0.00
01/01/2018	06/30/2018	0.00	0.00	1,428,380.95	428,380.95
07/01/2018	12/31/2018	0.00	0.00	0.00	0.00
01/01/2019	06/30/2019	0.00	0.00	0.00	0.00
07/01/2019	12/31/2019	0.00	0.00	0.00	0.00
01/01/2020	06/30/2020	0.00	0.00	0.00	0.00