



***Vietnam ER Program
WB Support as Delivery Partner***

World Bank Task Team

Carbon Fund 17th Meeting

Paris, France

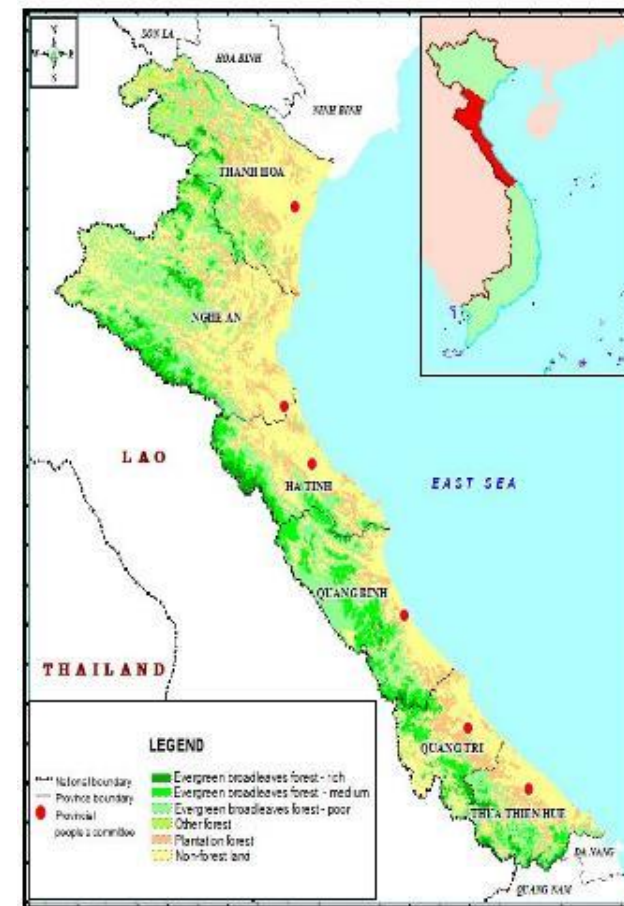
January 30 – February 1, 2018

Outline

- Summary of ER-Program preparation support
- How the ER-Program fits into Bank's Support Strategy
- How the ER-Program fits into GoV's Strategy
- Bank's due diligence
- Next steps and Timeline

Summary of ER-Program Preparation Supports

Milestones	Date
Vietnam's ER-PIN approval by the FCPF	June 19, 2014
Letter of Intent (LOI) signed with Vietnam	Jan. 10, 2015
Readiness Package endorsed at PC22	Sept. 27, 2016
Concept approved by WB	Nov. 30, 2016
1 st Presentation of ER-PD at CF15	Dec. 2016
Quality Enhancement Review (QER)	April 2017
2 nd TAP review: rated 61 of 62 indicators met	
Decision Review Meeting expected	June 2018
Appraisal expected	June 2018
ERPA negotiation process expected	Aug. – Dec. 2018
ERPA signature expected	Dec. 2018
WB commits to support Vietnam's ER-P through implementation	



How the ER-Program fit into WB's Support Strategy

Vietnam ER-Program



WB's Twin Goals

End Extreme Poverty
Reduce the percentage of people living on less than \$1.25 a day to 3% by 2030

Promote Shared Prosperity
Foster income growth of bottom 40% of the population in every country



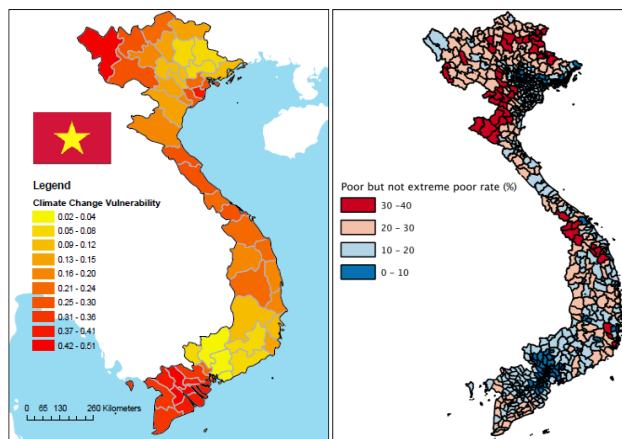
Country Partnership Framework

CPF's Focus Area 3: **ENSURE ENVIRONMENTAL SUSTAINABILITY AND RESILIENCE**

Objective 9: Promote Low Carbon Energy Generation, including renewables and Energy Efficiency and reduce GHG emissions

Objective 10: Increase Climate Resilience and Strengthen Disaster Risk Management

Objective 11: Strengthen Natural Resource Management and Improve Water Security



How the ER-Program fits into WB's Support Program to GoV

Project Name	Closing Date	Total (\$M)	CPF
VN Industrial Pollution Management Project	30-Sep-2018	50.00	GHG ER
Coastal Resources for Sustainable Development Project + GEF	31-Jan-2018	106.50	GHG ER Climate resilience
Mekong Delta Integrated Climate Resilience and Sustainable Livelihoods Project	31-Dec-2022	310.00	GHG ER Climate resilience
Forest Sector Modernization and Coastal Resilience Enhancement	31-Dec-2023	150.00	Climate resilience
Policy Development Support for Climate Change & Green Growth	2019	0.60	GHG ER Climate resilience
Mekong Delta: Advancing Climate Resilient Development: Inclusive, Innovative, Integrated	2021	2.43	All of focus area 3
PMR	2020	3.00	GHG ER
FCPF REDD+ Readiness	2019	8.80	GHG ER Climate resilience

How the ER-Program fit into GoV's Strategy and Priorities

USE NATURAL ASSETS FOR INCLUSIVE AND RESILIENT GROWTH

- Socio-Economic Development Program (2016-2020) calls for a renewed focus on sustainable development and the Green Growth Strategy
- Target Program on Sustainable Forest Development (approved 8/2016) and Forestry Law (approved by National Assembly 11/2017): Use of forests for goods and services (e.g., carbon sequestration, coastal resilience)
- Vietnam National REDD Action Program

RISK MANAGEMENT

- Vietnam pledged own domestic resources of \$3.2 billion to reduce GHG emissions by 8% by 2030 relative to BAU scenario. Willing to go up to 25% with international support
- Vietnam's NDC commitments span mitigation and adaptation to climate change
- Target Program for Climate Change and Green Growth approved (10/2017)
- SEDP (2016-2020) directs Government to pursue a "greener" approach to development.

Vietnam's new status: implications for WB's support

- Vietnam became a middle income and IBRD country → priorities for loans are less for natural resources
- WB's portfolio will decline in the next few years
- The majority of funding for the ER-P is GoV's budget, only one WB NRM project is active in this ER-P area (Forest Sector Modernisation and Coastal Resilience)
- WB commits to stay engaged in the Forest Sector and support GoV in finding new financing resources/instruments for natural resource management (including Carbon Finance)

Vietnam ER-Program Due Diligence

- ER-Program follows Bank's standard preparation and review steps
- ER-P Program Concept Review Meeting was conducted on Dec. 2, chaired by Country Director
- Program Concept Note (PCN) peer-reviewed by 5 experienced Bank staff + Regional Safeguards Team
- PCN was endorsed and Task Team was authorized to proceed with ER-PD preparation

Key feedback from PCN and QER reviews:

- Program Development Objective is adequate
- Indicators: need to ensure reliable measurements of livelihood improvements
- Key risks: The Bank takes precautionous approach when assessing risks. Overall risk rating is Substantial:
 - ✓ Stakeholders engagement
 - ✓ Cross sectoral coordination and engagement of multiple development partners
 - ✓ Technical complexity associated to large scale Program
 - ✓ Program financing – in the context of public spending cut
- Safeguards assessment: Ethnic minority participation and equity in benefit sharing
- Program financing: clear description of the financing arrangements needed for appraisal

Vietnam ER-Program Due Diligence

- Technical review of revised MRV/REL
- Review of Safeguards instruments (e.g. SESA, ESMF, IPPF, RPF...) to ensure they meet the Bank's standards
- Support the Vietnam Gov. team to address the comments of CF15 meeting:
 - Carbon accounting (FREL/REL)
 - REDD+ registry
 - Cross-sectors
 - Interventions: ACMA clarification
 - Safeguards

ER-Program Next Steps

Vietnam's actions:

- Advance development of Benefit Sharing and Feedback/Grievance redress mechanism
- Further define REDD registry
- Advance development of implementation design, review the piloting of ACMA

World Bank Processing Steps:

- Decision Review Meeting – planned for June 2018
- Appraisal - June 2018
- ERPA negotiation process: Aug. – Dec. 2018
- ERPA signature: Dec. 2018

Well coordinated donor supports, stakeholder consultations, civil society engagement and strong Gov. commitment

THANK YOU!

