

World Bank - Grant Reporting and Monitoring (GRM) Report

FOR OFFICIAL USE ONLY

Ref. TF013447 Reporting Period: 07/01/2014 to 05/15/2015 Printed On: 05/15/2015 Report Type: Progress Report

Report Status: Submitted

Assignment: TF013447

Vietnam Readiness Preparation Proposal

FCPFR - FOREST CARBON PARTNERSHIP FACILITY

Task Team Leader: 00000186457 - Lan Thi Thu Nguyen

Approving Manager: 00000066054 - Iain G. Shuker

Summary Information	
TF Status	ACTV
Recipient Country	Vietnam
Executed By	Recipient
Managing Unit	8098 - EASVS - HIS
Grant Start Date / End Date	01/22/2013 to 05/31/2016
Program Manager	Simon J. Whitehouse
Original Grant Amount	3,800,000.00
Grant Amount	3,800,000.00
Outstanding Commitments	885,000
Cumulative Disbursements	1,314,000 as of 05/15/2015
Total disbursed and committed by 05/15/2015	2,199,000 (58%)
Donor	TF602001 - MULTIPLE DONORS

This GRM report includes the following sections: Overview, Outcome, Components/Outputs, Execution, Program (FCPFR), Processing, Attached Documents, and Disbursements.

FOR OFFICIAL USE ONLY

Ref. TF013447 Reporting Period: 07/01/2014 to 05/15/2015
Printed On: 05/07/2015 Report Type: Progress Report
Report Status: Submitted

OVERVIEW

Overall Assessments and Ratings

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 07/01/2014 to 05/15/2015 with regard to Achieving Grant Objectives:

Comment:

World Bank - Grant Reporting and Monitoring (GRM) Report

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. **Significant progress** has been achieved in the grant implementation and the project is on track of achieving the grant objectives (key achievements below).

Overall progress from 07/01/2014 to 05/15/2015 with regard to Implementation of Grant Financed Activities:

Comment:

- Progress to mid-May 2015 has included the successful completion of the Emission Reduction Program Idea Note (ER-PiN) document, presentation and inclusion in the CF pipeline; signing of the Letter of Intent and various packages being completed which contribute to Vietnam's Readiness.
- Communications and stakeholder consultation plan for potential stakeholders (in April 2014), improved orientation of FCPF REDD +communications work at provincial level, including awareness raising, (in August/ September 2014);
- Set up three FCPF REDD+ Provincial Steering Committees (SCs) (in September 2014, - now have total of five joint REDD+ SCs);
- Initial work with two State Forest Companies and provinces interested in possible REDD+, improved business plans, sustainable forest management, including rationalization of boundaries and forest land holdings and roadmap for policy/ privatization reform work (in August and September 2014) and review of potential safeguard issues (November 2014);
- Awareness raising and training of trainers for Free, Prior, and Informed Consultation (FPIC) in three FCPF provinces (in November 2014).
- Initial work with FCPF pilot village communities, and provinces on developing procedures for improved implementation of Payment for Forest Environmental Services (PFES) and forest land allocation and review of the impact of new Land Law (ongoing from August 2014);
- Initial survey and coordination work on Forest Laws Enforcement, Governance and Trade (FLEGT) in three FCPF provinces and national workshop (in December 2014);
- FCPF coordination with UN-REDD on joint approach to developing Feedback Grievance Redress Mechanisms (January 2015) and UN-REDD Safeguard Information System (in March 2015);
- Improved FCPF coordination with different projects in Emission Reduction Program (ER-P) area (in January 2015) and coordination workshops with six ER-P provinces (from April 2015, ongoing).
- Package on assessment of forest change (deforestation and degradation) is on-going
- Strategic Environmental and Social Assessment (SESA) package has started
- The Emission Reduction Program Document (ER-PD) is being developed with key technical positions being mobilized.

Grant follow-up and structure

Expected follow up (if any): Follow up Bank project/loan/credit/grant

Comment on follow up:

Progress after mid-May, 2015 will focus on; (i) development of an integrated and prioritized work program that clearly identifies work packages, responsibilities, budgets and resources, and detailed terms of reference for each activity. This is applicable for both the Readiness Grant and the preparation of the ER-PD; (ii) For the Readiness Grant, it is important to prioritize the work on SESA given the Readiness Preparation Grant expiration date of end-Nov. 2015. In a phased approach the focus should be on the SESA work of the ER-PIN program area in North Central Coast region; (iii) Finalization of the R-Package Assessment Report; and (iv) Finalization of the proposal on Additional Financing which aims at completing a number of

World Bank - Grant Reporting and Monitoring (GRM) Report

FOR OFFICIAL USE ONLY

Ref. TF013447 Reporting Period: 07/01/2014 to 05/15/2015 Printed On: 05/15/2015 Report Type: Progress Report

Report Status: Submitted

technical aspects of the Readiness package and of the ERPD development (eg. regional Reference Emission Level (REL), environmental assessment and socio-economic analysis of the ERPD areas).

End Date of Last Site Visit: April 10, 2015

Restructuring of Grant: The Grant will be restructured given i) an extension of the closing date for 6-7 months will be sought by the Gov. and ii) additional financing is being requested alongside the presentation of the Mid-term Report by the Gov.

Initiate the Grant extension request and processing the Additional Financing

By Whom: Client
By When: 05/31/2015
Status: On-going
Date Resolved: pending

Work program of the ERPD's preparation

By Whom: Client
By When: 05/31/2015
Status: On-going
Date Resolved: pending

Financial support mapping for the North Central region.

By Whom: Client
By When: 07/31/2015
Status: On-going
Date Resolved: pending

OUTCOME

Comments on outcome achieved from 07/01/2014 to 05/15/2015

Significant progress has been achieved in the grant implementation and the project is on track of achieving the grant objectives. Details achievements are discussed under "Overall Progress" session on Page 2 above. To date, 58% of the Grant has been disbursed (USD1.3 mil) or committed (USD900,000)

Grant Outcome Indicators

No Outcome indicators are defined or used for this grant.

COMPONENTS/OUTPUTS

Significant outputs have been achieved including among others: National REDD Action Plan issued, completion of the ER-PIN, REDD+ Steering Committees established, Work under way on State Forest Company (SFC) reform and privatization in two provinces, Initial stakeholder analysis completed and further definition of program area and target populations - known to include seven major ethnic minority groups and three to four minor groups, and initial work on FLEGT, work on developing MRV and refining FRL, national and nested regional

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: Mr. Vu Xuan Thon
Address: 2 Ngoc Ha, Hanoi, Vietnam
Phone: +84 988809696 Email: Thonvx.daln@mard.gov.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 others.

The grant activities are well coordinated with other REDD+-related initiatives in Vietnam, including most importantly the UNREDD Phase 2. It was agreed at the grant preparation stage that the two funds would complement each other and avoid overlapping tasks. The UNREDD Phase 2, however, experienced serious delays in implementation (and has only disbursed around 5% of the funding of USD27mil). This delay has put at risk the achievement by Vietnam of REDD+ readiness as planned. It is proposed that the FCPF Additional Financing would take over and finance some of the time-critical activities of the Readiness package. Other donor funded programs funded the Provincial REDD+ Action Plans (PRAPs) and work on payments for forest environmental services (USAID Vietnam Forest and Delta Program); pilot provincial REL and REDD+ activities in Quang Binh province (GIZ); first PRAP of Dien Bien province and sustainable forest management in the Northwest watershed area (JICA)

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

Given the slow progress of the UN-REDD phase 2 (see point 1 above), the FCPF program is considering taking over some of the activities which were proposed to be implemented under the UNREDD phase 2. Additional work program will be further developed and detailed in the proposal for extension and additional financing. This issue will be further discussed with the Gov. and donors.

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

Changes in key staffing has significantly improved implementation (eg. the appointment of the full time position of the PMU Deputy Director and Vietnam REDD Office). Fiduciary trainings including on FM and procurement were provided to PMU staff and implementation support has been provided by the Bank's task team.

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 consultant position in the PMU was filled and the consultant is on board to supervise the implementation of the SESA package which is in accordance with the Common Approach.

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

With the initiative of key donors in Vietnam such as WB, ADB, DFAT, USAID and partners, streamlining procedures and instruments for social and environment safeguards are being discussed, including an ESMF template that was recently developed for Vietnam. It was agreed that the environmental and social instruments and approaches used in the FCPF program will made consistent with the approach used for other donor/WB projects in Vietnam, which is in accordance with the Common Approach.

The SESA/ESMF work will focus on both national and provincial REDD strategies, appropriate consultations, analytical work including the review of the newer Land and Environmental laws as they pertain to the ER programs. There is a wealth of very good background technical material from numerous partners (e.g., USAID, SNV, Winrock, JICA, SRD, GIZ etc.) that can provide solid evidence and inputs for these efforts. Plans for further refinement around the unique aspects of drivers of forest degradation and deforestation at the provincial level will be addressed.

6 .Describe progress in stakeholder consultation, participation and disclosure related to this Grant.

- A comprehensive communications and stakeholder consultation plan for potential stakeholders was developed in April 2014, based on which numerous communication activities were organized.
- The Project has improved communication on the FCPF REDD+ at provincial and lower levels, including awareness raising;

World Bank - Grant Reporting and Monitoring (GRM) Report

- The project has supported awareness raising and training of trainers for FPIC in three FCPF provinces.
- Initial work has been undertaken with FCPF pilot village communities and provinces on developing procedures for improved implementation of Payment for Forest Environmental Services (PFES) and forest land allocation and review of the impact of the new Land Law (ongoing from August 2014);

DOCUMENTS

None

FOR OFFICIAL USE ONLY

Ref. TF013447 Reporting Period: 07/01/2014 to 05/15/2015
Printed On: 15/05/2015 Report Type: Progress Report
Report Status: Submitted

DISBURSEMENTS

Disbursements Summary in USD

Date From	Date To	Planned Cumulative	Planned Period	Actual Cumulative	Actual Period
01/01/2013	06/30/2013	0.00	0.00	0.00	0.00
07/01/2013	12/31/2013	0.00	0.00	400,000	400,000
01/01/2014	06/30/2014	0.00	0.00	501,152	101,152
07/01/2014	12/31/2014	0.00	0.00	812,850	311,698
01/01/2015	06/30/2015	0.00	0.00	1,314,000	501,152
07/01/2015	12/31/2015	0.00	0.00	0.00	0.00
01/01/2016	06/30/2016	0.00	0.00	0.00	0.00