The Project on “Support for the REDD+ Readiness Preparation in Vietnam - Phase 2” (FCPF-2) was granted US$ 5 million by the Forest Carbon Partnership Facility (FCPF) of the World Bank (WB) to continue REDD+ readiness preparation activities in six provinces in the North Central Coast region (NCC), namely Thanh Hoa, Nghe An, Ha Tinh, Quang Binh, Quang Tri and Thua Thien-Hue from November 2016 to December 2019. The Management Board for Forestry Projects (MBFP) under the Ministry of Agriculture and Rural Development (MARD) is the Project Owner.

**PROJECT ACTIVITIES**

**FCPF-2 Project Steering Committee Meeting**

On 21 January 2019, in Hanoi, the Standing Vice Minister of Agriculture and Rural Development (MARD) Ha Cong Tuan chaired the Project Steering Committee meeting. Other participants included the Steering Committee members, leaders of the International Cooperation Department, Department of Finance, Vietnam Administration of Forestry, Management Board for Forestry Projects and FCPF Project Management Units at the central and provincial level.

After the reports, comments and discussions of the Steering Committee members, Vice Minister Ha Cong Tuan concluded:

- Results of project activities implementation in 2018
  - The Steering Committee highly appreciated the results achieved in 2018 of the FCPF-2 Project. In 2018, the FCPF-2 Central and Provincial Project Management Units made great efforts in implementing the project activities. All four project components were implemented effectively, on a timely manner and on track to meet its objectives. This contributed significantly to the process of REDD+ readiness preparation in Vietnam, paving the way for implementation of the activities in 2019 - the last year of the project.

- Work plan 2019
  - In general, the Steering Committee agreed with the key tasks, workplan and budget of 2019 as proposed by the FCPF-2 Central Project Management Unit (CPMU). Since 2019 is the last year of the Project, it is necessary to make the most of the remaining resources. The CPMU was allowed to implement flexible mechanisms to adjust annual activities and achieve the project objectives in accordance with regulations and laws. He requested CPMU to avoid unnecessary formalism with project partners and provinces, so to speed up the implementation process, improve the effectiveness of management and accomplish the set targets in terms of both quantity and quality.
In details, the CPMU should:
- Review the proposed content of the 2019 work plan, detailing activities, budgets, partners/stakeholders and sites for each component and inform PPMUs in January 2019.
- For policy-related activities, base on the approved overall project workplan, elaborate a workplan detailing the contents, timelines and results to be achieved, and technical and financial support to VNFOREST and MARD.
- Review and ensure additional budget for regional cooperation, including the organization of the dialogue with three Indochina or Lower Mekong sub-region countries on legal timber management.
- Develop detailed implementation plans for activities related to project closure, closing of project accounts and auditing.

The Emissions Reduction Program (ER-P) in the North Central Coast (NCC) of Vietnam 2018-2025. VNFOREST was assigned as the Program Owner and responsible for reporting to MARD. In order to ensure the ER-P development and implementation, VNFOREST and FCPF-2 Project shall immediately implement the following tasks:
- Review carefully the content of the ER-P and address all comments from relevant ministries and provinces. If necessary, organize consultation workshops with relevant ministries and provinces to engage more participation and interest to ensure the consensus in the process of approval and implementation of the ER-P;
- Identify specific financial sources for implementing the Program: State budget, ODA loans, non-refundable ODA, revenues from Payment for Forest Environmental Services (PFES), investments of forest owners, payments under Emissions Reduction Payment Agreement (ERPA) and other sources.
- Clarify the nature of the agreement signed between the World Bank and Vietnam (i.e., Agreement or Contract on Emission Reductions) in accordance with Vietnamese law and international practice to decide the appropriate agency representing Vietnam to sign the ERPA.
- The Steering Committee agreed with the proposed schedule for negotiations and signing of the ERPA. VNFOREST and related agencies shall make more efforts to ensure the progress of implementation.
- VNFOREST shall establish a Task Force, headed by a VNFOREST leader to negotiate the ERPA. FCPF-2 project shall prepare Vietnam’s position on negotiating terms such as: starting time, forms of advance payments, contract volume, unit price, payment methods/procedures, beneficiaries, etc. in accordance with the provisions of Vietnamese laws and World Bank/Carbon Fund regulations.

**Support for policy development**

The Project supported VNFOREST/MARD to develop the following legal documents:
- Decree 156/2018/ND-CP dated 16 November 2018 stipulating guidelines for the implementation of several provisions of the Forestry Law.
- Decree 01/2019/ND-CP dated 01 January 2019 on forest rangers and forest protection units.
Sustainable forest management and forest certification

In December 2018, the Project collaborated with GFA to implement the FSC pre-assessment for natural forests and plantations of the Protection Forest Management Board (PFMB) of Lang Chanh in Thanh Hoa province; assessment for FSC maintenance of natural forest of Huong Son Forest Company in Ha Tinh province and assessment for FSC certification for plantations of Tay Kim Cooperative in Ha Tinh province. The assessment results are as follows:

- **Lang Chanh PFMB, Thanh Hoa province:** 22 noncompliances, of which:
  - Development and implementation of sustainable forest management (SFM) plan (7 noncompliances)
  - Monitoring of SFM plan implementation (7 noncompliances)
  - Training and capacity building in SFM (6 noncompliances)
  - Consultations with stakeholders, especially those directly impacted by the SFM plan (2 noncompliances).

In the coming period, the Project shall provide support to address these noncompliances by August 2019 and then carry out formal FSC assessment for Lang Chanh PFMB.

- **Huong Son Forest Company, Ha Tinh province:** 8 minor noncompliances and 3 observations. Huong Son Forest Company can maintain their FSC certification provided that they address these noncompliances and observations within 12 months from the date of the assessment.

- **Tay Kim Cooperative, Huong Son district, Ha Tinh province:** 5 major noncompliances, 14 minor noncompliances and 6 observations. Following these findings, in order to have FSC certification, Tay Kim Cooperative needs to address all major noncompliances within 3 months and all minor noncompliances and observations within 12 months from the assessment.

Support for updating Provincial REDD+ Action Plans (PRAPs)

The FCPF-2 Project collaborated with the Sustainable Natural Resources Management Project (SNRM-JICA) and the IKI-SNV Safeguards project to provide support to five provinces to update their PRAPs according to Decision 419/QD-TTg dated 5 April 2017 on the National REDD+ Action Programme 2017-2030 (NRAP). As a result, PRAPs of the five provinces of Thanh Hoa, Nghe An, Quang Binh, Quang Tri and Thua Thien Hue were updated and approved by Provincial People’s Committees in accordance with the NRAP.

Trainings on using tablet-based tool to monitor changes in forests and forest land

Following initial efforts in 2017, the FCPF-2 Project further provided its pilot provinces with 345 tablets during the third quarter of 2018, to reach a total of 700 tablets handed over to provinces. The Project also organized a training-of-trainer event in collaboration with SNRM-JICA, as well as six training courses for a total of 599 participants.

The material and training were directly put into practice, and forest rangers and forest owners carried out actions to monitor, check and update changes in forests and forest land (afforestation, forest exploitation, deforestation, forest fires, forest land encroachment, etc.). For example, Nghe An province identified and updated 34 areas of land cover change, while Quang Binh province identified and updated 86 areas of land cover change. These changes were sent to and synchronized with the server of VNFOREST.
Technical trainings on planting high yield long-rotation timbers and natural forest restoration

In 2018, Ha Tinh PPMU organized two trainings on tecnics for planting high-yield long-rotation timbers and natural forest restoration for 71 participants (57 male and 14 female) from relevant district departments and agencies, forest owners and households involved in forest planting. The trainings provided participants with basic knowledge about the process of planting long rotation timber forests, converting short rotation to longer rotation, restoring natural forests, including rehabilitation for regeneration and forest enrichment, etc. After the trainings, participants could start implementing these tecnics, and introduce and disseminate them to other forest owners and households in the area.

Technical trainings to establish forest timber nurseries in Quang Binh province

Quang Binh PPMU conducted seven technical trainings on establishing forest timber nurseries to 280 participants including forestry officers and local people in Quang Trach, Bo Trach and Quang Ninh districts. These trainings provided the participants with understanding on the following questions:
- Benefits of using seedlings of quality and clear origins;
- Guidance on the procedures for seedlings monitoring and registration following requirements and code of conduct;
- Procedures for certification of seedlings varieties and origins;
- Regulation on management of forest plant varieties and Decisions on main forest plant varieties, varieties allowed for plantation, and circulars and regulations on production of forest timber seedlings.

Technics for seedling selection and breeding using cuttings and seeds, and nursery care for a number of major species such as acacia, pine and native trees such as Erythrophleum fordii, Tarrietia javanica, Magnolia hypolampra, and Canarium album.

Activities to support the implementation of the Voluntary Partnership Agreement for Forest Law Enforcement, Governance and Trade (VPA-FLEGT)

In order to implement the VPA-FLEGT, some PPMUs in collaboration with relevant stakeholders, conducted the assessment of the implementation of the Law on Forest Protection and Development and the situation of illegal timber in the provinces through 70 consultations and field surveys at provincial, district and commune levels gathering nearly 1,700 participants (14% female) from different departments and agencies, forest owners, village leaders, local people, socio-political organizations, wood processing facilities, etc. The results show that the number of forest law violations decreased significantly compared to previous years. Local people broadly comply with the law on forest protection, forest fire prevention and forest development. However, organizations and households do not systematically recognize the importance of producing proofs of compliance with laws and regulations on occupational safety, and social and environment safeguards, or chain of custody requirements, etc.

Therefore, significant work is still need to meet VPA FLEGT requirements in the near future. It also requires stronger engagement of forest owners, local authorities and stakeholders in the whole process of implementation.
Emissions Reduction Program in North Central Coast of Vietnam

Progress of Program approval
MARD sent Official Letter No. 9077/BNN-TCLN dated 22 November 2018 requesting for comments from relevant Ministries and six North Central Coast provinces on the Program documents (including the draft Proposal on Emission Reduction Program in the North Central Coast of Vietnam for the period of 2018-2025, draft Prime Minister’s Decision on approval of the proposal and draft submission letter to the Prime Minister).

<table>
<thead>
<tr>
<th>Steps</th>
<th>Responsible</th>
<th>Timeline</th>
</tr>
</thead>
<tbody>
<tr>
<td>Receiving all 15 comments from relevant Ministries and provinces</td>
<td></td>
<td>22 Feb 2019</td>
</tr>
<tr>
<td>Reporting to MARD and consulting on the revised Program Documents and Report on addressing the comments from relevant Ministries and provinces</td>
<td>FCPF-2 to support VNFOREST</td>
<td>28 Feb 2019</td>
</tr>
<tr>
<td>Finalizing the Program Documents and Report on addressing the comments following MARD’s instructions; Reporting to the Prime Minister for directions.</td>
<td>FCPF-2 to support VNFOREST/MARD</td>
<td>8 Mar 2019</td>
</tr>
<tr>
<td>Finalizing the Program Documents following the Government Office’s instructions (if any), and Prime Minister to issue a decision on approval of the Project.</td>
<td>FCPF-2 to support VNFOREST/MARD</td>
<td>March 2019</td>
</tr>
</tbody>
</table>
Consultation workshop
In October 2018, FCPF-2 Project, in collaboration with the WB, organized a workshop on Emissions Reduction Payment Agreement (ERPA) for representatives from different relevant ministries and agencies and North Central Coast provinces. Participants were provided with detailed contents of the term sheet for negotiations and general conditions of the ERPA, as well as the negotiation procedures and timelines.

<table>
<thead>
<tr>
<th>Steps</th>
<th>Responsible</th>
<th>Duration</th>
<th>Milestones (tentative)</th>
<th>Responsibilities of Vietnam</th>
</tr>
</thead>
<tbody>
<tr>
<td>Preparing the term sheet (including different options)</td>
<td>FCPF-2 to support MARD</td>
<td>Under preparation</td>
<td>22 Feb 2019</td>
<td>VNFOREST/MARD to revise the termsheet</td>
</tr>
<tr>
<td>Finalizing the term sheet and reporting to MARD leaders</td>
<td>FCPF-2 to support MARD</td>
<td>1 week</td>
<td>28 Feb 2019</td>
<td>MARD leader to endorse and agree to proceed with negotiations</td>
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<tr>
<td>Negotiating the term sheet</td>
<td>MARD, WB/CF</td>
<td>4 weeks</td>
<td>29 Mar 2019</td>
<td>Negotiations and agreement</td>
</tr>
<tr>
<td>Drafting ERPA</td>
<td>MARD, WB</td>
<td>2 weeks</td>
<td>15 April 2019</td>
<td>MARD in collaboration with the WB to elaborate draft ERPA</td>
</tr>
<tr>
<td>Reviewing ERPA and comments (if any)</td>
<td>Vietnam, WB/CF</td>
<td>2 weeks</td>
<td>30 April 2019</td>
<td>Final review and comments</td>
</tr>
<tr>
<td>Non-objection to the draft ERPA</td>
<td>CF</td>
<td>2 weeks</td>
<td>15 May 2019</td>
<td></td>
</tr>
<tr>
<td>Signing ERPA</td>
<td>WB and Vietnam</td>
<td>2 weeks</td>
<td>31 May 2019</td>
<td>Signing</td>
</tr>
</tbody>
</table>

Benefit sharing plan (BSP) and Feedback and Grievance Redress Mechanism (FGRM)
During fourth quarter of 2018, FCPF-2 organized regional and local consultations on the BSP and FGRM gathering representatives from Provincial Steering Committees for Sustainable Forest Development and REDD+ implementation, relevant departments and agencies, provincial CSOs, districts departments and divisions, forest owners and local people. In 2019, additional consultations will be conducted to finalize these two documents.

**FCPF - REDD+ VIETNAM**

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