

THIRD-PARTY MONITORING
FOR BENEFIT SHARING & SAFEGUARDS IMPLEMENTATION
VIET NAM NORTH CENTRAL REGION EMISSION REDUCTIONS PROGRAM

FINAL REPORT



Prepared for: The World Bank

Prepared by: Mekong Economics Ltd. in association with Mekong Economic Consult Com. Ltd.

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Acronyms

BSP	Benefits Sharing Plan
CPC	Communal People's Committee
DAE	Department of Agriculture and Environment
EIA	environmental impact assessment
EMDP	Ethnic Minority Development Plan
EMPF	Ethnic Minorities Planning Framework
ERMR	Emission Reductions Monitoring Report
ERP	Emission Reductions Program
ERPA	Emission Reductions Payment Agreement
ERPD	Emission Reductions Program Document
ERs	emission reductions
ESMF	Environmental and Social Management Framework
ESMP	Environmental and Social Management Plan
ESS	environmental and social safeguards
FCPF	Forest Carbon Partnership Facility
FGRM	feedback grievance redress mechanism
FGD	focus group discussion
FMB	Forest management board
FPIC	Free, Prior, and Informed Consultation
GoV	Government of Viet Nam
MARD	Ministry of Agriculture and Rural Development
MONRE	Ministry of Natural Resources and Environment
NCR	North Central Region
PFES	Payment for forest environmental services
PFPDF	Provincial Forest Protection and Development Fund
PPC	Provincial People's Committee
TPM	Third-party monitoring
VNFF	Viet Nam Forest Development and Protection Fund
VNFOREST	Department of Forestry and Forest Protection
WB	World Bank

Images included in this report were taken by the TPM team during the field mission from 8-13 October 2025, unless stated otherwise.



Executive Summary

Background, Scope and Methodology

Launched in 2008 and managed by the World Bank (WB), the Forest Carbon Partnership Facility (FCPF) consisted of the Readiness Fund and the Carbon Fund. Of 47 countries supported through the Readiness Fund, 15, including Viet Nam, developed emission reduction programs (ERPs) and signed Emission Reductions Payment Agreements (ERPAs) with the Carbon Fund to receive results-based payments for verified emission reductions (ERs). Viet Nam's ERP was implemented in Thanh Hoa, Nghe An, Ha Tinh, Quang Tri Provinces and Hue City. The ERPA, signed on 22 October 2020, included a transfer of 10.3 million verified ERs achieved under the ERP, valued at US\$51.5 million, with an option for an additional 5 million ERs. The agreement established three reporting periods: 2018-2019, 2020-2022, and 2023-2024.

Benefit sharing was an essential part of the ERPA. The Benefit Sharing Plan (BSP) was developed to ensure transparent, inclusive, and fair allocation of carbon benefits. The BSP was supported by a “safeguard system”, including Environment Social Management Framework (ESMF), Resettlement Policy Framework, Ethnic Minority Planning Framework, and Process Framework.

Mekong Economics in association with Mekong Economic Consult was commissioned by the WB to undertake Third-Party Monitoring (TPM) of benefit sharing and safeguards under the ERPA from September to December 2025, based on document reviews and stakeholder interviews. The TPM covered the ERPA payment already received and BSP implementation to date to complement the WB supervision.

Key Findings

Benefit Sharing Implementation

Legal Framework. The BSP was governed by a comprehensive policy and legal framework, particularly Decree no. 107/2022/ND-CP. The decree built on the existing Payment for Forest Environmental Services (PFES) system under Decree No. 156/2018/ND-CP. The Program Operational Manual (POM) was developed to guide the implementation. As ERPA funds were a new revenue source, implementation challenges emerged and were addressed through guiding documents and follow up at different levels.

Recommendations: leverage PFES to streamline implementation and reduce complexity.

Institutional Arrangements. Necessary structures were put in place and functional in line with the BSP, and Decree no. 107/2022/ND-CP. VNFF managed and coordinated funds, provided guidance and training, and reported on implementation. The Provincial Forest Protection and Development Funds (PFPDFs) planned and disbursed funds, and reported to VNFF and relevant authorities. Organizational forest owners managed and reported funds use, while communities monitored livelihood projects. Implementation relied on existing institutional structures and staff, which proved effective and aligned with national systems but resulted in heavy workloads due to tight timelines and reporting requirements.

Financial Management. ERPA revenues were disbursed to beneficiaries in line with program regulations. Financial plans were approved by competent authorities, promoting transparent and effective disbursement. Being a pilot program with a relatively new mechanism, ERPA experienced inconsistent interpretation of Decree No. 107/2022/ND-CP (e.g. expenses to be reasonable and not overlapped with other State budget allocations for forest protection) and cautious planning and approval, leading to initial delays which were then addressed by efforts to remove bottlenecks and accelerate implementation.

Recommendations: (i) review outstanding issues and develop FAQs, deliver targeted training, facilitate experience sharing, and document good practices to support consistent application and cross-province learning; (ii) include in the program completion report recommendations to integrate ERPA funds with other sources for more efficient disbursement.

Payments for forest protection were low, as they were intended as a reward for contributions to natural forest protection. Annual budget of VND 50 million per community livelihood project was insufficient for sustainable options, especially in remote areas, due to high costs, VAT and design requirements.

Recommendations: (i) increase budget of livelihood projects to enable meaningful improvements with consideration given to flexible funding arrangements, phased support; (ii) simplify financial procedures.

Beneficiary lists and payments were publicly disclosed through postings and local announcements, with no cases of ineligible payments reported; however, some recipients noted limited understanding of payment plans, calculation methods, and annual payment variations due to a lack of clear explanations.

Recommendations: (i) use multiple channels to inform beneficiaries; (ii) announce payment schedules and rates in advance; (iii) share beneficiary lists for community monitoring.

The program maintained an effective system of internal controls as required. ERPA revenues were separately tracked using ERPA financial management software, supporting effective monitoring, though parallel use with existing internal accounting software created complexity due to duplicate data entry. ERPA payments were made by bank transfer or postal services, ensuring transparency, but challenges included reluctance to open bank accounts for small payments, added postal and administrative costs in remote areas, cumbersome dual-account requirements for some CPCs in Thanh Hoa Province.

Recommendation: (i) use compatible software to enable single data entry and automatic extraction of data; (ii) apply alternative payment methods for small payments in remote and hard-to-reach areas.

Disbursement Progress. ERPA revenues were disbursed according to approved plans, with overall good progress despite initial delays. VNFF transferred 100% of the first two installments (US\$49.72 million) to

all provinces, while by 30 September 2025 PFPDFs had disbursed 88.76% of approved plan, expected to exceed 94% by year-end; slower disbursement by organizational forest owners (32%) was mainly due to late financial plan approvals and expenditures scheduled for 2025.

Silviculture interventions had a low disbursement rate of 6% due to the short remaining ERPA period (two years versus a typical 4-8-year cycle), lengthy appraisal and approval processes, and procurement challenges, though guidance from MAE/VNFOREST helped accelerate progress in most provinces.

MAE/VNFOREST/VNFF will submit a report to the Prime Minister on the planned use of any undisbursed funds by 31 December 2025, and seek approval to continue using these funds for forest protection activities through 31 December 2027.

Recommendation: (i) transfer ERPA revenues early to enable timely approval; (ii) provide targeted guidance and experience-sharing on silviculture implementation; (iii) provide guidance on the disbursement of the remaining funds, and extra payment from the transfer of additional 1 million ERs.

Environmental and Social Safeguards (ESS) Implementation

The safeguards framework was aligned with the WB ESS policies, relevant legal framework of Viet Nam, and international commitments. In line with the ESMF and POM, necessary structures were put in place, with MAE/VNFOREST responsible for overall implementation, VNFF guiding and supervising, PFPDFs leading local implementation, and organizational forest owners conducting activities in coordination with PFPDFs and consultations with communities. ESS implementation relied on designated safeguards focal points at each level and was generally manageable, but initial difficulties arose due to ESS being new and specialized, concurrent staffing, and limited capacity, which improved over time with training.

Recommendation: (i) provide systematic ESS training and guidance; (ii) consider dedicated ESS staff for complex programs; (iii) streamline safeguards guidance and documentation requirements in line with local context to facilitate implementation.

Implementation Progress. As of June 2025, all activities had been screened, documented, and monitored in line with E&S procedures, with no significant impacts reported, as ERPA primarily provided payments for natural forest protection, livelihood projects were small in scale and classified as low risk, and silvicultural activities (forest tending and/or enrichment) were expected to enhance forest quality and biodiversity. Program entities implemented measures to align silviculture interventions with E&S policies, including conflict prevention, grievance handling, and community consultation. A forest owner in Ha Tinh Province was among the first to prepare a simple ESMP for a silviculture intervention.

Recommendations: guide the preparation of simple ESMP.

Ethnic Minority Development Plan (EMDP). The preparation of EMDP proved relevant to promote equity and participation, as many areas were largely ethnic minority communities. The EMDPs were finalised and publicly disclosed by 30 June 2025. The EMDPs documented activities from the first two years of implementation, and outlined additional measures to ensure inclusive engagement of all beneficiaries.

Recommendations: (i) strengthen documentation to clearly link ERPA activities with EMDP commitments; (ii) standardize and improve EMDP monitoring and reporting across provinces.

Consultations and Information Disclosure. As of June 2025, 1,167 stakeholder consultations had been conducted across provinces, with high ethnic minority participation, in line with the Free, Prior, and Informed Consultation (FPIC) principles. Consultations were mainly conducted in Kinh, with interpretation support provided by village heads or community members when needed for non-Kinh spoken participants.

Inquiries, Complaints and Feedback Activities. The Feedback Grievance Redress Mechanism (FGRM) was aligned with the existing legal framework. Only a few minor complaints were reported (2 in Thanh Hoa, 1 in Nghe An, and 3 in Ha Tinh), all of which were addressed, and documented in line with the FGRM, demonstrating that the system was accessible and functional. The only case of concern was in Thanh Hoa Province, where Thanh Trung Cooperative filed a complaint regarding ERPA payments. The case was resolved in October 2025 after a number of dialogue and mediation sessions.

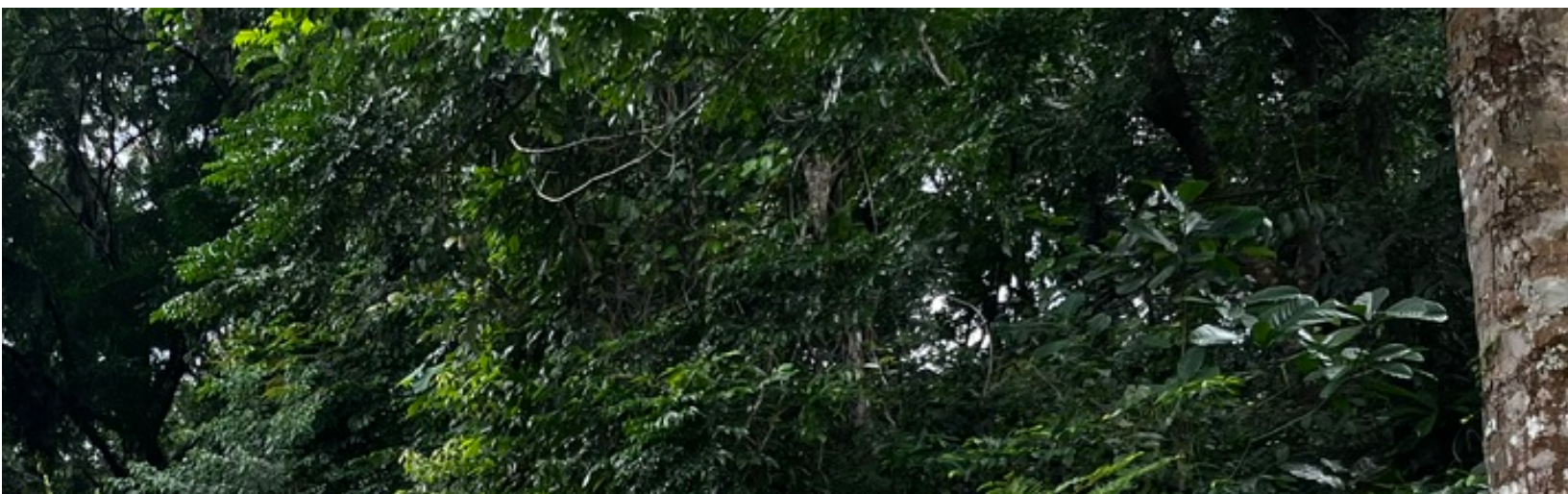
Recommendations: (i) strengthen FGRM effectiveness through continued awareness-raising and communication; (ii) establish early communication with communities on benefit eligibility.

Cross-cutting Themes

Training workshops on finance, accounting, and ESS, along with diverse communication activities, enhanced capacity, awareness, and alignment with program regulations. Field monitoring and supervision missions helped resolve implementation bottlenecks. Implementation progress and lessons learned were updated through periodic reports, trainings, meetings, and a Zalo group was created to strengthen coordination and prompt response to emerging issues.

Conclusions

BSP and Safeguards were implemented as designed and integrated into PE's policies and planning. Necessary systems were put in place to ensure consistent implementation in line with relevant policies and regulations. The implementation of Decree no. 107/2022/ND-CP under ERPA enabled related agencies to gain practical experience for future ER programs and projects. It served as a key reference for ER-related legal frameworks and the national decree on forest carbon sequestration and storage services, establishing a foundation for Viet Nam's future carbon market.





1. Introduction

The Forest Carbon Partnership Facility (FCPF) was launched in June 2008 and managed by the World Bank (WB). It consisted of two funding streams: the Readiness Fund (2008-2022) and the Carbon Fund (since 2011). The Carbon Fund piloted results-based payments to countries that had demonstrated readiness, implemented programs to reduce emissions from deforestation and forest degradation, and had achieved verified emission reductions (ERs). Of the 47 countries supported through the Readiness Fund, 15, including Viet Nam, had developed emission reductions programs (ERPs) and signed Emission Reductions Payment Agreements (ERPAs) with the Carbon Fund.

Viet Nam's ERP was implemented in six provinces in the North Central Region (NCR): Thanh Hoa, Nghe An, Ha Tinh, Quang Binh, Quang Tri, and Thua Thien Hue (now five provinces and city following recent administrative restructuring: Thanh Hoa, Nghe An, Ha Tinh, Quang Tri, and Hue City).¹ The program integrated government and donor-financed activities under a coordinated regional framework to address deforestation drivers, encouraged forest rehabilitation, and promoted better land use practices. The ERP design, which informed the design of the Benefit Sharing Plan (BSP), was developed through a comprehensive stakeholder consultation process involving all ERP provinces.

On 22 October 2020, the Government of Viet Nam (GoV), through the Ministry of Agriculture and Rural Development (MARD, now Ministry of Agriculture and Environment - MAE)² signed an ERPA with the WB. The ERPA included a transfer of 10.3 million verified ERs achieved under the ERP to the FCPF, valued at US\$51.5 million, with an option for an additional 5 million ERs at US\$5 per ton. The agreement established three reporting periods: February 2018 to December 2019, January 2020 to December 2022, and January 2023 to December 2024. Payments were made following independent validation and verification of Emission Reductions Monitoring Reports (ERMR). As ERP activities began before the ERPA was signed, a safeguards due diligence assessment was conducted and cleared by the WB in December 2019 to ensure retroactive ERs met safeguard requirements. On 6 October 2023, WB sent an official letter to MAE confirming 16.21 million ERs generated during the first reporting period of 2018-2019, which was sufficient for the ERs transfer under the ERPA. In accordance with the signed ERPA, MAE transferred 10.3 million ERs to the WB on 11 December 2023, and an additional 1 million ERs on 29 August 2025. ERPA

¹ Since 1 January 2025, Thua Thien Hue Province has been reclassified as Hue City, a centrally governed city. Starting 1 July 2025, the former provinces of Quang Tri and Quang Binh were officially merged to form the new Quang Tri Province, with Dong Hoi City as its administrative center. For consistency, this report referred to five provinces and cities, combining data for the merged provinces where relevant, on the assumption that the merger did not affect the data.

² In February 2025, MARD and the Ministry of Natural Resources and Environment (MONRE) merged to form MAE. For consistency, this report used MAE throughout, including when referring to periods before the merger.

must be formalized into a pilot decree, and any additional transfers under the Call Option would require a resolution equivalent to a decree.

Benefit sharing was an essential part of the ERPA. The BSP was developed to ensure that “carbon benefits³ are allocated among various beneficiaries at different levels in a transparent, inclusive and fair manner with effectiveness, efficiency, democracy, flexibility and comprehensiveness through a proper consultation process with all relevant stakeholders and local communities.” Generally, the BSP design and implementation complied with relevant laws in Viet Nam. The BSP was governed by a comprehensive policy and legal framework, particularly Decree no. 107/2022/ND-CP dated 28 December 2022, National REDD Action Plan (Decision No. 419/QĐ/TTg) and the forest sector policy (Resolution no. 84/NQ-CP). The BSP outlined stakeholder functions and benefit access conditions, applying direct benefit allocations to central and provincial stakeholders involved in policy development and law enforcement, and performance-based allocations to local stakeholders.

The BSP was supported by a “safeguard system”, including Environment Social Management Framework (ESMF), Resettlement Policy Framework (RPF), Ethnic Minority Planning Framework (EMPF), and Process Framework (PF). These documents outlined procedures to address potential risks based on Viet Nam’s legal framework and gap filling measures to meet the WB safeguard requirements. The Feedback Grievance Redress Mechanism (FGRM) was based on established legal mechanisms, similar to those used in the PFES program and aligned with the Law on Mediation and Dialogue (2020). The safeguard measures, especially the EMPF, ensured that ethnic minority people had the same opportunities to benefit from the ERP as non-ethnic minority people.

Mekong Economics in association with Mekong Economic Consult was commissioned by the WB to undertake the Third-Party Monitoring (TPM) for benefit sharing and safeguards implementation under the ERPA. The work was conducted from September to December 2025, involving a review of program documents and interviews with relevant stakeholders. This report presented the TPM scope and methodology, assessed the Program Entity’s implementation of safeguards and benefit-sharing, and provided guide future actions.

³ The BSP focused on direct beneficiaries of carbon benefits, including monetary benefits (cash from ERPA payments) and non-monetary benefits (goods or services funded by ERPA or linked to ERP implementation). Non-carbon benefits were not included in the BSP arrangements, as they did not result directly from ER payments.



2. TPM Scope and Methodology

2.1. TPM Scope

The TPM, covering the ERPA payment already received for the first reporting period (February 2018-December 2019) and BSP implementation to date, supplemented the WB supervision by reviewing how the Program Entity (PE) implemented the benefit sharing and safeguards under the ERPA (Annex 1). Specifically, the TPM assessed the BSP implementation against its original design, including its principles, activities, scope, processes, and institutional arrangements. It reviewed the implementation of the safeguards frameworks, safeguards management systems and the capacity of implementing agencies. It evaluated the availability, operation, and effectiveness of the FGRM. The assessment also included a review of systematic issues related to both safeguards and benefit sharing.

2.2. Methodology

2.2.1. Approach

The TPM aimed to objectively document processes and describe how activities were implemented, considering broader implementation context such as institutional set ups, timeline, and available resources.

Benefit Sharing. The TPM team reviewed the financial management regulations and guidelines outlined in the BSP, ERPA, Decree no. 107/2022/ND-CP, POM, and relevant regulations. The team assessed the POM implementation to identify any additional inputs beyond the ERPA audit findings, and followed up on the funds' implementation of audit recommendations from the ERPA audit report, the State audit, and the provincial inspection where available. This served as a basis for recommending improvements or simplifications to better facilitate ERPA implementation, as well as identifying any general guidance needed after the program concludes, to ensure transparent and fair benefit sharing and management of undisbursed funds, noting that Decree no. 107/2022/ND-CP expires on 31 December 2026.

Safeguards. The ESMF and its addendum aimed to ensure the program would do no harm to the environment or people, and that risks and potential impacts would be under control. The team reviewed the safeguards documents, including their applicability and effectiveness. The team also reviewed the types and scale of investments, assessed potential risks and impacts, examined how these were identified

and managed, and evaluated what was implemented, including what worked well and areas for improvement in future projects. The team obtained some ESS screening results with photos of completed works from the PFPDFs/organizational forest owners. While the livelihood support projects were generally very small of around VND 50 million, recommendations might be applied to improve similar activities in the future (e.g. safe access for community, waste management).

The team reviewed the EMDPs to assess whether they met their objectives in supporting ethnic minority groups, with a particular focus on whether consultation, and communication activities effectively reached the intended beneficiaries.

The team reviewed the FGRM implementation. For the specific complaint in Thanh Hoa Province, the team collected feedback from cooperative representatives to understand the situation and their perspectives on the resolution, using a flexible and constructive approach aligned with local government's handling to avoid unintended impacts on ongoing mediation efforts. At this stage, the focus was on understanding the implications for the BSP, including the outcomes of different approaches, which approaches might be more effective, and how similar situations could be managed more effectively in the future.

Cross-cutting Themes. The team reviewed the institutional capacity, capacity building efforts, communication, and supervision and reporting activities to assess the system adequacy and performance at both policy and implementation levels.

2.2.2. Methods

The TPM consisted of three stages. Following the desk review in Stage 1, stakeholder interviews in Stage 2 and 3 provided insights into effective practices, implementation challenges, and areas for improvements, which collectively formed the final report.

Stage 1. Desk review. ERPA documents, including reports and documents shared by the WB, were reviewed to understand the design, implementation status, and reported progress. An Inception Report was then prepared, outlining the TPM framework, timeline, field plan, and data collection instruments.

Stage 2. Joining WB Mission and Post-mission Follow up. The TPM team participated in the WB mission in Hanoi, followed by a field mission to four provinces, including Thanh Hoa, Nghe An, Ha Tinh, and Quang Tri during 6-13 October 2025. Apart from joint meetings, the team undertook side meetings with focal points in charge of safeguards and forest owners, jointly visited livelihood development projects, and collected program documents for spot checks. Post-mission follow-ups via phone and Zalo were also conducted to obtain additional information and data for analysis. A Progress Report was prepared, presenting the initial findings from reviewing ERPA reports and documents, pre-mission meetings, joint meetings with stakeholders and side meetings, as well as identifying information gaps for further data collection in the next stage.

Stage 3. Follow up Data Collection and Validation. During 19 November - 10 December 2025, the team conducted follow-up interviews by phone or online (Zalo/Zoom), to gather further feedback on ERPA implementation. This supplemented and validated the findings from the previous stages. This report served as an output of the stage, consolidating findings and recommendations.

Table 1 showed the data collection activities undertaken for the TPM.

Table 1. Data collection activities

No.	Category	Description	Joint meetings	KIIs	Side meetings			Spot check (dossiers)	Site check	Post-mission follow-up
					KIIs	FGDs	FO surveys			
A	Prior to WB Mission									
1	WB Deputy Team Leader, ESS Specialists, Financial Specialist			3						
2	VNFF			1						✓
B	During WB Mission 6-13 October 2025 and Post-mission Follow up									
1	WB, VNFF		3							
2	WB, DAEs, PFPDFs, FOs, CPCs		7				✓	4		
	PFPDF safeguards focal points			2					✓	
3	Forest owners (FOs)	Households (HHs)			1*	9**				
		Communities			1					
		Organizations			2		1			✓
C	Follow up Data Collection (19 November - 8 December 2025)									
1	VNFF	Accountant		1						
2	PFPDFs	Safeguards focal points		2			✓			
		Finance focal point		3						
3	FOs	HHs/ Communities		4						
		Cooperative		1						
		Organizations***		10						
Total			10	21	5	2	9		4****	

* 9 FOs in Con Cuong Commune, Nghe An Province (i.e. 1 CPC official, 2 village heads, 2 village secretaries, and 4 HHs).

** 9 FOs in Ha Tinh Province (i.e. 8 HHs and 1 CPC representative; of whom one was female, all belonging to ethnic minority groups).

*** Thanh Hoa: 1 KII (1 Safeguards of 1 FO); Nghe An: 2 KIIs (1 Finance and 1 Safeguards & Finance of 2 FOs); Ha Tinh: 2 KIIs (2 Safeguards & Finance of 2 FOs); Quang Tri: 5 KIIs (2 Safeguards and 3 Finance of 4 FOs).

**** Visited livelihood projects: (1) Community house roof and (2) Lighting (Nam Son Village, Con Cuong Commune, Nghe An Province); (3) Table and chair set, speaker set, and (4) Khe Me village welcome gate (Khe Me Village, Con Tien Commune, Quang Tri Province).

2.3. Limitations

The following limitations did not detract from the overall validity of the methodology but identified specific areas where caution was warranted when drawing broader conclusions. Unlike long-term TPM, the TPM was a one-time review conducted at the end of the program. It functioned as a due diligence check and independent verification of reported versus actual results. The relatively small number of KIIs and surveys with forest owners (limited to nine survey responses in one province) restricted the breadth of representation. A broader survey was not conducted due to the limited beneficiary list available in Stage 3. Given the short time available in each province, the team was only able to make brief observations of a few livelihood development projects and was unable to participate in any consultations during the October 2025 field mission. No site visits to observe silviculture projects were conducted after the mission due to time constraints. Findings were shaped by potential biases in interviewee perspectives, and language barriers, despite efforts like triangulation to reduce subjectivity.



3. Benefits Sharing Implementation

3.1. Legal Framework

The BSP, developed in January 2019, and updated in February 2023, was governed by a comprehensive policy and legal framework, aligned with ongoing initiatives, particularly (i) Decree no. 107/2022/ND-CP dated 28 December 2022 on the pilot transfer of ERs and ERPA financial management, which followed Forestry Law 2017; (ii) National REDD Action Plan (Decision No. 419/QD/TTg dated 5 April 2017); (iii) Program on sustainable forestry development 2021-2025 (Resolution no. 84/NQ-CP dated 5 August 2021, Decision no. 809/QD-TTg dated 12 July 2022); (iv) National Target Program on Socio-Economic Development in Ethnic Minority-Inhabited and Mountainous Areas in the 2021-2030 period (Decision no. 1719/QD-TTg dated 14 October 2021). The FCPF's requirements for BSP were defined in the FCPF Methodological Framework (Criteria 29-33), the General Conditions of the ERPA, and the ERPA itself.

Decree No. 107/2022/ND-CP regulated the implementation of ERPA, and provided a basis for completing required legal documents in the forestry sector. It built on Viet Nam's existing Payment for Forest Environmental Services (PFES) system regulated under Decree No. 156/2018/ND-CP dated 16 November 2018. The PFES policy was among the very few national-scale payments for ecosystem services programs worldwide and remained the only fully operational one in East Asia to date. The PFES program was launched in 2008 and implemented nationwide since 2011.

Following the issuance of Decree no. 107/2022/ND-CP, the national authorities issued necessary legal documents and guidance on the financial planning, disbursement, payment procedures, and ESS measures. Specifically, MAE issued the ERPA Implementation Plan (Decision No. 366/QD-BNN-LN, 19 January 2023), Benefit Sharing Plan (Decision No. 641/QD-BNN-LN, 21 February 2023), and instructed Department of Forestry and Forest Protection (VNFOREST) to develop the Program Operational Manual (POM) (Decision No. 414/QD-LNQBVPTR, 12 December, 2023).

ERPA funds were a new revenue source, and despite prior experience with PFES, most localities and forest owners faced challenges during the initial implementation due to unfamiliarity with the new funding approach as presented in the following sections. To resolve bottlenecks and accelerate implementation progress, over 140 official documents were issued by the central level (MAE, VNFOREST, Viet Nam Forest Development and Protection Fund - VNFF) and over 500 documents by the provincial level (Provincial People's Committees - PPC, Department of Agriculture and Environment - DAE, PFPDFs) and others by lower levels.

Nghe An PFPDF shared that ERPA implementation was built on the PFES results with certain adjustments to reflect differences in target beneficiaries. Specifically, PFES payments served as a revenue source for organizational forest owners, who had authority to use the funds in accordance with applicable regulations; meanwhile, as presented in Section 3.3.2, ERPA payments were transferred to the organizational forest owners for onward disbursement to communities and others, with the organizations retaining only a management fee while remaining responsible for issues related to forest protection and management. Further, beneficiary areas under ERPA extended across the entire province, while PFES was implemented mainly in upland mountainous communes. Drawing on implementation experience, a number of organizational forest owners expressed support for applying a mechanism similar to PFES as specified in Point c, Clause 3, Article 70 of Decree No. 156/2018/ND-CP, which would allow them to use funds flexibly for forest protection, either by implementing forest protection activities directly or contracting local communities to undertake such activities. In fact, the draft decree on forest carbon sequestration and storage, currently under consultation, included provisions similar to those of Decree No. 156/2018/ND-CP, enabling organizational forest owners to use revenues from forest carbon sequestration services for forest management and protection.

Recommendations:

- ✓ Based on experience gained during implementation, the PFES mechanism should now be leveraged to streamline implementation and reduce administrative complexity, even though it was not ready at the design stage.
-

3.2. Institutional Arrangements

In line with the implementation arrangements under the BSP (Section 3.3), Decree no. 107/2022/ND-CP (Article 15, 16) and relevant regulations, the necessary structures were put in place. MAE was the implementing agency, working in collaboration with relevant ministries and agencies (e.g. Ministry of Finance). VNFOREST was assigned by MAE to direct the ERPA implementation, and VNFF to manage the implementation in coordination with PFPDFs. VNFF served as the managing agency, planning and coordinating ERPA revenues, monitoring the funds utilization, providing technical support and training for PFPDFs, and reporting to VNFOREST/MAE and the WB. PFPDFs developed implementation plans in coordination with relevant departments and agencies, disbursed ERPA funds to local beneficiaries, and reported implementation results to VNFF and relevant authorities on a regular (weekly, monthly, semi-annually, annually) or ad-hoc basis. Organizational forest owners managed and settled funds and reported to higher-level authorities. Communities receiving livelihood development support monitored the implementation through approved plans and budgets, with acceptance checks conducted by the organizational forest owners and Communal People's Committees (CPCs). The program benefited from strong government support, and effective implementation through active engagement of stakeholders at all levels, and close coordination among PFPDFs, local authorities, and relevant agencies.

The program implementation relied on the existing institutional structures, and VNFF, PFPDFs and organizational forest owners primarily assigned their own personnel to implement ERPA activities as specified in the POM (Chapter IV). At the central level, the Fund Management Council, Fund Control Board, Forestry Department (now the VNFOREST), and relevant Departments/Divisions under MAE were directly involved in directing the ERPA implementation. The VNFF Executive Board participated in implementing ERPA activities, and assigned focal points within each division (e.g., General Affairs Division for financial planning and management; and Operation Division for communication and capacity building activities).

As per the work requirements, VNFF recruited three consultants, including a forestry policy specialist, a safeguards specialist and a financial specialist, to provide technical support and guidance, training delivery, financial management software development, and preparation of periodic reports required by the WB.

At the provincial level, the implementation structure largely reflected that of the central level. The Fund Management Council, Control Board, PPC, DAE, and Forest Protection Department were directly involved in directing ERPA implementation. The Provincial Fund Executive Board, including finance, technical, operational, and monitoring and supervision division, was responsible for implementing ERPA activities. Each provincial fund assigned two part-time staff in charge of finance and accounting, and additional 1-2 part-time staff to support the core team during peak periods. Each organizational forest owner appointed one staff to perform finance and accounting functions, though some respondents shared that many other staff were required to support the implementation where needed.

Despite generally effective implementation with the accounting systems in place, heavy workloads were reported due to tight timelines, disbursement targets, and volume of reporting, and no allowances were provided to individuals in charge. While using the existing institutional structures promoted ownership, cost efficiency, alignment with national systems, and capacity building, capacity limitation and different priorities might affect the implementation. Some finance and accounting staff had to work overtime, including evenings and weekends. The recent provincial fund merger in Quang Tri Province increased coverage areas, thereby adding logistical challenges. The merger and consolidation of provincial- and communal-level administrative units and forest owners (e.g. enterprises and forest management boards) during 2024-2025 altered institutional structures, identification codes, bank accounts, and legal status, affecting planning, approval, disbursement, and financial reconciliation. Numerous dossiers required updates, verification, and revalidation.

The implementation procedures were reported to be complex for local communities, despite training and guidance from the organizational forest owners on planning, contracting, and procurement. In many cases, the forest owners did most of the work for the local communities given their limited capacity and resources.

Recommendations:

√ Given the workload, the program should explore options to provide allowances for personnel in charge of accounting (and ESS as presented in the ESS section).

3.3. Flow of Funds and Financial Management

ERPA revenues were considered part of the State budget and must align with the accounting, auditing, and expenditure regulations applicable to State funds. Generally, ERPA revenues were distributed to beneficiaries in compliance with the program regulations, through a structured planning and approval process, adherence to cost norms, and effective funds communication and management.

3.3.1. Funds Planning and Approval

Annual financial plans were systematically developed to guide the disbursement of ERPA revenues and approved by relevant line authorities, which promoted the transparency, propriety and effectiveness in

funds utilization. Upon receipt of ERPA revenues from the WB, VNFF prepared an overall financial plan for MAE approval, and based on the approval plan, developed annual financial plans and notified the provinces upon MAE approval. Upon VNFF's notification, in coordination with relevant provincial departments and stakeholders, PFPDFs under PPCs prepared annual financial plans and submitted to PPCs for approval, while PFPDFs under DAEs reported to DAEs which then submitted to PPCs for approval, and informed organizational forest owners, CPCs and other organizations assigned by the State to manage natural forests accordingly. Upon notification from PFPDFs, organizational forest owners submitted annual financial plans to their higher-level management authorities for approval and shared the approved plans with PFPDFs, communities, and CPCs; while CPCs and other organizations assigned by the State to manage natural forests prepared annual financial plans and submitted to the District People's Committees (DPCs) (before 1 July 2025) or Communal People's Councils (from 1 July 2025) for approval. Forest owners as communities prepared funds utilization plans upon PFPDFs' notification, while communities with forest protection participation agreements with organizational forest owners prepared funds utilization plans as well as livelihood support plans and budget estimation upon notification of the organizational forest owners.

As outlined in the BSP (Section 3.2.3) and Appendix II of Decree no. 107/2022/ND-CP, based on the preceding year's natural forest area (as determined by VNFOREST), each locality's ER results in the period⁴ announced by MAE and the overall financial plan approved by MAE, VNFF annually calculated the funds for disbursement for PFPDFs. PFPDFs determined yearly payments to forest owners, CPCs, and State-assigned natural forest management organizations based on the amount received from VNFF and the natural forest area in line with the forest change results in the year preceding the year in which the proceeds were received.

It took a long time to prepare and approve the financial plans. For example, Thanh Hoa Province had more than 25,000 forest owners as households and individuals, and many of their forest areas were located in remote, mountainous, fragmented and hard-to-reach areas along the Laos border, making the verification process particularly time-consuming. Further, the financial documents went through several levels of approval. Since late 2023, the PFPDFs and provincial authorities had worked closely and intensively to finalize the list of eligible beneficiaries and verify the areas.

The lengthy process affected the overall implementation progress. Generally, the implementation commenced in late 2023, with some areas starting in late 2024. For instance, Nghe An PFPDF's first plan was approved on 27 November 2023. Ha Tinh Province received its initial ERPA transfer in late December 2023, resulting in the 2023 plan being approved only in early 2024. A number of organizational forest owners reported no activities in 2023, and Lang Chanh Protective Forest Management Board shared that their 2024 plan was approved in late 2024.

ERPA was considered a pilot program, with a relatively new mechanism that required clear and specific guidance. Inconsistent interpretation and application of Decree No. 107/2022/ND-CP was reported in some provinces. In 2023, PFPDFs and some organizational forest owners were cautious in submitting financial plans for using ERPA revenues, given that Decree No. 107/2022/ND-CP required expenses to be reasonable and not overlapped with other State budget allocations for forest protection and development (Point 2c, Article 3). There was no specific guidance for certain groups of forest owners such as state-owned forest companies and the army forces, which made it difficult to prepare and approve annual financial plans. Also, as a number of forest areas and owners had already been supported by PFES, Program 661, or local budgets, a considerable portion of the forest area was ineligible for ERPA payments.

⁴ This referred to ER results for the first reporting period of 2018-2019. As per the signed ERPA, ER results were divided into three reporting periods (i.e. February 2018 to December 2019, January 2020 to December 2022, and January 2023 to December 2024). However, in the first reporting period, ER results reached 16.2 million ERs, exceeding the volume of ERs transferred under the signed ERPA.

However, implementation showed gradual improvement following continuous stakeholder engagement to address identified gaps, as reflected in the issuance of required guidance documents and directives, delivery of capacity building activities, and ongoing follow-up and support.

Recommendations:

- ✓ Misunderstandings and differing interpretations of the decree (e.g. eligible activities and beneficiaries: ERPA funds were intended as a reward for those who contributed to natural forest protection from any sources, with areas verified by competent authorities, rather than as a budget for contracting forest protection activities) persisted even after two years of implementation. To address this, VNFF should review outstanding issues and prepare FAQs, provide targeted training for provinces and forest owners, hold regular coordination or experience sharing sessions (online or in person), and document good practices to support consistent application, cross-province learning, and serve as a reference for future programs and projects.
- ✓ The program completion report should include recommendations on how to integrate ERPA funds with other funding sources to facilitate more efficient disbursement.

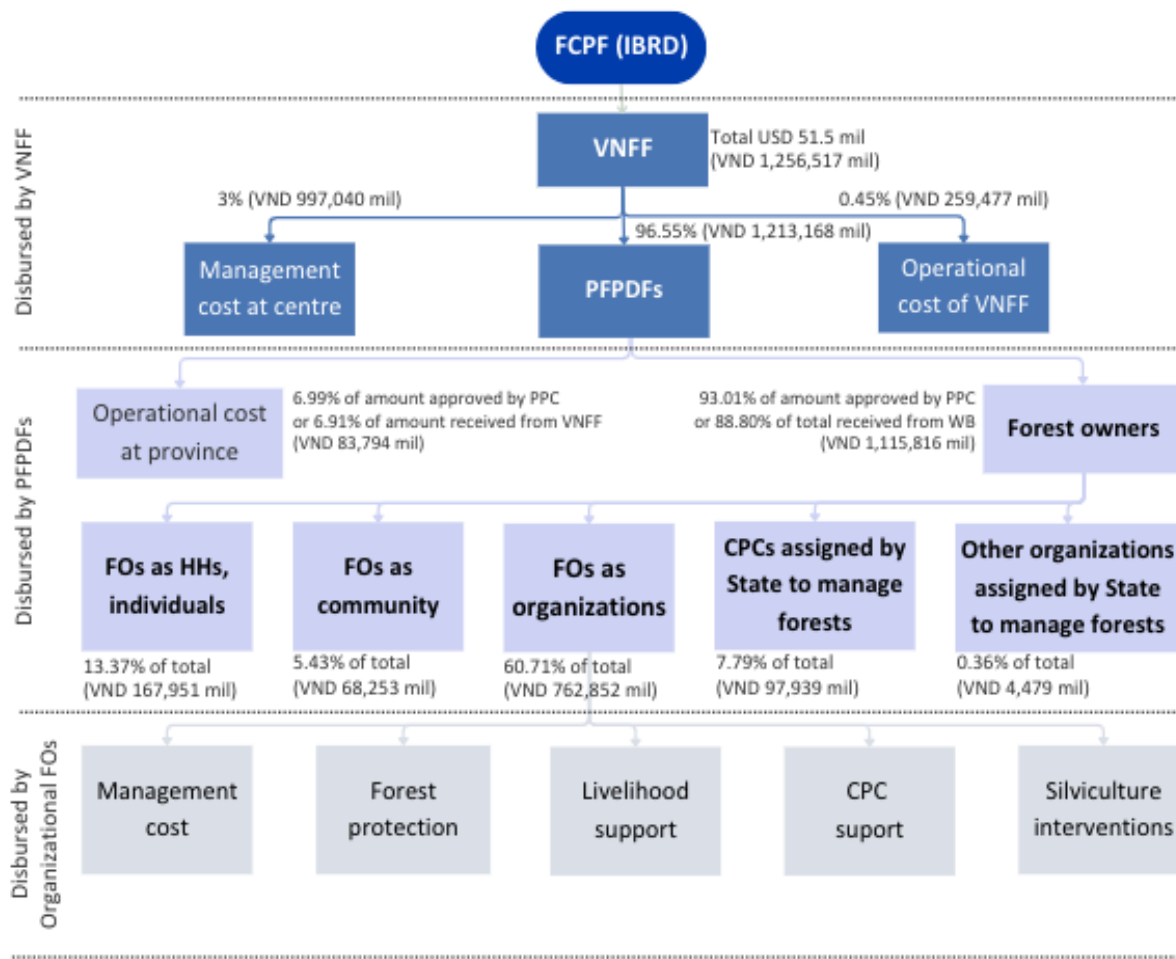
3.3.2. Funds Allocation and Cost Norms

The BSP beneficiaries included “organizations, households, individuals and communities who have activities relating to the reduction of greenhouse gas emissions from natural forest” in the five provinces. In accordance with Decree No. 107/2022/ND-CP, ERPA funds were disbursed to five groups of beneficiaries, including (i) forest owners assigned to manage natural forests; (ii) CPCs and other organizations assigned by the State to manage natural forests; (iii) communities and CPCs with forest management participation agreements with organizational forest owners; (iv) VNFF and PFPDFs of the five provinces; and (v) other beneficiaries involved in ER in the five provinces (Article 5), covering four groups of activities that directly or indirectly contributed to ER results, including (i) forestry interventions to contribute to ER; (ii) activities directly contributing to ER (including natural forest protection, and silviculture interventions); (iii) livelihood development support activities; and (iv) management and operational activities (Article 6).

The funds were allocated in line with the program design (Figure 1). Specifically, VNFF distributed ERPA revenues to PFPDFs after deducting management and operational costs of 3.45% of the total amount received from the WB. PFPDFs deducted 6.91% of the total amount received from VNFF for management activities, and transferred the remaining balance to forest owners and organizations assigned to manage natural forests, based on the proportion of assigned natural forest area [the figures might change slightly from year to year]. Organizational forest owners (e.g. special-use forest management boards, natural parks, forestry companies) deducted a maximum 10% of the amount received from PFPDFs for management activities, and spent the remaining on communities involved in participatory forest management (i.e., forest management and livelihood support projects), silviculture interventions, and a maximum of 2% for CPCs in communes where the residential communities participating in forest management are located. Actual operational cost deductions approved by competent authorities were in line with the original design (0.45% versus up to 0.5% of funds received from the WB at VNFF, and 6.91% versus up to 10% of funds received from VNFF at PFPDFs), as the decree set ceiling deductions instead of fixed deductions. Lower operational cost deductions resulted in a higher proportion of funds being

disbursed to forest owners involved in forest protection and management (88.80% versus the designed 86.85% of total amount received from the WB). The change was considered an internal management adjustment that benefited beneficiaries and remained consistent with the BSP design.

Figure 1. Funds distribution as of 30 September 2025



Remark: This excluded deposit interest. The fund allocation proportions for organizational forest owners were not calculated due to discrepancies between the approved and received amounts, as shown in Table 5.

In accordance with Clause 3 of Decree No. 107/2022/ND-CP, the payments for forest protection activities were up to twice the State budget support as set by the PPC. Most respondents indicated that the payments were very low. For example, beneficiaries as households, individuals received an average of approximately VND 160,000/ha/year (equivalent to around US\$6/ha/year) for forest protection activities. It was explained that the payments were low because it was intended as a reward for those who contributed to natural forest protection as mentioned above. In accordance with the BSP (Section 3.2), Decree No. 107/2022/ND-CP (Clause 4, Article 8) and POM (Chapter 2, Point 4), the forest owners as households, individuals and communities used the payments for forest protection activities and livelihood enhancement (Annex 2).

The selection of livelihood development projects was in line with Decree No. 107/2022/ND-CP (Clause 3, Article 6). While three categories of projects were eligible for support, including (i) agriculture and forestry extension, (ii) construction works, and (iii) dissemination, training, and legal enforcement support, most of the livelihood development projects focused on the second category, i.e., public infrastructure,

including village paths, cultural house repairs, village entrance gates, meeting hall furnishings, and community lighting. These types of projects were commonly chosen because they benefited the entire community rather than individual households, were easier to administer, aligned more closely with VAT invoice and documentation requirements. The first category, i.e., livelihood support through livestock or seedlings, proved more challenging due to high costs, required technical knowledge, disease risks, and difficulties in selecting beneficiaries and management, and were thus less favored. As per the second BSP report for November 2024 - June 2025, of the 890 livelihood projects reported, small-scale infrastructure works accounted for 834 projects (93.7%), agriculture and forestry extension for 40 projects (4.5%) and dissemination, training, and legal enforcement support for 16 projects (1.8%).

Feedback from the participating provinces indicated that the annual allocation of VND 50 million (equivalent to approximately US\$2,000) per livelihood project was insufficient to develop sustainable and scalable livelihood options, especially in remote areas, due to limited materials, long-distance transport, and high costs. The requirement for VAT invoices and design services for infrastructure works made the available funds even more limited, and there was a lack of clear guidance on financial procedures. This limitation constrained the diversity, livelihood transformation and long-term viability of the projects proposed. Village heads and commune representatives across the consulted provinces shared that the VND 50 million ceiling often allowed only for small-scale public goods. As a result, while most communities tried to limit the works to the available budget due to economic difficulties, some communities narrowed the scope of proposals or mobilised small co-financing contributions. For instance, one community in Tuyen Lam Commune, Quang Tri Province shared that in 2025, the VND 50 million budget covered only 80 out of a total of 250 meters of the local path, with households contributing an additional VND 20 million (or around US\$800) to cover machinery and material costs. Some forest owners and local communities suggested increasing the budget to over VND 50 million (e.g. VND 100-200 million or US\$4,000-8,000) to better respond to local needs. VNFF shared that the level of support followed current policies, and any increase should require direct amendments to Decree No. 58/2024/ND-CP dated 24 May 2024 in consultations with provinces.

Recommendations:

- ✓ ERPA funds for forest protection activities should be integrated with other funding sources as recommended above.
- ✓ For future programs/projects, the budget allocated to livelihood projects should be large enough to enable meaningful and measurable improvements in livelihoods. The forest owners' suggestion on allowing different programs to provide support, combining funds across nearby communities for larger, shared projects, or phasing support across years instead of distributing it equally to all communities each year which enables fewer communities at a time to receive larger amounts (e.g., each community receiving support on a rotating basis, such as VND 100 million over two years, rather than VND 50 million each year) should be considered where relevant. Further, given the lengthy approval process, funds should be allocated as early as possible in the year so forest owners can prepare plans, obtain approval, and secure the budget needed for implementation.
- ✓ Given a limited budget and the complexity of financial procedures for community livelihood projects, the forest owners' suggestions to simplify the financial procedures should be considered to ensure that communities can fully benefit from the livelihood funds.

3.3.3. Funds Communication

In line with Clause 2, Article 14 of Decree No. 107/2022/ND-CP, the beneficiary lists, payment amounts, and payment plans were commonly publicized through public postings in 3-15 days at CPC offices, community meeting venues/village cultural houses, or other accessible locations, and was also announced via local broadcasting systems or community meetings. For example, Nghe An PFPDF issued Official Letter no. 420/NAFF-KTGS dated 24 September 2025 requesting organizational forest owners, CPC to publicize information as regulated (e.g. public posting 7 days prior to the payment date). Con Cuong CPC shared that village heads would directly inform beneficiaries by phone if they hadn’t seen the public postings. Payments to end-beneficiaries were made annually by bank transfer or postal service (e.g. household beneficiaries in 15 villages in Con Cuong Commune received their 2025 payments between 12-21 August, and the post office returned the payment documents with recipients’ signatures within one week). No cases of payments to ineligible beneficiaries were reported.

The survey respondents shared that they were informed about the payment, understood the benefit sharing policy, and received the entitled payments. However, during several field meetings and remote KIIs with beneficiaries in Nghe An, Ha Tinh and Quang Tri Provinces, some respondents reported that although the payments were made annually and on time without administrative difficulties, they were unclear about the payment plans and calculations, unit rates, and the reasons for annual variations in the amounts received, and noted that no clear explanations were provided at the time of payment. PFPDFs explained that the unit rates differed each year, as set by the PPCs based on VNFF allocations (e.g. in Nghe An Province, the unit rate was VND 256,650/ha/year, equivalent to approximately US\$10/ha/year, and VND 167,300/ha/year, equivalent to approximately US\$7/ha/year, in 2024 and 2025, respectively). Nghe An PFPDF informed that they would follow up the matter.

Community forest representatives in Dakrong and Tuyen Lam Communes, Quang Tri Province, reported that ERPA payments were deposited into community bank accounts. They held meetings to review the funds received, agree on expenditures for forest patrols and necessary equipment, and determine the portion to be shared among households. The distribution process was considered transparent and inclusive.

Recommendations:	√ While various methods were adopted, and local authorities were responsive, some beneficiaries reported not receiving clear information about ERPA payments. To ensure timely and inclusive information dissemination, communication could extend beyond physical postings to include Zalo groups of CPCs, organizational forest owners, village heads and local beneficiaries (with posts by village leaders/co-leaders only) or direct notifications through village heads, with phone calls for beneficiaries without Zalo access. Clearly written procedures should also be established for follow-up actions if beneficiaries do not respond within a specified timeframe. Also, payment schedules and unit rates should be announced annually in advance so communes and villages can inform local residents. Forest owners should provide a list of households with eligible forest areas and share it with the village for mutual monitoring.
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3.3.4. Funds Management and Auditing

In accordance with the financial mechanism as specified in the POM, ERPA revenues were tracked and accounted separately from other sources of revenues, using ERPA financial management software, enabling effective funds management and monitoring. The tool was adopted in early 2025 for aggregating ERPA revenue data at different levels and monitoring disbursements, intended for statistical purposes only rather than a standard accounting software. Several respondents reported that both ERPA software and existing internal accounting software were used in parallel, creating some complexity due to the need for duplicate data entry.

ERPA payments were made via bank transfer or postal services. While the payment methods facilitated clear accounting records and transparency, in line with the program regulations, some challenges were observed: (i) beneficiaries with small forest areas were reluctant to open bank accounts to receive very small payments, and additional postal fees and administrative costs for missed delivery attempts were reported, especially those in remote and hard-to-reach areas (e.g. it may require several hours of walking through forest trails to reach the main road, followed by hired transport to the bank); (ii) some CPCs in Thanh Hoa Province were required to maintain two bank accounts: one to receive funds from PFPDFs and another to receive funds from organizational forest owners. This process was cumbersome, as it involved extensive paperwork, account monitoring, and maintenance of minimum balances; and (iii) some communities had only one person serving as the account holder. A bank account for the community should be in the form of a co-holder with two persons for cross checking of withdrawal and receipt of money to/from the account to avoid misuse of funds.

For the VND 50 million livelihood support, organizational forest owners coordinated with communities on its use, and worked with CPCs on the inspection and acceptance of the works, with oversight provided by PFPDFs and VNFF. Generally, the forest owners purchased materials, while communities jointly contributed labor [though some communities expected labor support in addition to materials]. Pu Mat National Park representative shared that the livelihood projects were carried out either by contractors, with the forest owner making payment upon acceptance, or by the communities themselves, with the forest owner providing an advance payment and settling the balance after final acceptance. The representative of Lang Chanh Protective Forest Management Board reported that procurement was implemented in accordance with the approved plan, with full documentation, including invoices and contracts. Payments to service providers were made directly from a joint bank account opened in the names of designated representatives.

Following the recommendations of the government internal working groups and WB mission, PFPDFs and organizational forest owners adopted internal control processes. PFPDFs submitted monthly bank statements to VNFF, and organizational forest owners submitted monthly bank statements to PFPDFs. VNFF issued Official Letter No. 1077/LN-QBVPTR on 17 July 2024 to strengthen internal controls over ERPA funds across provinces, and Official Letter No. 311/VNFF-BĐH on 11 October 2024 updating ERPA implementation status.

In line with Decree No. 107/2022/ND-CP (Article 13) and POM (Sub-section 7.7, Chapter III), and following Official Letter No. 94/VNFF-BĐH dated 25 April 2025, VNFF engaged an independent auditor to audit the accounting books at all levels, and consolidate final audited reports for the financial years ended 31 December 2023 and 2024. While confirming that the program followed the applicable laws and regulations, and maintained an effective system of internal controls, the audit identified several issues, including slow disbursement progress, the absence of financial reports and settlement reports from some forest owners as per the program financial reporting regime, and incomplete monthly bank reconciliations by some PFPDFs, CPCs, and other organizations. VNFF instructed the provincial funds to rectify the existing

issues and report on corrective actions by 25 October 2025 (Annex 3). VNFF will continue to engage an independent auditor to audit the 2025 annual financial report in the first or second quarter of 2026, with the final report to be submitted to the WB as requested.

Recommendations:

- ✓ Given the accounting workload, compatible software is suggested to enable data conversion, allowing ERPA data to be entered once into the internal accounting system and automatically extracted as required.
- ✓ Regarding the case of opening two bank accounts to receive ERPA revenues, as it occurred in some specific areas, VNFF should review and provide guidance to simplify the process and ensure consistency across provinces. Similarly, VNFF should review the case of communities with bank accounts held by a single individual to ensure cross-checking and transparency.
- ✓ Solutions should be identified to allow beneficiaries with very small payments and/or those in remote and hard-to-reach areas to receive their payments, ensuring that they are not excluded from ERPA payments due to complex procedures. This was noted in the POM (Point d, Sub-section 6.4.2, page 27) that alternative payment methods such as payments through household groups, should be adopted to forest owners as individuals, households with small payments, those in difficult areas. PFPDFs should report and propose alternative methods to PPCs for approval.

3.4. Disbursement Progress

ERPA revenues were disbursed as per approved financial plans. Overall, the program achieved good disbursement progress across provinces, despite slow implementation during the initial stage.

3.4.1. Disbursement by VNFF

MAE/VNFF received US\$51.5 million in two installments for 10.3 million ERs generated during the first reporting period of 2018-2019. In accordance with Decree No. 107/2022/ND-CP (Point a, Clause 3, Article 9 and Clause 1, Article 10), based on the approved financial plans, VNFF transferred 100% of the first and second installments (in total equivalent to US\$49.72 million or VND 1,213.17 billion after deduction of administrative cost of 3.45%) to five provinces. The first transfer to PFPDFs, made two months after VNFF received the funds from the WB, was sufficient for local disbursements in 2023 and 2024. The second transfer, originally scheduled for early 2025, was processed earlier on 18 December 2024 (Table 2).

Table 2. Disbursement by VNFF as of 30 September 2025

Description	Amount received from WB		Master plan approved by MAE	Funds deducted at VNFF approved by MAE	Disbursed	Remaining	Approved master plan disbursement rate
	USD	VND thousand***	VND thousand	VND thousand	VND thousand	VND thousand	%
Total commitment	51,500,000*	1,256,517,204.9	1,256,517,204.9	22,159,679	1,220,899,782	35,617,423	97.17%
Funds deducted at VNFF (3.45%)	1,791,270.07	43,348,735.7	43,348,735.7	22,159,679	7,731,313	35,617,423	17.84%
Amount disbursed from VNFF to PFPDFs (96.55%)	49,720,019.23**	1,213,168,469	1,213,168,469	-	1,213,168,469	-	100%

* The first installment of US\$41.2 million (equivalent to 80% of the ER results under ERPA) was made on 8 August 2023, and the second installment of US\$10.3 million (equivalent to 20% of the ER results under ERPA) on 10 March 2024.

** The first transfer was made on 3 October 2023, and the second transfer on 18 December 2024.

*** Converted amounts varied due to differences in the exchange rates applied.

3.4.2. Disbursement by PFPDFs

The PPCs approved the financial plan of VND 1,199.61 billion (equivalent to approximately US\$49.16 million), representing 98.88% of the total allocated amount (VND 1,213.17 billion). As of 30 September 2025, the PFPDFs disbursed VND 1,064.74 billion (or around US\$43.64 million), equivalent to 88.76% of the approved plan, and 87.58% of actual revenue (Table 3). It's expected that by 31 December 2025, the PFPDFs will disburse over 94% of the approved plan.

PFPDFs disbursed VND 1,030.73 billion (or around US\$42.24 million) to approximately 78,400 beneficiaries, reaching 92.37% of the approved plan (Table 4).

The disbursement of ERPA funds to beneficiaries encountered some difficulties such as relocated forest owners, changes in household head names, issues related to very small payments as mentioned earlier, and unclear adjacent communities among some owners, and unclear identification of rightful beneficiaries. For ERPA revenues with beneficiaries not yet identified, PFPDFs will continue verifying the information and eligible recipients, and take necessary actions in consultation with authorities and stakeholders.

Table 3. Disbursement by PFPDFs by provinces as of 30 September 2025

No.	Province	Actual amount (VND mil)			Approved by PPC (VND mil)			Disbursed (VND mil)			Disbursement rate (%)		
		Total	Received from VNFF	Bank interest	Total	Management Funds	Transfer to FOs	Total	Management Funds	Transfer to FOs	Disbursed vs. approved	Disbursed to FOs vs. approved	Compared to actual amount
1	2	3=4+5	4	5	6=7+8	7	8	9=10+11	10	11	12=9/6*100	13=11/8*100	14=9/3*100
	Total	1,215,763.45	1,213,168.47	2,594.98	1,199,610.31	83,794.26	1,115,816.05	1,064,738.17	34,009.75	1,030,728.42	88.76%	92.37%	87.58%
1	Thanh Hoa	199,336.66	198,935.52	401.14	198,935.52	18,459.26	180,476.26	169,060.70	5,607.84	163,452.86	84.98%	90.57%	84.81%
2	Nghe An	356,435.44	355,586.87	848.57	356,243.55	21,178.91	335,064.64	306,524.16	6,519.07	300,005.09	86.04%	89.54%	86.00%
3	Ha Tinh	158,798.36	158,281.72	516.64	144,066.57	14,406.66	129,659.91	130,253.63	10,165.01	120,088.62	90.41%	92.62%	82.02%
4	Quang Tri	364,970.18	364,389.42	580.76	364,389.79	24,113.70	340,276.09	328,731.20	8,436.35	320,294.85	90.21%	94.13%	90.07%
5	Hue City	136,222.83	135,974.95	247.88	135,974.88	5,635.75	130,339.14	130,168.49	3,281.48	126,887.01	95.73%	97.35%	95.56%

‘FOs’ referred to ‘forest owners’. | Generally, the approved amount was lower than the total amount received due to some reasons such as discrepancies in forest area upon the verification by local agencies, and changes in beneficiaries (e.g. relocation, transfer of ownership). The provinces will continue the verification process, and develop plans for the remaining amount as mentioned in Sub-section 3.4.4.

Table 4. Disbursement by PFPDFs to forest owners as of 30 September 2025

No.	Description	No. of beneficiaries			Approved by PPC (VND mil)	Disbursed (VND mil)	Disbursement rate (%)
		2023	2024	2025	2023-2025	2023-2025	2023-2025
	Total*	36,928	79,433	78,405	1,199,610	1,064,738	88.76%
1	Management Funds				83,794	34,010	40.59%
2	Transfer to FOs	36,928	79,433	78,405	1,115,816	1,030,728	92.37%
2.1	FOs as households, individuals	35,770	77,701	76,638	167,951	143,919	85.69%
2.2	FOs as communities	807	1,078	1,274	68,253	62,769	91.97%
2.3	FOs as organizations	76	140	130	762,852	746,584	97.87%
2.4	CPCs assigned by State to manage natural forests	253	502	356	97,939	73,783	75.34%
2.5	Other organizations assigned by State to manage natural forests	22	12	7	4,479	3,673	82.01%
2.6	Amount pending (2025)**				14,343	-	0.00%

* This was for more than 2.15 million ha of natural forests in five provinces and cities. | ** This amount was not disbursed in Thanh Hoa Province as the beneficiaries had not yet been identified.

3.4.3. Disbursement by Organizational Forest Owners

The organizational forest owners disbursed approximately VND 184,791 million (equivalent to around US\$7.57 million), accounting for 32% of the approved plan (Table 5).

Table 5. Disbursement by organizational forest owners as of 30 September 2025

Description		Received (VND mil)*	Approved (VND mil)	Disbursed (VND mil)	Disbursement rate (%)	
					vs. approved	vs. received
	Total	746,584	584,359	184,791	32%	25%
1	Deducted at forest owners (management cost)		65,884	25,734	39%	
2	Payment for forest management agreements		334,827	148,545	44%	
2.1	- Forest protection contract		221,615	93,005	42%	
2.2	- Livelihood support (VND 50 mil/community/year)		106,737	53,525	50%	
2.3	- CPC support		6,475	2,015	31%	
3	Implementing silvicultural		183,648	10,513	6%	

* The amount of VND 762,852 million (equivalent to around US\$31.26 million) was approved by PPCs. At this stage, PFPDFs transferred VND 746,584 million (equivalent to around US\$ 30.6 million) to the organizational forest owners, and will transfer the remaining amount upon receipt of transfer requests from the owners.

Overall, the slow disbursement was attributed to various reasons, including the late preparation and approval of financial plans in 2023 and 2024, with most expenditures scheduled for 2025.

Participating communities received an annual payment of approximately VND 500,000/ha/year (equivalent to US\$20) for forest protection. They were also eligible for small-scale livelihood development support of VND 50 million per community per year, disbursed annually in 2024 and 2025. No livelihood support disbursement was made in 2023 because the first transfer to PFPDFs was made in October 2023, then it required time for financial plan preparation and approval.

A number of CPCs in Thanh Hoa, Quang Tri Provinces were reluctant to receive the 2% support funds because the funds were very small, and required approval from DPCs (now Communal People's Councils). An organizational forest owner in Quang Tri Province shared that CPCs' 2024 financial plans were approved late, the 2025 plans were only approved recently, and some disbursements were pending due to delays in receiving the required supporting documents from CPCs, and therefore expressed their support for transferring funds directly to CPCs rather than through forest owners. Another forest owner noted that disbursing the funds required DPC approval, which was difficult for such a small amount, and after 1 July 2025, there were no district authorities, and the funds from 2023 that had not received DPC approval remained undisbursed.

Silviculture interventions recorded a low disbursement rate of 6% of the approved amount as presented in the table above, given a combination of factors. Silviculture services were new, leading to varying interpretations among implementing units and individuals. The decree required that these funds must not overlap with other State budget expenditures, prompting extra caution. Given the short implementation period of ERPA (only two years remaining, while silvicultural measures typically require 4-6 years, and in some cases up to 8 years, to complete the full cycle effectively), forest owners remained cautious about funding needed to sustain these measures in subsequent years, and expressed concerns about the final acceptance process. DAE appraised technical documents and cost estimates before forest owners approved designs and carried out silviculture measures, which took considerable time. Silvicultural activities must be integrated into Sustainable Forest Management Plans, many of which were outdated and require lengthy revisions and approval; and implementation was further complicated by challenges in complying with changing procurement regulations for specialized forestry works.

MAE/VNFOREST organized meetings and issued instructions to the provinces to guide and accelerate implementation. VNFOREST issued guidance on developing plans for implementing silviculture measures on a 4-8-year cycle (i.e. breaking up silviculture planning into phases), as specified in Clause 6, Article 27 of Decree No. 58/2024/ND-CP dated 24 May 2024 on investment policies in forestry; and the design and cost estimates for the silvicultural measures shall conform to Clause 3 of Article 28, Articles 29, 30, 31, and 32 of the same Decree⁵ (e.g., Official Letter No. 1692/LN-QBVPTR dated 25 October 2024 to Thanh Hoa Provincial Forest Protection Department, and Official Letter No. 1676/LN-QBVPTR dated 23 October 2024 to Nghe An DAE; and while the other three provinces did not submit their questions for official responses from VNFOREST/VNFF, they were aware of the guidance.) Accordingly, forest owners will manage the silviculture budget and disburse it annually as per approved plans. As a result, positive developments were observed in recent months in most of the provinces (Annex 4).

Recommendations:

- ✓ ERPA revenues should be transferred to organizational forest owners early to allow sufficient time for preparation and approval by provincial authorities and relevant agencies.
- ✓ Difficulties in disbursing CPC support funds should be reviewed to identify bottlenecks and solutions to ensure timely and effective disbursement.
- ✓ Some forest owners remained hesitant to carry out silviculture interventions due to their complexity, highlighting the need for additional guidance and support to ensure effective implementation. VNFF should organize (online) meetings for PFPDFs and forest owners to discuss and share experiences on silviculture. Key conclusions from these meetings (and other supervision/inspection missions) should be documented and shared to promote better understanding and consistent implementation across provinces.

3.4.4. Disbursement of payment from additional transfer of 1 million ERs and remaining funds

Regarding the additional transfer of 1 million ERs from the verified ERs generated during 2018-2019 as part of the ERPA, following WB's official letter dated 6 October 2023, on 13 December 2023, MAE requested comments from the Ministry of Finance and the five PPCs, and then reported to the Prime Minister. The Government issued Resolution 261/NQ-CP dated 29 August 2025, authorizing the transfer of the extra 1 million ERs to the WB/IBRD under the ERPA. On 5 September 2025, the WB confirmed that all conditions were met for VNFF to receive the payment. VNFF received the payment of US\$5 million on 29 September 2025. The payment experienced significant delays and should have been completed one year earlier.

The extra amount was incorporated into a supplementary plan by VNFF (Table 6). This plan was submitted to the Fund Management Council and MAE for approval, after which the funds were allocated to PFPDFs in December 2025. The PFPDFs will submit plans to the PPCs for approval on the use of funds for the additional transfer of 1 million ERs; however, the exact timing of these submissions has not yet been confirmed. For example, following the receipt of MAE's Official Letter No. 7045/BNNMT-LNKL dated 23 September 2025 regarding additional ERPA revenues from the transfer of extra 1 million ERs, Nghe An PFPDF held an urgent meeting, calculated unit prices, and issued Letter No. 433 in October 2025 with

⁵ <https://thuvienphapluat.vn/van-ban/Dau-tu/Nghi-dinh-58-2024-ND-CP-chinh-sach-dau-tu-trong-lam-nghiep-611308.aspx>

estimated amounts (95% accurate) to assist forest owners in planning. Implementation cannot begin immediately, as a detailed financial plan is still required. Early estimation helps avoid adjustments when the province announces the 2026 forest status, whereas preparing the budget now would rely on 2025 data. All units are required to follow these instructions, regardless of the amount or any challenges, to ensure resources are used efficiently.

Table 6. Plan for localities from ERPA revenues for the additional transfer of 1 million tons of CO2 (ERs)

Province	ER results for each province (tons of CO2)	Natural forest area of each province (ha)	Transfer to PFPDF (USD)	Transfer to PFPDF (VND)
Total	16,217,520	2,202,922	4,827,500	126,466,017,500
Thanh Hoa	2,428,295	393,361	792,425	20,759,150,786
Nghe An	3,689,853	790,397	1,415,224	37,074,617,146
Ha Tinh	2,629,665	217,351	629,541	16,492,085,711
Quang Tri	5,348,018	596,231	1,449,270	37,966,523,875
Hue City	2,121,689	205,582	541,041	14,173,639,982

VNFF aims to complete full disbursement of ERPA revenues within 2025, with “full disbursement” defined as having all remaining funds from the first and second installments received from the WB (approximately 11.24% as of 30 September 2025) and US\$5 million from the additional 1 million ERs consolidated and approved for final disbursement by the MAE, provincial authorities, and forest owners by the end of 2025. The disbursement process involves three steps, and completing all three counts as full disbursement: (1) MAE allocates funds to PFPDFs, (2) PFPDFs allocate funds to forest owners, and (3) organizational forest owners submit financial plans for provincial authorities’ approval.

For individual and household forest owners, forest owners as communities, and CPCs and other organizations assigned by the State to manage natural forests, disbursement is considered complete at Step 2 once funds are received. For organizational forest owners, full disbursement is counted only after Step 3, when the provincial authorities approve their financial plans. Forest owners retain the budget for silviculture projects and disburse it annually according to the approved plan, which also counts as full disbursement. While funds reaching forest owners at Step 2 could technically be considered fully disbursed, Step 3 is added to meet a higher requirement of accountability.

Subsequently, in consultation with the provinces and in coordination with the relevant ministries, MAE/VNFOREST/VNFF will consolidate and submit a report to the Prime Minister on the planned use of any undisbursed funds by 31 December 2025, including amounts already allocated by forest owners. Given the short ERPA implementation period, VNFF will seek Government approval to continue using these funds for forest protection and management activities through 31 December 2027.

Recommendations:

- ✓ VNFF, PFPDFs, forest owners should commit to continue implementing all remaining payments according to the BSP and to maintain monitoring and reporting until funds are fully disbursed. VNFF and PFPDFs should coordinate closely to establish a clear timeline for the activities, including payments for forest protection, livelihood support, and silviculture interventions. Since the program ends by 31 December 2025, starting early helps ensure timely follow-up and access to needed information.
- ✓ MAE/VNFF should provide guidance on the disbursement of the remaining funds, and extra payment from the transfer of additional 1 million ERs, considering previous recommendations. Extra training should be provided for forest owners and communities, where needed.



4. Safeguards Implementation

4.1. ESS Policies and Legislation

The ERPA activated WB Safeguards Operational Policies (OPs)⁶ and applied Cancun safeguards measures among others. The safeguards framework was aligned with the WB ESS policies, relevant legal framework of Viet Nam (e.g. Land Law 2013, 2024, Forestry Law 2017, Law on Environmental Protection 2020, Law on Complaints 2011, Law on Mediation and Dialogue at Court 2020, Law on Grassroots Mediation 2013), and international commitments (e.g. UNFCCC Cancun safeguards). The safeguards framework included the Environmental and Social Management Framework (ESMF) and other safeguards tools such as Process Framework, Resettlement Policy Framework (RPF), and Ethnic Minorities Planning Framework (EMPF). The safeguard framework ensured FPIC with ethnic minority communities, culturally appropriate consultations.

The original ERP design (2018) used the Adaptive Collaborative Management Approach (ACMA); however, the ERPA implementation later shifted to align with Decree no. 107/2022/ND-CP, which guided the BSP, and the ACMA approach was no longer applied. An addendum to the ESMF, based on the BSP, was issued in November 2024 to clarify the revised approach and guide the safeguards implementation.

In response to VNFF's request, the WB supported the preparation of a draft Environmental and Social Guidelines document, whose second version was made available in September 2025, shared with stakeholders for immediate use, and will be further refined over time as needed for use as a reference post ERPA closure.

4.2. Institutional Arrangements

In line with the ESMF and POM, the necessary structures were put in place with specific roles and responsibilities assigned to stakeholders involved in implementing ESS. At the central level, MAE/VNFOREST was responsible for the overall implementation of ESS under ERPA. VNFF provided guidance, training and oversight, coordinated with PFPDFs, and reported to MAE/VNFOREST and WB. At the local level, PFPDFs were in charge of implementing all activities as specified in the ESMF and related documents, including screening, and coordinating with relevant agencies during the implementation, as

⁶ These included Environmental Assessment (OP 4.01); Natural habitat (OP 4.04); Pest Management (OP 4.09); Indigenous people (or ethnic minorities) (OP 4.10); Physical Cultural Resources (OP 4.11); Compulsory Resettlement (OP 4.12); and Forests (OP 4.36). Gender and development related policies were considered cross-cutting issues to ensure the social inclusion of interventions.

well as providing guidance for forest owners, monitoring, and reporting. Organizational forest owners conducted screening activities in coordination with PFPDFs, and consultations with the participation of local communities. Contractors were responsible for preparing ESMP, if required, for approval, and adopting necessary mitigation measures during the implementation. Communities implemented forest protection activities and livelihood development activities in accordance with signed agreements and approved plans, and monitored the implementation of livelihood projects. PPCs, (former DPCs), and CPCs supervised the implementation as requested by DAEs and PFPDFs, and DAEs supervised the compliance with environmental requirements.

Similar to the benefit sharing implementation, the ESS implementation relied on the existing institutional structures, and safeguards focal points at each level were appointed to ensure compliance and coordination. VNFF assigned the Monitoring and Supervision Division for ESS planning and implementation, including FGRM, and overall monitoring and supervision, and recruited a safeguards specialist to provide technical support and prepare reports as required. Each PFPDF appointed one part-time staff in charge of safeguards, and all of them had a background in forestry. Each organizational forest owner also assigned one staff to be responsible for ESS.

The ESS work was manageable, some local ESS focal points, however, encountered significant difficulties during implementation, especially during the initial years of implementation, given that ESS was a new and specialized area unique to ERPA and not part of the units' regular activities. Working on ERPA on a part-time basis, these staff required additional time and effort to understand and become familiar with the ERPA requirements by reviewing available materials and consulting PFPDFs or relevant experts. While the fund's staff performance improved over time, particularly after ESS training, limited staffing continued to constrain comprehensive oversight.

Recommendations:

- ✓ ESS work was handled by concurrent staff with various backgrounds. While this arrangement was possibly adequate for the livelihood and silviculture interventions under ERPA to certain extent, future programs or projects involving more complex ESS should provide systematic training and clear guidance to ensure effective implementation. Depending on the volume and complexity of the work, assigning a dedicated staff with relevant background to manage ESS should be considered.

4.3. ESS Process

The safeguards process followed four steps as specified in the POM: (i) safeguards screening and impact assessment, using form A, B, and C,⁷ to confirm eligibility of ERPA activities, assess potential environmental and social impacts by classifying them into category A (Very influential), B (Influential), and C (Low influential), and determine required safeguards policies and documents to be prepared; (ii) preparing safeguard documents such as ESMPs, Resettlement Action Plans (RAPs), and Ethnic Minority Development Plans (EMDPs) tailored to identified risks; (iii) review, approval and disclosure of safeguard

⁷ Form A - Eligibility screening of ERPA activities, Form B – E&S impact screening, Form C - Identification of E&S impacts and safeguards documents to be prepared. The forms were updated after the training in October 2024, and introduced to PFPDFs and forest owners for consistent application in screening and reporting.

documents on official websites of the central and PFPDFs and printed copies available in the program locations; and (iv) safeguard implementation and monitoring through provincial submissions consolidated by VNFF for the WB, ensuring transparency and accountability.

Following the ESS training, VNFF issued Official Letter no. 161/VNFF-BDH dated 6 June 2025, instructing PFPDFs and organizational forest owners to comply with ESS requirements during implementation, and requesting that safeguard screening be applicable to all eligible activities under Activity 2 and Activity 3 (Article 6 of Decree no. 107/2022/ND-CP), including forest-based activities that directly contributed to GHG emission reduction (i.e. natural forest protection, silviculture interventions by law and approved by competent authorities), and livelihood development support activities. As per the ESS Plan Implementation Report for November 2024-June 2025, as of June 2025, all of the activities were screened and documented in accordance with the Environmental & Social (E&S) screening procedure, and monitored by relevant stakeholders. Our random reviews of records and consultation reports from PFPDFs confirmed that the E&S screening procedures were followed.

The screening confirmed no resettlement, land acquisition, or forest-use restriction. No significant E&S impacts were identified, and all program activities were classified as Category C. Therefore, no Resettlement Plan or Livelihood Restoration Plan was required. However, as presented in the following sub-sections, simple ESMPs were required for silviculture interventions. Further, ethnic minority beneficiaries represented a considerable proportion of the target population, making an EMDP necessary. Activities related to stakeholder consultation, and FGRM were undertaken as required.

Several safeguards focal points in Nghe An, Ha Tinh and Quang Tri Provinces shared that the safeguards requirements were complex. It also required extensive documentation (e.g. screening forms), which took quite a lot of time to process, while the staffing was limited as mentioned above.

Recommendations:

- ✓ While livelihood projects and silviculture interventions were screened using standardized templates, the screening of forest protection activities was less clearly evident and might benefit from follow-up by local implementers to ensure consistent application and alignment with established requirements.
- ✓ It would be beneficial to provide further guidance and, where appropriate, streamlined templates, including the simple ESMPs as mentioned in Section 4.4.3, to be in line with Vietnamese law and local context to facilitate implementation and prevent delays caused by complex processes or extra requirements. A standardized checklist of safeguard documents, supported by visualized steps, would help implementers understand the overall process and the required actions at each stage. Further, a dedicated communication platform, such as a Zalo group administered by a technical expert, should be maintained to facilitate experience sharing, timely clarification, and prompt resolution of emerging issues.

4.4. Implementation Progress

ERPA activities were implemented in accordance with the safeguards plan, as evidenced by documented records and specified mitigation measures, with no significant ESS-related concerns reported. No

occupational accidents or cases of gender-based violence were recorded. There were also no adverse impacts on land, housing, crops, or household assets. This was explained by the fact that ERPA primarily provided payments for the protection of natural forests, following the PFES mechanism. The livelihood projects supported under ERPA were small in scale and classified as low risk, while the silvicultural activities, subject to approval and supervision by competent authorities, were expected to enhance forest quality and biodiversity. Further, simplified safeguards guidelines for forest management and livelihood support projects had been developed and integrated into the ERPA implementation process, as outlined in the ESMF. The FGRM was functional and responsive with grievances tracked and addressed.

4.4.1. Natural Forest Protection

The forest protection activities met the requirement of eligibility and listed under Activity 2 of Decree no. 107/2022/ND-CP (Article 6). The activities promoted sustainable forest management, and were not related to the significant conversion or degradation of natural forests or critical natural habitats.

Patrol group formation and patrol area selection were discussed in community meetings and agreed collectively, with routes chosen to avoid overlap and to ensure accessibility for all participants. Patrol participants equipped themselves with basic protective equipment such as flashlights, boots, socks, raincoats, and hats. Forest access remained unchanged from the previous ERPA implementation, with individuals continuing to comply with existing regulations.

At the community level, FMBs maintained regular communication with ethnic minority households living adjacent to forests. These interactions served both to reinforce forest protection responsibilities and to prevent accidental or unintentional safeguarding breaches. During interviews, local stakeholders reported that these engagements were ongoing and perceived as constructive.

Recommendations:

- ✓ While local communities are experienced in forest patrols and take proactive measures to ensure their safety, forest owners are encouraged to provide tools or technology to support safe forest patrols, particularly in hard-to-access and dangerous areas, such as those with bees or snakes.

4.4.2. Livelihood Development Support

The livelihood projects met the requirement of eligibility and listed under Activity 3 of Decree no. 107/2022/ND-CP (Article 6). No ESMP was required, but the projects followed the ECOP as specified in the ESMF. Our review of some dossiers shared by Thanh Hoa and Nghe An Provinces confirmed that the screening processes were undertaken, using the standardized procedures and templates (Annex 5). All reviewed projects were classified as Category C, meaning minor potential adverse environmental and social impacts from the projects. The original copies such as screening documents, meeting minutes were stored by the organizational forest owners.

The projects were selected through community meetings, following a participatory FPIC-based process that involved villagers, village heads, village management boards, CPCs, and organizational forest owners. E&S provisions were incorporated into the signed contracts, covering environmental assessments, stakeholder engagement, mitigation measures, legal compliance, and performance reporting. The projects were monitored and supervised by the organizational forest owners, CPCs, and community representatives to ensure occupational safety and environmental compliance. The quality of each project

was approved by the community prior to acceptance. Photos of the projects were taken and documented. The process ensured transparency in the use of funds, aligned with local needs, and helped prevent potential concerns or complaints.

Regarding the potential impacts and required mitigation measures applicable to small infrastructure projects as specified in the ESMF, during the October 2025 mission to Nghe An Province, the WB safeguard expert noted that several recently completed concrete road works should avoid overly long continuous sections and ensure level road edges to improve safety and reduce erosion, recommending that these points be shared with contractors and forest owners. These technical points would be incorporated into the draft safeguard document. Nghe An PFPDF reported that they had already reminded the contractors responsible for the road works about these issues during inspection visits. They had been regularly reminding contractors of safety requirements related to electricity, welding, and climbing.

4.4.3. Silviculture Interventions

The silviculture interventions, focused on forest tending and/or enrichment, met the requirement of eligibility and listed under Activity 2 of Decree no. 107/2022/ND-CP (Article 6). The screening results showed that they posed no or very small environmental and social impacts, and were generally considered net positive.

Program entities adopted various measures to ensure silviculture interventions align with E&S policies. Screening activities were finalized prior to implementation, using the templates as required. Organizational forest owners incorporated the safeguard requirements into their contracts with contractors, and would monitor the implementation. Contractors prioritized hiring local labor for daytime work only, and were responsible for ensuring labor safety through training and protective equipment. Measures for conflict prevention, grievance handling, and community consultation were in place. Lang Chanh Protective Forest Management Board, Ben Hai River Basin Protective Forest Management Board reported no significant difficulties in implementing ESS, saying the project had a very detailed technical document. The former got FSC certification, and was generally familiar with the requirements. The latter reported that their project adhered to current environmental regulations, including soil and water conservation, biodiversity preservation, waste management, fire risk control, and minimizing impacts on wildlife. In addition, the draft safeguard document included a draft simple ESMP for silviculture activities and provided guidance to mitigate the identified risks. Huong Son company prepared a simple ESMP for their silviculture project (Box 1).

According to the Law on Environmental Protection 2020, environmental impact assessment (EIA) applied only to investment projects classified as having potential adverse environmental impacts. An EIA was generally not required for silviculture measures, except for new forest plantations or higher-risk activities like clearing near streams or using pesticides, in which case only a brief EIA was needed. Current silviculture measures under ERPA, such as enrichment, generally had minimal environmental impact. There were no new forest plantations in all of the provinces. Quang Tri PFPDF highlighted that ESMP-related requirements should be reviewed to facilitate implementation, rather than introducing new requirements, such as EIAs for silviculture measures, that may lead to unnecessary delays and reduced efficiency. The WB clarified that the ESMP was intended as a simple checklist to ensure activities would not cause negative environmental impacts, rather than a comprehensive plan like an EIA.

Box 1: Silviculture Implementation by Huong Son company, Ha Tinh Province

The company was implementing a five-year silviculture project, running until 2029, to enrich 76.6 hectares of poor forest in Son Hong Commune, Ha Tinh Province with *Erythrophleum fordii* Olive (lim xanh). The technical dossier was approved in June 2025, the bidding process was completed, and the contractor began initial activities such as clearing vegetation, though progress was affected by weather conditions.

The company conducted E&S screening, consultations, and maintained documentation as required. The company reported that the field activities would follow technical procedures without causing erosion or landslides, and seedlings and materials be transported manually along existing trails without creating new paths. The company requested the contractor to prioritize hiring local labor. Being a pioneering silviculture project under ERPA, the company prioritized safety such as providing laborers with appropriate protective equipment.

The company included safeguards measures into the ESMP. The company finalized its ESMP on 17 October 2025, and submitted it to Ha Tinh PFPDF for submission to VNFF and WB.

Recommendations:

- ✓ VNFF safeguards consultant should continue guiding PFPDFs and forest owners on preparing simple ESMPs and implementing safeguards for silviculture activities. The simple ESMP template should be guided to forest owners to ensure consistency in preparation.

4.4.4. Ethnic Minority Development Plan

The preparation of EMDP proved relevant to promote equity and participation, as many areas were largely ethnic minority communities (e.g. Thai, Muong, Bru-Van Kieu, Tho, H'Mong, Ta Oi, Pa Co, Kho Mu, Co Tu, Chut, Dao, Lao, and O Du), despite initial debate over the need for an EMDP.

In line with requirements under the EMPF, PFPDFs, with technical guidance from VNFF and WB, initiated the preparation of provincial EMDPs beginning in 2024, ensuring that ethnic minorities in ERPA areas would not be adversely affected by the program interventions, and could equitably access and benefit from ERPA. Following the WB mission in April 2025, VNFF organized targeted EMDP training in May 2025 for PFPDF's staff to standardize methodology, consultation processes, documentation requirements, and reporting formats, in line with the program requirements. PFPDFs then prepared their respective EMDPs through a participatory process involving information disclosure, community consultations, and engagement with relevant local stakeholders. The EMDPs were finalised and publicly disclosed by 30 June 2025, ensuring transparency, accountability, and alignment with ERPA safeguards commitments.⁸

The EMDPs documented related activities (e.g. community consultations and communication integrated into the program activities rather than separate activities as presented in the following sub-sections) from the first two years of implementation, and outlined additional measures through the program's closing date to ensure inclusive engagement of all beneficiaries, including ethnic minority communities. The total EMDP budget was VND 7.09 billion (equivalent to around US\$290,000), with Nghe An Province having the highest allocation (approximately VND 1.72 billion, equivalent to around US\$ 70,500) and Hue City Fund

⁸ http://www.thanhhoafund.gov.vn/g208_chi-tra-erpa/n2418_ke-hoach-phat-trien-dan-toc-thieu-so-emdp-tinh-thanh-hoa
<https://quybvptr.nghean.gov.vn/tin-dia-phuong/ke-hoach-phat-trien-dan-toc-thieu-so-emdp-tinh-nghe-an-972683>
<https://hdif.com.vn/ke-hoach-phat-trien-dan-toc-thieu-so-emdp-tinh-ha-tinh/>
<https://quangtrifpdf.vn/ke-hoach-phat-trien-dan-toc-thieu-so-emdp-tinh-quang-tri/>
<http://huefpdf.org/Root/Data/HUEFPDF/Tài%20liệu,%20biểu%20mẫu/ad20bcc0-d557-4fb2-9866-e6d7fcd456db.pdf>

the lowest (around VND 0.44 billion, equivalent to around US\$18,000). The EMDP activities mainly included information disclosure, consultation workshops, capacity building, communication campaigns, and grievance redress handling. PFPDFs conducted workshops, local-level dissemination activities, community engagement sessions, and follow-up dialogues with ethnic minority groups to ensure that ERPA objectives, benefit-sharing arrangements, and grievance procedures were understood. In Nghe An Province, for instance, EMDP activities were integrated into the provincial ERPA implementation plan. As of 31 October 2025, most EMDP activities in Nghe An Province had been implemented with 1,640 participants in total, including 1,178 men (71.8%) and 462 women (28.2%). Among them, 67.6% were ethnic minority participants (Annex 6). Thanh Hoa PFPDF implemented the EMDP as planned, with no difficulties, thanks to the continuous support from VNFF.

The EMDPs were carried out in a transparent and inclusive manner across the provinces, with no evidence of discrimination among participating communities. Ethnic minority people were consulted, able to express their views, encouraged to participate, and benefited equally from the program activities. Overall, the EMDP implementation strengthened community participation, improved collaboration between communities and forest owners, enhanced social inclusion, and contributed to improved awareness of forest protection and sustainable livelihoods among ethnic minority groups.

Recommendations:

- ✓ Strengthen gender-responsive and inclusive approaches, with targeted and culturally appropriate measures to increase the participation and leadership of ethnic minority women in consultations, capacity-building activities, and benefit-sharing mechanisms.
- ✓ Continue to document EMDP implementation and highlight how ERPA activities contributed to specific EMDP commitments, ensuring consistency and traceability with approved safeguard commitments, given the early integration of EMDP activities and the recent finalization of the EMDPs.
- ✓ Strengthen monitoring and reporting of EMDP implementation by adopting a simple, standardized tracking framework across provinces, with data disaggregated by ethnicity and gender, and documentation of consultation outcomes.

4.2.5. Consultations and Information Disclosure

As of June 2025, 1,167 stakeholder consultations related to ERPA activities and the provisions of Decree No. 107/2022/ND-CP had been conducted across the provinces, engaging 70,239 participants, 43% of whom were women (Table 7). High participation of ethnic minorities was recorded in the consultations (e.g. 67.6% in Nghe An, over 70% in Hue City, approximately 84.5% in new Quang Tri. This promoted transparency, participation, and equitable benefit-sharing among local communities in line with the FPIC principles.

Table 7: Community consultations conducted as of June 2025

Province/ city	No. of consultations	Total participants	Percentage of female	Consultation content	Consultation language
Thanh Hoa	178	16,615	28.7%	Livelihood activities	Mainly Kinh language; interpretation into Hmong, Thai, and Muong was available when needed.

Province/ city	No. of consultations	Total participants	Percentage of female	Consultation content	Consultation language
Nghe An	455	22,370	42.6%	Forest protection and livelihood activities	Kinh language with on-site interpretation into ethnic languages for elderly and women when needed.
Ha Tinh	21	1,250	48.6%	ERPA issues (e.g. challenges and solutions, area of natural forest, expected budget, beneficiaries). (Note: no communities in the province)	Kinh language
Quang Tri (merged)	303	15,436	~51.3%	Forest protection and livelihood activities	Kinh language; using visual graphics and Bru-Van Kieu, Pa Co in communication.
Hue	210	14,568	50.3%	Forest protection and livelihood activities	Kinh language; broadcasting propaganda in both Co Tu and Pa Co languages.
Total	1,167	70,239	43.0%		

The consultations were conducted primarily in the Kinh language, as most ethnic minority participants were able to communicate effectively in Kinh. Prior screening was conducted to identify participants who could not speak Kinh, and village heads or other community members proficient in both languages would interpret and instruct non Kinh spoken members if needed. For instance, in the former Quang Binh Province, ethnic groups such as Chut and Bru-Van Kieu, and in Quang Tri Province, groups such as Paco-Van Kieu and Co Tu, had their own languages but were also proficient in Kinh. Communication materials were simplified using visual tools for elders and illiterate participants. These allowed them to actively participate and understand the discussions. The survey respondents confirmed that all meetings were in a language they understood, and those attending felt they could share their views to some degree.

Information on ERPA-related activities was disclosed to communities at the earliest possible stage through open and inclusive consultations, with meeting minutes documented. For instance, the ERPA content was presented in the meetings to ensure understanding of benefit sharing mechanisms. Regarding forest protection activities, communities holding forest protection contracts identified suitable patrol areas close to their settlements to ensure safety, convenience, and to avoid overlap with other communities, while the forest owners conducted consultations with local communities to develop financial plans for forest protection and development activities, and provided technical support such as mapping, route development, and reporting templates. For livelihood support projects, local communities jointly identified and submitted their proposals to CPCs and organizational forest owners for review and approval, with signed meeting minutes and photos for recordkeeping; and Village Monitoring Boards and FMBs actively supervised implementation, ensuring transparency and community ownership.

4.2.6. Inquiries, Complaints and Feedback Activities

The FGRM was developed, aligned with the existing legal framework and institutional structures. The FGRM provided forest owners, organizations, households, and local communities with a clear, simplified and accessible pathway to raise, direct and resolve complaints related to the ERPA implementation, ensuring compliance with Vietnamese law, meeting requirements of participating stakeholders, and alignment with local social and cultural conditions. The POM outlined a two-stage complaint resolution process, consisting of the first and second complaint stages, and the organization of resolution at different levels, with clear roles, responsibilities, and procedures.

The FGRM was put into operation in all provinces, and well known to responsible staff, though awareness at the community level varied. At the local levels, the FGRM was communicated through multiple channels including leaflets, community meetings, and commune loudspeakers, local media, and displayed at PFPDFs' offices, forest owner offices, and community houses (see photos). Pù Mát National Park, for instance, had a designated contact with a published phone number for receiving community complaints and feedback. A hotline was displayed in the villages, and residents could also use village suggestion boxes to report issues. Each PFPDF, along with forest owners and CPCs, maintained a grievance logbook, with designated focal points responsible for documenting, assessing, and resolving complaints following POM procedures. Questions on ERPA policy were answered directly by responsible staff but were generally not documented. A community management board in Quang Tri Province reported that the FGRM information was unclear in their village, and there was no hotline to report issues, instead, local forest protection staff or organizational forest owners directly addressed questions from local residents to clarify the payment procedures, if any.



Photos (from left to right): The procedure for receiving and resolving complaints displayed at (1) the organizational forest owner's office in Ha Tinh Province, (2) the provincial fund office in Ha Tinh Province, and (3) the community house in Khe Me Village, Con Tien Commune, Quang Tri Province.

To date, only a few feedback and complaints were reported in the provinces (Table 8).

Table 8: Summary of feedback and complaints received by PFPDFs (2023–30 September 2025)

Province/ city	Raised		Resolved	
	Quantity	Description	Quantity	Description
Thanh Hoa				
Feedback	0			
Complaint	2	Starting on 29 January 2024. Raised by Thanh Lam and Thanh Trung Cooperatives regarding ERPA payments.	TBD	Multiple dialogues held; district decision adjusted; conducted mediation; and resolved in October 2025 (Box 2). Payment reached the cooperative for the 372.7 ha with 47 households with LURCs in October 2025. The payment to the cooperative for the 380.6 ha was made on 31 December 2025.
Nghe An				
Feedback		Livelihood support packages considered small; high transport costs not covered for remote communities.		Feedback recorded by local officials.

Province/ city	Raised		Resolved	
	Quantity	Description	Quantity	Description
		Raised verbally during meetings.		
Complaint	1	Starting in January 2024. Written complaint from Mr. Lê Văn Thành (Nam Sơn Commune, Quỳnh Hợp District) regarding ERPA payment: He refused to receive nearly VND 20 million (equivalent to US\$800) in payments for 2023 and 2024 because he wanted the area classified as bare land for production forestry rather than as natural forest.	1	After receiving the complaint, Nghe An PFPDF responded and coordinated with relevant authorities as regulated. The case was fully and systematically resolved in March 2024, with proper documentation maintained at the PFPDF. The complainant had no further comments after that.
Ha Tinh				
Feedback	0			
Complaint	1 (+2 cases referred)	Starting on 27 May 2024. One written/phone complaint from Center for Highland Humanitarian Ecology Studies (CHESH) requesting clarification on formulas, methods for measuring and calculating carbon equivalents. Ha Tinh PFPDF received two official letters, one from Economic Cooperation Corporation on 5 November 2024 regarding their proposal not to receive ERPA revenues, and another from Viet Ha - Ha Tinh JSC on 26 November 2024, requesting clarification on authority responsible for approving financial plans funded by ERPA revenues at the company. Ha Tinh PFPDF sent an official letter to VNFF on 4 December 2024 seeking VNFF's opinions on the two cases.	1 2	All 3 were resolved in writing, with documentation maintained at the PFPDF. Ha Tinh PFPDF sent CHESH a written response on 30 May 2024. The unit had no further comments. VNFF provided written answers in their official letter to Ha Tinh PFPDF dated 24 December 2024. The units had no further comments.
Quảng Trị				
Feedback		The VND 50 million/year support for livelihood models was considered insufficient to meet needs.		The provincial fund acknowledged the concern; communicated the need to balance ERPA budget (former Quang Binh Province); Feedback logged; discussed during commune consultation meetings.
Complaint	0			
Huế				
Feedback		Similar concerns regarding small livelihood investment packages.		The provincial fund coordinated with provincial and district authorities to clarify project rationale and resolve.
Complaint	0			

All registered grievances were considered minor and were recorded, followed up and addressed appropriately in line with the FGRM, indicating that the system was accessible and functional. The only case of concern was in Thanh Hoa Province, where Thanh Trung Cooperative filed a complaint regarding ERPA payments (Box 2). Following the established FGRM procedures, upon receiving this complaint, VNFF and Thanh Hoa PFPDF coordinated with relevant authorities including former Nhu Xuan DPC, Thanh Hoa DAE, and the cooperative members to review records, and organize dialogue and mediation sessions. The WB team also provided continuous support and follow up to speed up the resolution process. Thanh Hoa DAE/PFPDF confirmed that, apart from the case, no other complaints were raised, as the process included local consultation and public disclosure, followed by submission to the provincial level where the forest protection agency conducted a final review and verification before issuing the official decision.

Box 2. Thanh Trung Cooperative's complaint

A grievance emerged in Thanh Lam Commune (former Nhu Xuan District, Thanh Hoa Province) during ERPA implementation, concerning overlapping claims to benefit eligibility. The dispute involved two stakeholder groups: (i) 94 households holding Land Use Rights Certificates (LURCs) issued in 1998, and (ii) Thanh Trung Agriculture, Forestry and Environment Cooperative, consisting of eight self-managed forest protection groups⁹ that had conducted patrols in the same forest areas since 2019 as per the forest protection contracts under a decision incorrectly issued by DPC which was withdrawn on 23 January 2025; however, the cooperative continued to protect the forest and was allowed to collect bamboo shoots, mushrooms, and small bamboo (nứa) for making fences, as regulated. When ERPA benefit-sharing was initiated in 2023, with eligibility based on participation in natural forest protection and areas verified by competent authorities, the two groups competed over expectations of who should receive the ERPA payment.

Multiple rounds of facilitated dialogue took place in 2024-2025, involving Thanh Hoa PFPDF, VNFF, district and commune authorities, cooperative representatives, and LURC households. Consultations indicated that many LURC households were open to a negotiated sharing arrangement, whereas the cooperative leaders continued to request recognition based on the protection role performed. The cooperative reported that its members had undertaken regular forest protection over several years, and therefore should be recognised as beneficiaries. The cooperative also expressed that communication regarding payment calculation and eligibility criteria had been insufficient, which contributed to the dispute.

The overlapping area at issue covered roughly 380.6 ha within a broader 927 ha area that the cooperative reported having managed. Payments in other communes in the same district, such as Thanh Phong, proceeded without objection (e.g., VND 109.8 million, equivalent to US\$4,500, disbursed in 2023), indicating that the dispute was case-specific, rather than a systemic challenge with ERPA payment design.

The grievance was again discussed during the WB mission on 8 October 2025, involving the WB, VNFF, Thanh Hoa PFPDF, Thanh Phong CPC, and the cooperative representatives. The following actions were agreed upon and documented in the meeting minutes signed by all participating parties:

- For the area overlapping with existing LURC holders, the CPC will convene consultations with relevant stakeholders, including Thanh Trung Cooperative, LURC holders, and local residents to determine the benefit-sharing structure and payment arrangements from ERPA revenues.
- For the 380.6 ha temporarily managed by the CPC, ERPA funds will be transferred to the CPC for onward disbursement to the six cooperative self-management groups.
- The detailed area distribution (in hectares) for each beneficiary group in Thanh Phong Commune will be reviewed and confirmed by competent authorities, with the consent of the six self-management groups under Thanh Trung Cooperative, to ensure their ERPA benefit entitlements.
- Thanh Phong CPC will report on the implementation results of these agreements to all relevant stakeholders by 20 October 2025.

Consultations with Thanh Trung Hamlet, Ken Hamlet, and relevant stakeholders were conducted on 10 October

⁹ 2 out of the 8 self-managed groups withdrew their complaint and withdrew from the cooperative.

2025. All parties agreed on the benefit-sharing arrangements between LURC holders and non-LURC participants. Review of forest areas in Thanh Phong Commune was completed, and an agreement was reached with Thanh Trung Cooperative. In summary, the parties agreed as below:

- For 372.7 ha managed by 47 LURC households, ERPA funds will be transferred to Thanh Trung Cooperative for internal distribution to eligible members.
- For the 380.6 ha, ERPA funds will be transferred to the CPC for onward disbursement to the cooperative for further disbursement to its members.
- For 129.57 ha, the cooperative members agreed that ERPA funds would be transferred to the commune budget as regulated.

The payment reached the cooperative for the 372.7 ha with 47 households with LURCs in October 2025. The payment to the cooperative for the 380.6 ha was made on 31 December 2025.

Recommendations:

- ✓ The FGRM was operational and broadly understood among implementing institutions and communities. However, challenges remained, including limited understanding among some ethnic minority communities, delays in communication from communes to provincial funds, and limited capacity of local staff in documentation and reporting. This highlights the ongoing need for awareness-raising, communication (e.g. consistent disclosure of procedures, focal points, and hotlines in all communities, using culturally appropriate formats where relevant), and refresher training to strengthen the FGRM's effectiveness, accessibility and trustworthiness.
- ✓ The case of Thanh Trung cooperative demonstrated that (i) The FGRM structure was used, involving notification, mediation, multi-stakeholder dialogue, and recorded decision-making; (ii) The dispute originated not from safeguards non-compliance, but from historical land tenure overlaps and different interpretations of benefits; (iii) Resolution required facilitated negotiation, rather than technical clarification alone. Thus, early communication with communities regarding benefit eligibility should be established to clarify entitlements and prevent potential disputes.



5. Cross-cutting Themes

5.1. M&E System

The monitoring and result framework was updated during the program implementation by VNFF, following the template in Annex V of the POM, with detailed data and information presented in the BSP Implementation Status Reports, ESS Plan Implementation Reports (August 2023-November 2024 and November 2024-June 2025) and related reports. VNFF established and operated the M&E system, and assigned staff in charge of M&E tasks and reporting. PFPDFs assigned staff to implement the M&E system, and were responsible for data collection and reporting as required.

The ERMR of the first reporting period (2018-2019) was submitted by the MAE to the WB, and verified by an independent entity. The ER results were confirmed by the WB at 16.21 million ERs, which exceeded the target ERs results under ERPA. Therefore, no ERMR was carried out for the second and third reporting periods. Annually, MAE announced changes in forest area based on monitoring reports from provinces; meanwhile, the Forest Inventory and Planning Institute (FIPI) carried out the assigned task of monitoring the national forest changes on a cyclical basis.

5.2. Capacity Building

VNFF, PFPDFs and organizational forest owners prepared capacity building plans in line with the training priorities as specified in the POM. VNFF organized a number of training sessions, workshops and conferences on finance and accounting, and ESS for PFPDFs, Forest Protection Departments, organizational forest owners, CPCs and local communities receiving livelihood support, and PFPDFs provided follow-up training (Table 9). The training on finance and accounting focused on financial planning and accounting, and ERPA revenue management, while the ESS training covered safeguard policies and compliance, instruments, environmental and social screening, impact assessment, EMDP, and FGRM. PFPDFs coordinated closely with relevant departments, and held study tours to neighboring provinces to learn and share experience. Forest owners in Nghe An and Ha Tinh Provinces maintained regular communication, with Ha Tinh sharing silviculture approaches and Nghe An sharing livelihood project experience. Following the training, forest owners prepared training materials and delivered training to local communities. Communities were trained on safe forest patrols, use of technology (SMART, Zalo), and reporting, which strengthened their role in sustainable forest management.

Table 9: Cumulative capacity building activities by VNFF and provincial funds as of 30 September 2025*

Province/ city	Training		Workshops, conferences	
	Quantity (sessions)	No. of trainees	Quantity (event)	No. of participants
Thanh Hoa	2	106	4	354
Nghe An	39	2,725	10	427
Ha Tinh	4	350	4	350
Quang Tri (merged)	13	563	11	529
Hue	21	764	6	341
VNFF	15	1,124	3	666
Total	94	5,632	38	2,667

* Excluded conferences and meetings held by organizational forest owners and CPCs.

Our interviews with the training participants, including the PFPDFs' safeguard focal points, CPCs and local communities showed that the training was useful and helped them understand the ERPA requirements related to financial management and accounting, safeguards, grievance handling, while also addressing implementation issues and ensuring alignment with the program regulations. Con Cuong CPC reported that they received clear and practical guidance from Nghe An PFPDF on ERPA budgeting, financial procedures, and forest protection patrol management during the training, along with continued support from the PFPDF, forest owners, and the Forest Protection Department throughout implementation. Pu Huong Nature Reserve received regular support from Nghe An PFPDF, and maintained close communication with VNFF and provincial departments to obtain timely guidance during implementation.

5.3. Communication and Propaganda

Communication plans were developed by VNFF, PFPDFs and organizational forest owners, targeting local communities to disseminate information about Decree No. 107/2022/ND-CP and related procedures. As noted in the POM, the units prepared their plans in line with available budgets and selected communication activities tailored to their target audiences.

Between 2023 and 2025, communication activities were carried out through a wide range of channels such as newspaper articles, radio/TV broadcasts, leaflets, and a number of communication products such as notebooks, T-shirts, and ceramic cups (Table 10). ERPA-related information was also available on VNFF and PFPDFs' websites.¹⁰ Official Letter No. 161/VNFF-BDH instructed that the leaflets be disseminated through all available communication channels to maximize accessibility, including village meetings, postings at village cultural houses and CPC offices, as well as loudspeakers, local radio, and provincial media. Signboards were installed for completed infrastructure works to further enhance ERPA visibility.

Organizational forest owners conducted communication activities through multiple channels such as meetings/workshops, loudspeakers, and leaflets in Kinh, and in some cases in ethnic minority languages. Ben Hai River Basin Management Board shared that their communication activities were carried out regularly. Their forest protection staff had many years of experience and a strong understanding of local customs, including a management board member from a local ethnic community, which facilitated effective communication with local people. Some PFPDFs and organizational forest owners, such as Quang Tri PFPDF, and Chuc A Forestry and Service Company (Ha Tinh Province), organized communication activities at schools to raise students' awareness about forest protection, and encouraged students to share the information with their families.

¹⁰ VNFF: <https://vnff.vn/>; Thanh Hoa: <http://www.thanhhoafund.gov.vn/>; Nghe An: <https://quybvptr.nghean.gov.vn/>; Ha Tinh: <https://hdif.com.vn/>; Quang Tri: <https://quangtrifpdf.vn/>; Hue: <http://huefpdf.org/>

Table 10. Cumulative communication activities by VNFF and provincial funds as of 30 September 2025*

Province/ City	Print & online articles	Radio broadcast s (times)	TV broadcast s (times)	Billboards, posters (units)	Brochures, leaflets (sheets)	Newsletters, Manual (copies)	Communi- cation products	Others
Thanh Hoa	10	NA	4	NA	10,000	NA	680	2
Nghe An	20	-	5	-	-	10	600	-
Ha Tinh	24	-	1	5	1,600	-	865	20
Quang Tri (merged)	18	5	12	122	13,000	1,500	5,000	41
Hue	26	162	24	329	2,500	47	1,849	2
VNFF	170	1	16	2,700	8,000	800	400	
Total	268	168	62	3,156	35,100	2,357	9,394	65

* Excluded communication activities conducted by organizational forest owners; NA = Not available.

The communication efforts helped improve awareness and strengthen the capacity of stakeholders involved in forest protection and development. Our forest owner survey showed that the respondents were able to access ERPA information through CPC meetings, village meetings, posters, leaflets, and village loudspeakers. Of the nine respondents, four reported that the communication activities were useful, and two mentioned that they did not think information sharing was effective with one suggesting leaflets being spread would have improved it.

VNFF, PFPDFs, and organizational forest owners monitored the communication activities by collecting data, using the template in the POM. However, the evaluation of communication activities remained limited. No comprehensive evaluation of communication activities was conducted by the provinces to assess the outreach and effectiveness, due to limited resources and the absence of specific regulations and guidelines. The current periodic reports often focused on input information (e.g. number of articles or leaflets) rather than analyzing changes in awareness, or collecting feedback from target groups for adjustments where needed, using specific indicators (e.g. percentage of respondents satisfied with the clarity, relevance, and usefulness of materials; incorporation of feedback into follow-up actions).

Recommendations:

- √ As the evaluation of communication activities remained limited, and some beneficiaries remained unclear about ERPA payments, as mentioned in previous sub-sections, a budget should be allocated for evaluation to inform planning and ensure relevant and effective implementation, in line with the POM (Sub-section 4.1.3, page 89).

5.4. Supervision and Reporting

MAE, VNFOREST, and VNFF organized seven field missions and an additional four joint missions with the WB to the five provinces as of 30 September 2025. The monitoring results provided inputs for the preparation of guidelines and official documents submitted to MAE/VNFOREST for approval, including Document No. 745/LN-QBVPTR dated 30 May 2024, on ERPA payments. These activities also contributed to resolving a number of disbursement bottlenecks encountered by the provinces. At the provincial level, a total of 267 monitoring and supervision missions were conducted. Of these, 50 missions were carried out by DAE and Forest Protection Department, while 217 were implemented by the provincial funds (Table 11). VNFF and the provincial funds reported on the implementation of the WB missions' recommendations during their regular meetings and/or in subsequent WB missions.

Table 11: Cumulative missions by VNFF and provincial agencies as of 30 September 2025*

Province/ city	Provincial level			Central level	
	DAE (mission)	Forest Protection Department (mission)	Fund Management Board (mission)	VNFF	VNFOREST
Thanh Hoa	20	30	136		
Nghe An	-	-	19		
Ha Tinh	-	-	5		
Quang Tri (merged)	-	-	46		
Hue	-	-	11		
VNFF				4	3
Total	20	30	217	4	3

* Excluded monitoring and supervision activities conducted by organizational forest owners.

ERPA implementation progress and lessons learned were updated through periodic reports and shared during training workshops and meetings. To strengthen coordination and responsiveness, VNFF created a Zalo group¹¹ of VNFF leaders, provincial safeguard focal points, and provincial fund heads to facilitate information exchange, experience sharing, and promptly respond to emerging issues. VNFF and WB conducted regular meetings to review ERPA implementation and ensure timely WB support as required.

¹¹ Zalo is a Messenger App used in Vietnam similar to WhatsApp.



6. Conclusions

BSP and safeguards were implemented in accordance with their terms and design, formally integrated into PE's policies and planning. Necessary systems were put in place to ensure consistent implementation in line with relevant policies and regulations.

ERPA was implemented within a short timeframe (late 2023-2025), causing a substantial workload, especially given new payment policy and procedures to local stakeholders, a large number of forest owners, small funding allocations, wide geographical coverage (which also constrained communication, monitoring and supervision), limited staff capacity, and multiple stages involved in the implementation process such as planning, appraisal, approval, disbursement, monitoring and supervision, and reporting. In some areas, over 70% of beneficiaries were ethnic minority groups with limited access to information, financial literacy, and community monitoring capacity. As a pilot program, ERPA faced certain challenges, but stakeholders addressed them progressively, and its implementation benefited from coordinated efforts and engagement across all levels.

When the ERPA was signed and Decree no. 107/2022/ND-CP issued as part of a pilot program, certain aspects were not fully anticipated, including provisions on eligible activities and beneficiaries, as well as the limited timeframe for implementing silvicultural interventions. Some provisions in Decree no. 107/2022/ND-CP and its guiding documents on eligible beneficiaries caused confusion during the implementation. The decree was seen as a pilot to inform the development of the next decree and its nationwide implementation.

Viet Nam was the first among the 15 countries that signed an ERPA with FCPF to complete an ERs results report. It was also the first country to receive the full transfer of 10.3 million ERs, as well as the additional transfer of 1 million ERs, marking Viet Nam's first receipt of US\$56.5 million from forest carbon sequestration and storage services. ERPA revenues represented a new and supplementary financial resource to support sustainable forest protection and development, community livelihood development in the NCR, and the protection of over 2.15 million hectares of natural forest. These funds helped improve the livelihoods and incomes of households, individuals, and communities, specifically benefiting over 78,000 forest owners as households and individuals, including more than 43,000 ethnic minority households and individuals, even though the average payment per hectare remained modest. The implementation of ERPA increased awareness among local communities, government agencies, and policymakers, and strengthened the capacity of the fund system, forest owners, and related units, fostering good cooperation with international partners.

The implementation of Decree no. 107/2022/ND-CP under ERPA enabled VNFF and related agencies to gain practical experience for future ER programs and projects, including the preparation of ER trading documents for the South Central Coast and Central Highlands provinces (LEAF). It also served as a key reference for developing legal documents related to ER projects and for the nationwide decree on forest carbon sequestration and storage services, which is expected to be issued in December 2025, marking a key milestone in the completion of the legal framework. This helped establish a foundation for the development of the future carbon market in Viet Nam, particularly within the forestry sector.

Annex 1: TPM Scope

Description	BS	ESS
1. Identify types of activities under ERP, particularly those with ‘higher risks’ profiles, and assess the application of the Safeguards Frameworks (e.g., ESMF, EMPF) and BSP pilot roll-out, including safeguards screening records, Management Plans preparation (e.g. EMDP, ESMP), implementation of mitigation measures, monitoring and reporting mechanisms, consultation and Free, Prior, and Informed Consultation (FPIC) processes, and the FGRM, to clearly identify and articulate specific issues of Safeguard Framework and/or the WB Operational Policies ¹² non-compliance and/or gaps in their implementation within ERPA period (February 2018 - September 2024).	✓	✓
2. Assess status and application of safeguards gap filling measures/actions undertaken by the PE as specified in the safeguards due diligence report, Annex 1 of ERM 1, and subsequent PE self-reporting on safeguards implementation, including gaps and actions identified during the WB mid-term review mission in April 2024.		✓
3. Review records of PE’s clearance of safeguards screening and management plans prepared by implementing partners, and records of their supervision during implementation; Verify, confirm if there is any incident/accident that has happened.		✓
4. Review PE’s self-reporting on safeguards and benefit sharing in the ER Monitoring Report.	✓	✓
5. Recommend potential areas for gap filling measures to guide the PE in developing Corrective Action Plans to ensure compliance with the Program Safeguards Frameworks and BSP, and other applicable policies in case non-compliance is found.	✓	✓
6. Assess BSP implementation against its original design, including principles, activities, scope, process, and institutional arrangements. Review any changes made, their rationale, and lessons learned.	✓	
7. Follow up on incidents/grievances during BSP implementation. Review feedback/complaints/questions submitted through the FGRM, including how they were addressed, how expectations were managed, what results were achieved, and if remedy measures and recommendations were implemented. Conduct a deep dive review of the complaint in Thanh Hoa Province.	✓	
8. Assess the effectiveness of the management and implementation measures set out in the Safeguards Frameworks and the benefit sharing arrangement in the BSP, and the inclusiveness of mechanisms for benefit sharing.	✓	✓
9. Assess engagement with stakeholders (including a review of communication materials developed and used by PE), information dissemination, outreach and capacity-building programs and whether BSP stakeholders (beneficiaries including ethnic minorities and administrators) clearly understand and agree with their roles and responsibilities in the BSP and if beneficiaries have received sufficient support to assist in the management and use of benefits distributed to them. Assess if there were enough efforts made to include ethnic minorities by using ethnic languages and culturally appropriate stakeholder engagement.	✓	✓
10. Assess beneficiaries’ perception of non-carbon benefits – do they feel that additional or non-carbon benefits (benefits beyond payments from ERPA) were generated under the ERP.		✓

¹² The applicable World Bank Operational Policies/OP include OP 4.01 Environmental Assessment; OP 4.04 Natural Habitats; OP 4.09 Pest Management; OP 4.10 Indigenous Peoples; OP 4.11 Physical Cultural Resources; OP 4.12 Involuntary Resettlement; and OP 4.36 Forests.

Description	BS	ESS
11. Assess if benefits have been distributed in accordance with the BSP and/or per the PE's annual self-reporting, especially regarding marginalized and disadvantaged communities and vulnerable groups. This would include: (i) an analysis of the efficiency of the BSP implementation with considerations of operating and transaction cost, (ii) quality of implementation, (iii) extent of outreach to the beneficiaries including in particular the criteria and process for beneficiary selection, transparency. (iv) review of the adequacy and timeliness of the flow of funds, internal controls, and reporting arrangements, as defined in the BSP. If relevant, review a sample of individual transactions to verify the effective operation of internal controls and provide recommendations on strengthening measures for increased efficiency.	✓	
12. Observe and review samples of consultation sessions to assess overall quality of the process.	✓	✓
13. Review BSP implementation procedures, including sub-contracts and transactions. Analyze arrangements and actions for efficiency, effectiveness, and compliance with ERPA and safeguards frameworks.	✓	
14. Assess the adequacy of staff capacity and institutional set ups of national (VNFF) and provincial implementation agencies and parties.		✓

(BS = Benefit Sharing, ESS = Environmental and Social Safeguards.)

Annex 2: ERPA Payments Utilization

1. Individual, household beneficiaries

The ERPA payments contributed to income improvement, and livelihood enhancement of participating forest owners, including more than 43,000 ethnic minority households and individuals. The survey respondents reported ERPA helped enhance forest protection in their area and improve their livelihood or income. Remote KIIs with two household forest owners in Con Cuong Commune, Nghe An Province indicated that, while payments were modest, they used them to buy forest patrol tools such as knives, flashlights, and boots. Although the payments did not significantly increase their income, they found them helpful and viewed the program as providing an additional incentive to continue their forest protection activities.

2. Community beneficiaries

According to community forest representatives in Dakrong and Tuyen Lam Communes in Quang Tri Province, although the amounts distributed to each member were modest, the funds supported basic patrol costs and small household needs such as food, fuel, school supplies, and clothing. Community leaders encouraged responsible spending and discouraged the use of these funds for alcohol or non-essential purposes. The program fostered collective responsibility for forest protection and contributed to reductions in illegal logging, hunting, and forest encroachment in recent years.

Con Cuong CPC reported stronger community engagement in forest protection and a considerable decline in violations, with no forestry-related cases recorded in 2024-2025 compared to many cases of forest destruction and illegal exploitation in previous years. According to a Pu Mat National Park representative, ERPA, the park's most recently launched program, strengthened forest protection through community involvement, significantly reducing forest violations over the past two years. Violations fell from five cases in 2024 to one in 2025, while confiscated traps dropped from 7,000 to just over 1,000, a reduction of 50-60%, and up to 90% in some areas, with no traps confiscated in the first six months of 2025, indicating a clear decline in illegal hunting activity. According to the head of the community management board in Tuyen Lam Commune, Quang Tri Province, the number of forest violations in their village had decreased from dozens of cases per year to only a few since 2024. The household forest owner cum village head in Dakrong Commune, Quang Tri Province shared that forest violations and the number of traps found had declined significantly since 2023.

3. Livelihood development support

The activities increased awareness and accountability in forest management, protection and development, as well as strengthened the collaboration between local communities and organizational forest owners. Results from the small survey suggested positive feedback from the community infrastructure projects with seven respondents strongly agreeing that the program strengthened community cooperation in forest protection, and the remaining two respondents agreeing with this statement. Meanwhile, feedback from our KIIs/FGDs with local beneficiaries in Nghe An and Quang Tri Provinces confirmed active community participation and appreciation for livelihood support activities. In both sites, villagers reached consensus through community meetings on how to use the VND 50 million support, prioritizing practical investments such as community equipment, welcome gates, and community lighting that enhance safety, visibility, and cultural identity. Both communities expressed interest in

expanding these initiatives if further support becomes available, saying for instance incremental lighting investments would continue to improve mobility and safety, suggesting that low-cost, high-visibility interventions remained socially valued even when modest in scale (Box A3.1).

Box A3.1: Visited livelihood projects in Quang Tri and Nghe An Provinces

Community Infrastructure Investments in Khe Me Village, Con Tien Commune, Quang Tri Province

Khe Me village comprised 64 mainly Vân Kiều households, including around 15 poor or near-poor households. In 2024-2025, the community received two BSP allocations of VND 50 million each. The villagers discussed and agreed on priority investments, including equipping the community house with tables, chairs, and loudspeakers, and constructing a village welcome gate. The village head expressed appreciation for ERPA support and noted that it contributed both to community cohesion and to ongoing forest protection efforts. The welcome gate was viewed as an important cultural symbol of Vân Kiều identity, and the investment was widely regarded as practical and socially meaningful. If additional support becomes available, the village prioritises expanding lighting to improve mobility and safety.



Community Lighting in Nam Sơn Village, Con Cuong Commune, Nghe An Province



The Nam Sơn village head reported that approximately 30 path-lights were installed around one month ago using ERPA funds. Community members expressed satisfaction with the improved visibility and safety on village paths, particularly during evening travel. However, the current number of lights did not yet provide full coverage for the entire village. The amount was sufficient only to cover installation costs, and villagers anticipated that ongoing maintenance and replacement expenses would need to be met through community contributions. The village expressed interest in expanding the lighting system if additional support becomes available.

During the warranty period, the service providers or contractors would be responsible for any necessary repairs as per signed contracts. Once the warranty expires, the community would take responsibility for maintaining the infrastructure as agreed during the community consultations; and for major damage caused by natural disasters, the CPCs may support the villages with repairs where possible. Nghe An PFPDF reported that about 30 infrastructure works were damaged to varying degrees during Storm No. 10 in July 2025, but none were destroyed. The damage was limited to the structures, with no injuries and no impact on nearby facilities. There had been no damages reported in other provinces so far.

Annex 3: Audit Findings Follow up

No.	Audit findings	Audit findings for the year ended 31 December 2023 and VNFF's response	Audit findings for the year ended 31 December 2024 and VNFF's response	Status as of 30 September 2025 observed by TPM
1.	Low disbursement rate	Low disbursement rate compared to 2023 plan	Low disbursement rate was observed in Thanh Hoa, Nghe An and Ha Tinh Provinces.	It was rectified. The overall disbursement rate reached 88.76%. The provinces achieved remarkable progress.
2.	Lack of breakdown of ERPA funds in annual Financial Statements of PFPDFs	Financial reports of the five provinces did not specify breakdown of ERPA funds. VNFF would provide guidance on this.	It was rectified.	
3.	Financial reporting regime of organizational forest owners, CPCs, and other organizations	The units in Thanh Hoa, former Quang Binh, Quang Tri Provinces and Hue City did not submit financial reports or settlement reports to PFPDFs as required. VNFF issued a document requesting PFPDFs to strictly prepare financial reports and final accounts for the year 2023, and would follow up.	The units in five provinces did not submit financial reports or settlement reports to PFPDFs as required. VNFF issued Document No. 23/VNFF-BDH dated 5 February 2025, requesting PFPDFs to urge the units to prepare reports as regulated, and provided training on financial requirements. PFPDFs also sent official letters to the units in this regard. VNFF and PFPDFs indicated that they would continue to follow up to ensure report submission as regulated.	Following the WB mission's recommendation, the PFPDFs submitted monthly bank statements to VNFF, and organizational forest owners submitted monthly bank statements to the PFPDFs. The standard financial reporting templates should be simplified to facilitate regular reporting at the units, where possible, and that VNFF and PFPDFs should provide periodic training for them where required.
4.	Opening term deposit accounts using ERPA revenues	Ha Tinh PFPDF opened a term deposit account on 21 February 2024, using ERPA revenues. A forest owner as an organization in Hue City signed three term deposit contracts on 2 and 3 February 2024, using ERPA revenues. Following VNFF recommendation, they	Chuc A Company opened a term deposit account on 25 September 2024 upon receiving ERPA revenues from Ha Tinh PFPDF, and recorded this term deposit amount into expenses disbursed for forestry-related activities in 2024. The company terminated the term deposit contract, following recommendations from Ha Tinh PFPDF.	It was rectified.

No.	Audit findings	Audit findings for the year ended 31 December 2023 and VNFF's response	Audit findings for the year ended 31 December 2024 and VNFF's response	Status as of 30 September 2025 observed by TPM
		closed all term deposit contracts on 2 and 3 May 2024, respectively, and transferred the funds back to ERPA current accounts. VNFF issued a document on strengthening internal control.	VNFF issued Document no. 1057/LN-QBVPTR dated 17 July 2024 on enhancing internal control measures at the provincial level. ¹³ VNFF also organized training sessions, and would continue to follow up.	
5.	Monthly bank reconciliation by PFPDFs, organizational forest owners, CPCs and other organizations	The units in Thanh Hoa, former Quang Binh, Quang Tri Provinces and Hue City did not fully perform monthly bank reconciliations using Form No. 05 as outlined in POM. Quang Tri PFPDF performed annual account reconciliations instead. VNFF issued a document on strengthening internal control.	The units in five provinces did not fully perform monthly bank reconciliations using Form No. 05 of POM. VNFF's official letter no. 1057/LN-QBVPTR dated 17 July 2024 above also included a request to perform monthly bank reconciliations. VNFF and PFPDF would continue to follow up.	KIIs with some organisational forest owners and communities showed that the bank reconciliation had not been fully performed as commented by the auditor. Further follow up should be undertaken.
6	Cash management	NA	- Some cash payments exceeding VND 20 million (equivalent to around US\$800) were made by Nghe An PFPDF for business expenses, advances for organizing propaganda and training conferences, resulting in large amounts of cash on hand at month-ends. - Several forest owners in Ha Tinh Province also made cash payments to beneficiaries. VNFF organized training, and provided guidance on financial requirements, and would continue to follow up.	This was considered a high risk area which required stricter control by VNFF and PFPDFs. Also see recommendation in Sub-section 3.3.4 above.

¹³ Key control measures listed in the document included: (i) To maintain a separate account to receive ERPA funds to ensure the principle of separate tracking and clear accounting as stipulated in Decree No. 107/2022/ND-CP; (ii) To do monthly statements and reconciliations of the ERPA revenue account balances and submit to VNFF before the 5th of the following month; (iii) To disburse ERPA funds according to the approved plan; do not transfer money out of the account without approval by the competent authority; (iv) To require forest owners as organizations and other organizations assigned to manage natural forests to submit monthly statements and reconciliations of ERPA revenue account to PFPDFs; and (v) To conduct monthly review of revenue and expenditure data from ERPA funds at organisational forest owners.

Annex 4: Implementation of Silviculture Interventions

While being seen as improving forest quality, with ERPA funding providing resources to support the systematic implementation amid limited State budget allocations for the activities, the implementation progress was generally slow. However, some positive developments were observed in recent months (Table A4.1).

Table A4.1. Progress of silviculture interventions as of 30 September 2025

Provinces	Approved (VND mil)	Disbursed (VND mil)	Disbursement Rate (%)	Implementation progress	Other reasons of slow progress
Thanh Hoa	43,910	9,672	22%	12 forest owners implemented 12 interventions, each with a budget ranging from over VND 100 million (equivalent to approximately US\$4,000) to more than VND 1 billion (equivalent to approximately US\$40,000). Estimated disbursement by 31 December 2025 is VND 37.8 billion (equivalent to approximately US\$1.55 million, or around 86% of approved amount).	Certain silvicultural measures were applied very selectively, primarily to the protection forests and degraded or regenerating production forests, with limited implementation in special-use forests.
Nghe An	30,623	294	1.0%	This was the disbursement by 5 out of 14 forest owners implementing silvicultural interventions during 2024-2025. Nghe An PFPDF shared that silviculture interventions still encountered challenges; however, positive improvements were observed in recent implementation. The fund reported taking several steps to address implementation challenges, including arranging meetings with forest owners, organizing a study visit to Ha Tinh Province, and providing a training session on procurement and contractor selection. The fund also submitted a request to VNFOREST to allow silvicultural activities to follow actual implementation timelines so that annual allocations can be used. Despite ongoing challenges, the fund remained committed to	Implementing silvicultural measures required about six years before results could be assessed, making it difficult to select suitable sites for implementation.

Provinces	Approved (VND mil)	Disbursed (VND mil)	Disbursement Rate (%)	Implementation progress	Other reasons of slow progress
				advancing disbursement with support from national agencies and cooperation from forest owners.	
Ha Tinh	61,899	355	0.6%	As of early October 2025, eight silviculture activities completed investment procedures and started implementation in the field.	
Quang Tri	4,265	0	0.0%	As of early October 2025, approximately VND 1.4 billion (equivalent to approximately US\$56,000) was disbursed for two completed interventions. The others had not commenced yet.	Quang Tri PFPDF shared that it was very hard to enrich natural forest. The approval of the financial plan took longer due to the merger of provinces and funds within the province. Further, while acknowledging that the guidance on dividing silviculture cycle into multiple phases and disbursing funds according to each phase helped ease the earlier concern about timeframe and secured budget, and approvals, budgets, and plans were in place, Quang Tri PFPDF reported that disbursement would be made at year-end upon acceptance, rather than following seasonal schedules. Meanwhile, some forest owners had not implemented the plans yet, and the timeline for implementation remained unclear, as they were awaiting further guidance following the conclusion of ERPA this year.
Hue City	42,951	191	0.4%	Estimated disbursement by 31 December 2025 is VND 14.5 billion (equivalent to approximately US\$0.59 million).	The approval of sustainable forest management plans was delayed. Ecological restoration areas were fragmented, steep, and difficult to access, hindering zoning and regeneration efforts.
Total (VND mil)	183,648	10,513	5.7%		
Converted (USD mil)	7.53	0.43			

Annex 5: Review of Safeguards Documents of Selected Livelihood Development Projects

The TPM team conducted spot checks of several dossiers of livelihood development support projects in Thanh Hoa and Nghe An Provinces. Generally, a dossier included request and agreement for participating in forest protection, community meeting minutes, and agreement on plans and budgets for livelihood development support, along with related funding requests and supporting documents such as approved budgets, material acceptance records, supplier contracts, handover and settlement records, payment requests, and invoices. Form A (Screening for eligibility of activities under ERPA), and Form B (Screening for environmental and social impacts) were attached. Photos of the works were taken. All of the original documents were stored by the forest owners.

1. Name of project: Rural Road/Bridge over Bang Khieng Stream

Forest owner: Xuan Lien National Park

Location: Minh Ngoc Village, Luong Son Commune, Thanh Hoa Province

Community: The community had 116 households, of which 110 (or 94.8%) were Thai ethnic households, with a poverty rate of 7.8.

Contractor: Xuan Lien National Park Management Board

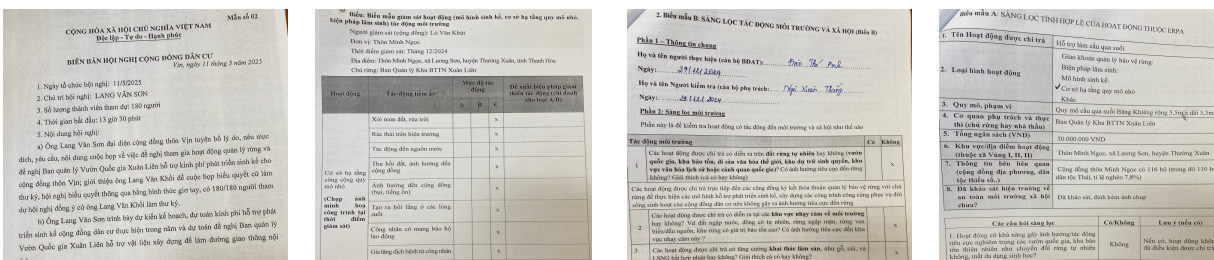
Budget: VND 50,000,000

Date of implementation: December 2024

Date of completion: N/A

The Thanh Hoa PFPDF confirmed that the 3.3-meter-long and 5.5-meter-wide bridge project over the stream underwent social and environmental screening, demonstrating its feasibility with minimal impacts, as it was unanimously approved by the village community, generated no waste or adverse environmental effects, employed qualified contractors, complied with labor safety standards, and did not cause any incidents.

The community meeting, held on 11 May 2025, was chaired by the village representative, where participants agreed to request Xuan Lien National Park Management Board's support for construction materials to build internal village roads, with most attendees in favor. The environmental impact monitoring form showed that a community representative participated as supervisor, assessing the small-scale infrastructure project as Category C – minor impact. Form A also classified the work as small-scale infrastructure and recorded detailed information on the project's scope, location, implementing agency, budget, and photographic evidence, with all "No" responses confirmed and signed by relevant parties. Similarly, Form B contained full implementer and inspector details, with "No" indicated for both environmental and social impacts. Given these results, Form C was not required. The list of meeting participants was well-documented.



Documents were provided by PFPDF/organizational forest owner.

The photos showed the construction and completion of the village road and small bridge. During construction, the site appeared generally well-organized, with workers wearing some protective gear such as boots and helmets. However, environmental safeguards, such as erosion or runoff control measures such as silt fences, or vegetation cover, were not clearly evident, there were no visible barriers or warning signs for local safety. The completed bridge structure appeared solid and neatly finished, with reinforced concrete and stone embankments providing stability and erosion protection. The surrounding area had been backfilled and leveled, creating a clean and stable approach. To further enhance environmental safeguards, vegetation cover or additional slope protection on exposed soil areas is recommended.



Photos were provided by PFPDF/organizational forest owner.

2. Name of project: 23 Solar Lighting Sets

Forest owner: Pu Huong Nature Reserve

Location: Khi Village, Chau Cuong Commune, Nghe An Province

Community: 26 village community, mainly Thai and Thanh ethnic groups; poverty rate of 30%

Contractor: Pu Huong Nature Reserve Management Board

Budget: VND 50,000,000

Date of implementation: Early 2024

Date of completion: November 2024

Full documentation was maintained for the solar light livelihood screening and monitoring forms, photos, and detailed financial records. The environmental impact monitoring form named the community representative supervisor, with all impact assessment results in November 2024 rated C. The community proposed establishing a local waste collection unit and providing workers with safety gear (helmets, gloves, shoes, masks). Forms A and B confirmed no environmental or social impacts. Form A detailed the installation of 23 solar lights (with stands and posts) across 26 residential areas, supported by site survey photos. All documents were signed by relevant parties. The livelihood payment dossier included a funding request, a community participation agreement in forest management (signed

by representatives), and minutes from the community meeting in December 2023, where about 80% of participants supported road lighting projects. The community also signed forest protection contracts starting from late 2023. The dossier further included a plan, budget estimate, and acceptance records for the 23-lamp electrical system, confirming timely completion, good quality, and no environmental pollution. These were signed by the community, the Pu Huong Management Board, and the Commune People's Committee Chairman, with related invoices attached.

1. BẢNG MẪU ÁNH SÁNG TÍNH HỢP LỆ CỦA HOẠT ĐỘNG TÍNH HỌC ERPA		
1. Thời gian hoạt động chỉ ra	Hệ tự động chiếu sáng vào đêm	
2. Loại tính hoạt động	Mức ánh sáng 1	
3. Quy định chiếu sáng	Là độ chiếu sáng 23 độ của NLMT 3000 lux vào đêm chiếu sáng	
4. Các quy định chiếu sáng và thực thi (chỉ riêng học sinh và giáo viên)	BCH, KHC, ITTN, Pô Hoàng	
5. Tổng số người (VND)	26 người/000 VND	
6. Các quy định chiếu sáng hoạt động (thước kẻ Vàng và Xanh)	26 người/000 VND	
7. Thống kê các loại chiếu sáng và các thiết bị chiếu sáng	26 người/000 thước chiếu sáng và các thiết bị chiếu sáng, Thước chiếu sáng và các thiết bị chiếu sáng	
8. Đồ không sử dụng trong và ngoài môi trường chiếu sáng	Đồ không sử dụng, đồ không chiếu sáng	

[illegible]

Documents were provided by PFPDF/organizational forest owner.



Photos were provided by PFPDF/organizational forest owner.

Forest owner: Pu Hoat Nature Reserve Management Board

Na Chang Village Management Board maintained complete documentation for the rural road construction project, including screening and monitoring forms, photos, and detailed records on livelihood support, payment requests, agreements, and procurement. All impacts were rated C (minor impact). Form A provided full details on the activity type (livelihood model), location, and project scale benefiting 254 households. All screening questions were answered “No” confirming the activity’s eligibility. Form B included complete information on the implementer and inspector, with results showing no environmental

or social impacts. Explanatory notes highlighted that the livelihood support contributed to income generation, reduced pressure on forest exploitation, and promoted sustainable forest protection. Supporting documents included a payment request, community meeting minutes consolidating opinions on the proposal for community public works, and a budget estimate plan. Meeting minutes detailing the agreed support, conditions, and supervision responsibilities were also attached. Acceptance records for construction materials and completion certificates confirmed that the works met quality standards and were put into use, accompanied by full invoices, item lists, and purchase contracts.



2. HƯỚNG DẪN SÁNG LỘ CÁC ĐỘNG MÔI TRƯỜNG VÀ XÃ HỘI

Phần 1 – Thông tin chung

Họ và tên người thực hiện (còn bộ BDAY): Nguyễn Văn Mạnh

Ngày: Tháng 11/2024

Họ và tên Người kiểm tra (còn bộ phụ trách): Thái Khắc Hiếu

Ngày: Tháng 11/2024

Phần 2: Sáng tạo môi trường

Tác động môi trường	Có	Không
1. Các hoạt động được chỉ ra có ảnh hưởng đến môi trường tự nhiên hay không (vườn quốc gia, khu bảo tồn, di sản văn hóa thế giới, khu dự trữ sinh quyển, khu vực văn hóa lịch sử hoặc cảnh quan quốc gia)? Có ảnh hưởng tiêu cực đến rừng không? Giải thích (nếu có hay không)		Không
Hoạt động được chỉ ra không diễn ra trên đất rừng tự nhiên. Bên cạnh đó, hoạt động này không gây ảnh hưởng tiêu cực đến rừng như mất rừng, suy giảm độ che phủ, suy thoái đa dạng sinh học hay ô nhiễm môi trường. Ngược lại, việc hỗ trợ sinh kế góp phần nâng cao thu nhập, giảm áp lực khai thác tài nguyên rừng và thúc đẩy bảo vệ rừng bền vững.		
2. Các hoạt động được chỉ ra có ảnh hưởng tiêu cực đến môi trường hay không? Và đất ngập nước, đồng cỏ tự nhiên, rừng ngập mặn, rừng ven biển/dòng người, khu rừng có giá trị văn hóa cao? Có ảnh hưởng tiêu cực đến khu vực nhạy cảm này?		Không

1. HƯỚNG DẪN SÁNG LỘ TÍNH HỢP LỆ CỦA HOẠT ĐỘNG THUỘC EIPA

1. Tên Hoạt động được chỉ ra	Mô tả dự án/đầu tư/hoạt động
2. Loại hình hoạt động	Mô hình sinh kế
3. Quy mô, phạm vi	Như đang được giao thông nông thôn
4. Cơ quan phụ trách và thực thi (chủ rừng hay nhà đầu tư)	BQL Khu BTNN Phú Hoạt
5. Tổng ngân sách (VNĐ)	10.000.000 VNĐ
6. Khu vực/địa điểm hoạt động (thuộc xã vùng III)	Bản Na Chung, xã Tân Phong, huyện Quỳnh Phong, tỉnh Nghệ An
7. Thông tin khu vực quan trọng đang dự phòng, địa điểm (thước 1:50.000)	Cộng đồng bản Na Chung với 254 hộ (tính theo 2014, 40% nữ giới)
8. Địa điểm và biện pháp bảo vệ an toàn môi trường và hệ sinh thái	Đảm bảo an toàn, tránh khu vực nhạy cảm

Các tiêu chí đánh giá	Có/Không	Lưu ý (nếu có)
1. Hoạt động có khả năng gây ảnh hưởng tiêu cực đến các hệ sinh thái rừng, môi trường, văn hóa, lịch sử, di sản, khu vực nhạy cảm hay không?	Không	
2. Hoạt động có phạm vi và quy mô ảnh hưởng đến các khu vực nhạy cảm hay không?	Không	
3. Hoạt động có ảnh hưởng tiêu cực đến các khu vực nhạy cảm hay không?	Không	
4. Hoạt động có gây ô nhiễm môi trường, ảnh hưởng tiêu cực đến môi trường hay không?	Không	

GIẤY HẸNG THỰC HIỆN

Kính gửi: Ban quản lý Khu BTNN Phú Hoạt

Căn cứ Kế hoạch và dự toán kinh phí được BQL Khu BTNN Phú Hoạt, UBND xã Tân Phong và BQL bản Na Chung đồng ý phê duyệt.

Căn cứ Bản báo cáo thực hiện công trình xây dựng và các tài liệu liên quan.

Công việc xây dựng đường giao thông nông thôn bản Na Chung được BQL Khu BTNN Phú Hoạt, UBND xã Tân Phong và BQL bản Na Chung đồng ý phê duyệt thực hiện.

Ban quản lý bản Na Chung, xã Tân Phong, huyện Quỳnh Phong, tỉnh Nghệ An cam kết thực hiện các nội dung như sau:

Hình thức thanh toán: Chuyển khoản, vào sổ tài khoản 041401270026, ngân hàng Agricultural Bank of Vietnam.

Kính đề nghị Ban quản lý Khu BTNN Phú Hoạt xem xét, giải quyết.

Tân Phong, ngày 17 tháng 12 năm 2024

THƯỜNG KIỆM

Nguyễn Văn Mạnh

NGƯỜI CHỨC VỤ BAN QUẢN LÝ KHU BẢO TỒN PHÚ HOẠT

GIÁM ĐỐC

Nguyễn Văn Mạnh

LƯU Ý: Ban Quản lý

Photo and documents were provided by PFPDF/organizational forest owner.

The photo showed a post-completion inspection of the newly constructed rural concrete road. Although construction-phase photos were not available, the image showed verification of key technical parameters (road width and slope) and checks on drainage measures along the stream and hillside to protect the environment. The supervision visit confirmed that roadside vegetation was preserved and local access improved.

Annex 6: EMDP Implementation

EMDP Summary

No	Thanh Hoa	Nghe An	Ha Tinh	Quang Binh	Quang Tri	Hue City
Activity 1	Provincial-level kick-off workshop	Provincial consultation workshop	Provincial consultation workshop	Village-level consultation workshop	Commune-level consultation workshop	Communication campaign on ERPA at village level
Activity 2	Development and implementation of communication plan	Commune level consultation workshops	Commune level consultation workshops	Commune level consultation workshops	Technical guidance to forest owners on ER implementation	Knowledge sharing among communities
Activity 3	Capacity building	Development and implementation of communication plan	Development and implementation of communication plan	Development and implementation of communication plan	Development and implementation of communication plan	Development and implementation of communication plan
Activity 4	—	FGRM	FGRM	Capacity building	Capacity building	Capacity building training
Budget (VND)	1,434,115,300	1,716,140,000	1,305,000,000	1,210,481,371	989,950,000	438,330,000
Converted (USD)	57,365	68,646	52,200	48,419	39,598	17,533

Nghe An – EMDP Implementation Progress as of 31 October 2025

Description	Total participants		Of which, ethnic minority participants	
	Male	Female	Male	Female
Activity 1. Organize provincial-level consultation workshops				
On 26 February 2025, several 2025-related topics were introduced at the meeting hall of Nghe An Guest House with 73 participants.	73			
On 18 September 2025, a provincial conference was organized to review and evaluate the pilot implementation of ERPA payments in Nghe An, with 250 participants, including 171 men (68%) and 71 women (28%)	179	71	59	15
Activity 2. Organize commune-level consultation workshops				
In July 2025, dissemination meetings on ERPA were organized in various communes within the program area. A total of 20 communes participated, with an average of 53-60 participants per commune (approximately 70% male and 30% female). The meetings were held at commune halls with the participation of representatives from local authorities, forest owners, community groups, and beneficiaries. Specifically: - From 8-12 July 2025: meetings were held in Na Ngoi, Nam Can, Muong Quang, Tien Phong, Anh Son Dong, and Thanh Binh Tho Communes. - From 14-18 July 2025: meetings were organized in Nhon Mai, My Ly, Tuong Duong, Tam Thai, Con Cuong, and Mon Son Communes. - From 22-26 July 2025: meetings took place in Gia Xuan, Tan Ky, Kim Bang, Hanh Lam, Nghia Tho, and Nghia Lam Communes. Total number of participants was around 1,600, of whom 28-30% were women and about 68% belonged to ethnic minority groups. The meetings focused on: - Introducing the objectives, contents, and payment mechanism under ERPA; - Raising awareness on forest protection, livelihood development, and effective use of ERPA payments; - Addressing community concerns and collecting feedback from participants; - Strengthening local understanding, consensus, and commitment to implementing ERPA activities at the community level.	747	320	672	288
Activity 3. Develop and implement communication plans/programs				
On 18 September 2025, a provincial conference was organized to review and evaluate the pilot implementation of ERPA payments in Nghe An, with 250 participants, including 171 men (68%) and 71 women (28%). Attached documents included ERPA communication materials. ERPA dissemination in printed newspapers and magazines. Production of documentary clips for the review and evaluation conference on ERPA pilot implementation (2023-2025). Production of documentary clips on the 2025 ERPA payment results. Broadcast of the documentary clips on television.	179	71	59	15
Activity 4. Grievance handling, inquiries, and feedback resolution				
Total number of participants in all activities: 1,640 people	1,178	462	790	318
Percentage (%)	71.8%	28.2%	71.3%	28.7%
Ethnic minority proportion (%)			67.6%	

Annex 7: List of Interviewees

A3.1. Pre-mission and joint mission with WB in October 2025

Date/ Province	Address	No.	Name of Interviewees	Roles/Position of Interviewees
2-Oct-25 Hanoi	WB Office, 8th Floor, 63 Ly Thai To Street,	1	VuThi Dieu Ly	Environmental Specialist, WB
		2	Hoang Thuy Quynh	Social Development Specialist, WB
		3	Iretomiwa Olatunji	ERPA Team Leader
		4	Carlos Britto	Safeguards Coordinator
		5	Tran Thi Phuong Mai	Financial Specialist, WB
3-Oct-25 Hanoi	VNFF Office, A5 Building, No.10, Nguyen Cong Hoan Street	4	Nguyen Van Thanh	Deputy Director, VNFF
		5	Nguyen Van Luong	Head of Inspection and Supervision Department, VNFF
		6	Pham Van Trung	Inspection and Supervision Division, VNFF
		7	Ngo Huy Toan	ESS Consultant, VNFF
		8	Bui Thi Van	Head of Accounting Department, VNFF
8-Oct-25 Thanh Hoa	DAE	9	Pham Van Tiep	Safeguards focal point, Thanh Hoa PFPDF, DAE
		10	Le Xuan Diep	Lang Chanh Protective Forest Management Board
		11	Ngo Xuan Thang	Xuan Lien National Park Management Board
		12	Le Dinh Phuong	Pu Luong Nature Reserve
	Thanh Phong CPC	13	Lang Thi Tinh	Thanh Trung Cooperative's representative
9-Oct-25 Nghe An	Muong Thanh Con Cuong Hotel	14	Luu Trung Kien	Pu Mat National Park Representative
	Con Cuong CPC	15	Nguyen Dien Quang	Pu Mat National Park Representative
		16	Doan Thi Xuan Quy	Staff of Economic Division - Con Cuong CPC
		17	Lo Van Thuyen	Chief of Tong Chai Village
		18	Lo Thi Doanh	Secretary of Tong Chai Village
		19	Luong Quyet Tinh	Secretary of Chan Nan Village
		20	Loc Thi Ngoc	Chief of Chan Nan Village
		21	La Van Thanh	Household
		22	Vi Van Ba	Household
		23	Vi Van Phong	Household
		24	Quang Thi Hoi	Household
	Nam Son Village, Con Cuong Commune	25	Tran Quoc Hoa	Deputy Head of Con Cuong Protective Forest Management Board
10-Oct-25 Ha Tinh	Ha Tinh PFPDF, 1 Dang Dung Str., Ha Tinh City	26	Tran Anh Tuan	Officer of Ha Tinh PFPDF
		27	Tran Thi Thuy	Officer of Ha Tinh PFPDF
	Huong Son Forestry and Services One Member Co., Ltd., Residential Group 2, Son Tay Commune	28	Nguyen Huu Chung	Community Forest Group/Cooperative
		29	Nguyen Huu Tien	Household Beneficiary
		30	Do Thanh Tinh	Commune People's Committee Representative
		31	Doan Tien Hoa	Household Beneficiary
		32	Households	Household Beneficiary
		33	Duong Ngoc Chau	Community Forest Group/Cooperative
		34	Doan Le Anh	Household Beneficiary, Community Forest Group/Cooperative
		35	Doan Thi Loan	Household Beneficiary
		36	Tran Van Dan	Household Beneficiary
13-Oct-25 Quang Tri	Quang Tri PFPDF, 92 Huu Nghi, Dong Hoi Ward	37	Pham Dinh My Linh	Social Safeguard officer, Quang Tri PFPDF
	Khe Me Village cultural house, Con Tien Commune	38	Ho Van Cong	Khe Me village head

A3.2. Follow up data collection in November-December 2025

Date	Method	Name of Interviewees	Roles/Position of Interviewees
19 Nov	Zoom	Phạm Văn Tiếp	Thanh Hoa PFPDF
21 Nov	Zoom	Đoàn Thị Xuân Quý	Economic Division, Con Cuong PPC, Nghe An Province
21 Nov	Phone	Vi Văn Ba	Forest owner as household, Nghe An Province
25 Nov	Zoom	Cáp Thị Hòa	Management Board of Southern Quang Tri Special-use forest, Quang Tri Province
25 Nov	Zoom	Võ Thị Thành	Management Board of Tuyen Hoa Protective Forest, Quang Tri Province
25 Nov	Zoom	Cao Thùy Dương	Finance Officer - Phong Nha - Ke Bang National Park, Quang Tri Province
25 Nov	Zoom	Hồ Thị Hải Tăng	Forest owner as household & Head of Ta Lao Village, Dakrong Commune, Quang Tri Province
26 Nov	Zalo	Thái Văn Quý	Forest Owner, Trung Thanh Village, Con Cuong Commune, Nghe An Province
26 Nov	Zoom	Trần Thị Thủy	Ha Tinh PFPDF
27 Nov	Zoom	Lê Thành Công	Management Board of Lang Chanh Protective Forest, Thanh Hoa Province
27 Nov	Zoom	Đinh Thị Ngọc Tâm & Ms Trang	Management Board of Ben Hai River Basin Protective Forest, Quang Tri Province
27 Nov	Zoom	Phạm Đình Mỹ Linh	Quang Tri PFPDF
28 Nov	Zoom	Nguyễn Thị Hương Ly	Accountant, Nghe An PFPDF
28 Nov	Zoom	Nguyễn Cảnh Hiếu	Pu Huong Nature Reserve, Nghe An Province
28 Nov	Zoom	Mr. Tiến	Chairman, Chuc A Forestry and Services Co., Ha Tinh Province
1 Dec	Zoom	Lê Thiện Nghĩa	Quang Tri PFPDF
1 Dec	Zoom	Trần Ngọc Anh	Phong Nha - Ke Bang National Park, Quang Tri Province
2 Dec	Zoom	Phạm Xuân Thành	Forest owner as household & Head of Community Management Board, Hamlet 2 Bac Son, Tuyen Lam Commune, Quang Tri Province
2 Dec	Zoom	Mr. Minh	Huong Son Forestry and Services Co., Ltd., Ha Tinh Province
8 Dec	VNFF Office	Ms. Vân	Accountant, VNFF
10 Dec	Phone	Ms. Tinh	Member, Thanh Trung Cooperative, Thanh Hoa province

Annex 8: List of Reference and Reviewed Documents

Province	Units	No.	Name of documents
	VNFF/WB	1	BSP Implementation Status Reports: March 2025 and July 2025, updated 30 October 2025
		2	ESS Implementation Reports: March 2025 and June 2025
		3	Decree no. 107/2022/ND-CP dated 28 December 2022 on the pilot transfer of ERs and ERPA financial management
		4	AM - Implementation Support Mission - 27 February – 3 March 2023; 22 April - 3 May 2024; 4- 12 November 2024; 21-28 April 2025
		5	ERPA Audited Financial Statements, Management Letter for years of 2023, 2024
		6	Daniel Mullins, Nilza Puná, Carolina Gueiros. 2025. Report of TPM of BSP Implementation of the Zambezia Integrated Landscape Management Program (ZILMP) in Mozambique
		7	WB. 2020. Project Appraisal Document on an Emission Reduction Crediting Project for Viet Nam NCR ERP
		8	Safeguards documents: ESMF (2018) and its addendum (November 2024), PF (2018), RPF (2018), Draft SESA Phase 1 (2016), EMDP (2018)
		9	BSP of ERP in NRC of Viet Nam 2019-2024 (version 2019, 2023)
		10	MARD - Department of Forestry. 2023. ERPA POM
		11	Final reports on ERPA implementation by PFPDFs and Communication materials
		12	VNFF report on ERPA implementation dated 9 October 2025 and presentation slide for WB mission in October 2025
		13	Safeguards reports and related documents, including draft ERPA ES Guideline Handbook (v2, September 2025)
Thanh Hoa	PFPDF	1	Report on the implementation of Decree no. 107/2022/ND-CP, and Reports on ERPA implementation in Thanh Hoa Province (2024, 2025, 3-year summary)
		2	Record book, receiving and handling complaints of Thanh Hoa PFPDF
		4	Report on the situation of handling complaints of Thanh Trung Cooperative and related meeting minute(s) - Thanh Phong CPC
Nghe An	Org. FOs	5	Documents of selected livelihood projects such as repairing cultural house (Dong Lien Village - Ben En NP), Rural road/bridge (Minh Ngoc Village – Xuan Lien NP)
	PFPDF	1	Reports on ERPA review conference in Nghe An
		2	Report on the implementation of Decree No. 107/2022/ND-CP in Nghe An Province in 2024, and Report on ERPA implementation in Nghe An as of 7 October 2025
		3	Report on ERPA implementation by Pu Huong NR, Pu Hoat NR
Ha Tinh	PFPDF	4	Documents of selected livelihood projects: - Solar light set (Ban Khi Village, Chau Cuong Commune - Pu Huong Nature Reserve) - Cooling system for community house (Quynh Village - Pu Huong Nature Reserve) - Rural path (Pu Hoat NR FMB) - Pu Mat's community livelihood projects and other financial documents
		1	Report on ERPA implementation as of 30 September 2025, and EMDP
		2	FGRM-related documents: - Official dispatch No. 76/QBVPTR on the proposal of the Center for Research on Highland Human Ecology; - Official dispatch No. 22/CV-CHESH in response to Official dispatch No. 72. QBVPTR dated 24 May 2024 - Official dispatch No. 440/VNFF-BDH on giving opinions on questions and recommendations of the Economic Cooperation Corporation, Viet Ha - Ha Tinh JSC
		3	Other ERPA news
	Org. FOs	4	Report on ERPA implementation by Huong Son Forestry and Services One Member Co., Ltd
		5	Documents of selected livelihood projects provided by Vu Quang National Park
		6	Silviculture interventions documents: bidding documents, proposals, screening forms, etc. provided by Huong Son Company, Vu Quang NP, Chuc A Company, etc.
Quang Tri	PFPDF	1	Report on ERPA implementation in Quang Tri Province as of September 2025
	Org. FOs	2	Report on ERPA implementation as of September 2025 by Ben Hai River Basin Protection FMB

