

(Unofficial translation)

UPDATED REPORT ON THE IMPLEMENTATION STATUS OF THE BENEFIT SHARING PLAN
(Reporting period November 2024 to June 2025)

I. FCPF BENEFIT SHARING PLAN REQUIREMENTS

The Benefit Sharing Plan (BSP) performance report is the primary tool for the Programme Implementing Entity to provide evidence that the BSP has been implemented in accordance with the terms of the agreed BSP, and in accordance with relevant applicable regulations, including national regulations and any legally binding national obligations under relevant international regulations, and that such information is provided transparently. This requirement is clearly stated in the FCPF Methodological Framework (Criteria 29-33) and in the General Conditions for Emission Reduction Payment Arrangements (ERPAs) and in the ERPA itself.

The BSP performance report includes the core information and data that the Programme Implementing Entity is required to report, as specified in this template. Any additional information may be provided in an appendix to the report, depending on the specific content of the BSP. The implementing agency shall submit the report six months after receipt of the first payment and annually thereafter. The report will be considered valid and accepted only after all core sections of the report using this template are filled in with relevant details.

II. BSP IMPLEMENTATION STATUS

Reporting time							Submission date						
November 2024 to June 2025							July 2025						

Financial data updated as of June 30, 2025

1. Total fund disbursement: [Information below is extracted from detailed Excel Table 1 from Table 2 prepared and submitted with this report]

Table 1: Summary of funds allocated by the Programme Implementing Entity (PE) under BSP (including advance payments).

Source of Funds	Total commitment (contract value)		Total payment in 1st instalment		Total payment in 2nd instalment		Excerpt from VNFF according to approved plan		Total Remaining after deductions at VNFF		Total amount disbursed from VNFF to provincial Funds		Disbursement to the end beneficiaries		Disbursement rate (%)	Notes
	Triệu USD/ mil. USD	Triệu đồng/ mil. VND	Triệu USD/ mil. USD	Triệu đồng/ mil. VND	Triệu USD/mil. USD	Triệu VND/ mil. VND	Triệu USD/ mil. USD	Triệu đồng/ mil. VND	Triệu USD/ mil. USD	Triệu đồng/ mil. VND	Triệu USD/ mil. USD	Triệu đồng/ mil. VND	Triệu USD/ mil. USD	Triệu đồng/ mil. VND		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16=12/10	
FCPF ERPA	51,50	1.256.517,20	41,20	997.040,00	10,30	259.477,20	1,79	43.348,74	49,72	1.213.168,47	49,72	1.213.168,47	30,64	747.656,64	100%	

Table 2: Summary of funds allocated from other sources (national budget, etc.).

Source of Funds	Total contract value		Total PE amount - Year 1		Total PE amount - Year 2		Total PE disbursement amount		% disbursed	
	(1)		(2)		(3)		(4)		(5) = (4)/(2)+(3)	
Other sources of funds	0		0		0		0		0%	

2. BSP Amendments: Were any changes made to the BSP during the Reporting Period ¹(as stated above in section II): Yes No

3. General Summary of BSP Implementation During the Reporting Period

Please include a brief summary of the BSP implementation status. Further details may be included in the appendix of this report. Please avoid repeating the same information from the BSP and provide links to external documents where possible.

The BSP has been stipulated in Decree No. 107/2022/NĐ-CP. To implement this, the Ministry of Agriculture and Environment (MAE) issued Decision No. 641/QĐ-BNN-TCLN dated 21/2/2023 on the Benefit Sharing Plan following from the North Central Region Greenhouse Gas Reduction Payment Agreement (ERPA) with detailed and comprehensive annual financial plans developed by the VNFF, Provincial Funds and the institutional forest owners.

WB has paid 56.5 million USD (equivalent to 1,387.6 billion VND) through 03 phases:

- Phase 1 on October 3, 2023, with the amount of 41,200,000 USD (equivalent to 997 billion VND, equivalent to 80% of the emission reduction (ER) results according to the signed ERPA);
- Phase 2 on March 15, 2024 with the amount of 10,300,000 USD (equivalent to 259 billion VND, equivalent to 20% of the ER results according to the signed ERPA).
- Phase 3 on September 29, 2025, with an amount of 5,000,000 USD (equivalent to 131 billion VND) from the transfer of additional emission reductions of 1 million tons of CO2.

In the past, the MAE has regularly urged and directed the VNFF, provincial funds and related forest management units to urgently implement the ERPA. The MAE, the Department of Forestry and Forest Protection (VNFOREST), and VNFF issued over 100 guiding documents with the following contents: financial planning, urging improvements to the ERPA disbursement to beneficiaries to ensure transparency, instructions on payments and settlements, implementation of environmental and social safeguard measures, and instructions on using ERPA revenue to ensure that there is no overlap with other State budget allocated for forest protection and development.

The ERPA budget approved by MAE for the financial plan is as follows: (i) Management budget at VNFF 3.45% is USD1.78 million equivalent to 43.35 billion VND including management and revenue coordination budget 0.45% and budget for ERPA activities 3%; (ii) Expenditure for 06 provinces: USD49.72 million (1,213.17 billion VND), of which: Thanh Hoa USD8.15 million; Nghe An USD14.5 million; Ha Tinh USD6.48 million; Quang Binh USD12.25 million; Quang Tri USD2.68 million; Hue City USD5.57 million reached 100% of the allocated amount.

By June 30, 2025, the People's Provincial Committees (PPC) of the 06 provinces had approved the financial plans for 2023, 2024, and 2025 with a total amount of 1,137.59 billion VND, equivalent to USD46.42 million, of which:

- In 2023, 06 Provincial People's Committees approved: USD7.24 million, equivalent to 176.58 billion VND (deducting management expenses from the provincial fund USD0.25 million, spending for forest owners USD6.9 million).

¹ Any amendments to the BSP, whether major or minor, must be documented in this report and the revised BSP must be submitted to the World Bank, including the FCPF Facility Management Team (FMT).

- In 2024, 06 Provincial People's Committees approved USD20.4 million, equivalent to 496.86 billion VND (deducting management expenses from the provincial fund of USD1 million, spending for forest owners USD19.4 million).

- In 2025, 05 Provincial People's Committees: Thanh Hoa, Nghe An, Quang Binh, Quang Tri, Hue City approved a financial plan of USD19.02 million, equivalent to 464.15 billion VND).

Accumulated to June 30, 2025, the Provincial Funds of 06 provinces have spent 30.64 million USD, equivalent to 747.66 billion VND, reaching 65.72% compared to the plan approved by the PPCs. (Benefit sharing results are shown in Table 3).

The approval of financial plans by the People's Committees of 06 provinces in the North Central region is implemented in accordance with the provisions of Decree No. 107/2022/ND-CP. The PPCs, the provincial Department of Agriculture and Environment, and the Forest Protection and Development Fund of the 06 provinces have issued over 500 documents with the following contents: financial planning, urging the disbursement of ERPA funds to beneficiaries to ensure transparency, instructions on payment and settlement, implementation of measures to ensure environmental and social safeguards, instructions on the use of revenue from ERPA to ensure that there is no overlap with the State budget allocated for forest protection and development.

By June 30, 2025, the 05 provinces of Thanh Hoa, Nghe An, Quang Binh, Quang Tri, and Hue had their financial plans for 2025 approved by the Provincial People's Committee. Ha Tinh province has not yet completed the approval of the 2025 plan because it is being submitted to the Provincial People's Committee for approval². The Department of Forestry and Forest Protection has organized a working group to work with the Ha Tinh Fund to urge and request urgent advice to the Provincial People's Committee to approve the 2025 financial plan for implementation. According to the Provincial Fund's update to date, the 2025 Financial Plan has been approved by the People's Committee of Ha Tinh province in Decision No. 2237/QD-UBND dated September 8, 2025.

By September 30, 2025, the Funds of provinces and cities in the North Central region have approved a financial plan of VND 1,199.61 billion (equivalent to USD 49.16 million), and disbursed VND 1,064.7 billion (equivalent to USD 43.6 million). (Further details can be found in Appendix 3).

The funds of 06 provinces³ have proactively been disbursed to forest owners in accordance with the plan approved by the Provincial People's Committees. The forest owners are organizations that have implemented forest protection management and paid the People's Committees of communes (CPCs) and residential communities that have an agreement to participate in forest protection management activities and support livelihood development. Thereby creating jobs, increasing income and improving the lives of forest workers, effectively supporting the community, improving the livelihoods of the community, contributing to hunger eradication and poverty reduction.

Regarding community funding (for small livelihood projects), there is an additional source of funding to repair and equip village cultural houses, repair small in-field canals, small internal village roads, and gradually contribute to the socio-economic development in the locality, and generally contributing to the upgrading of rural areas. In addition, funds have been used to help raise awareness and responsibility of local authorities, forest owners, organizations, and individuals in the management, protection and development of forests in general and protecting the existing natural forest area and

² As of June 30, 2025, the People's Committee of Ha Tinh province has not approved the financial plan for 2025. As of September 8, 2025, the People's Committee of Ha Tinh province has approved the Financial Plan for 2025 in Decision No. 2237/QD-UBND with the amount of: 53.92 billion VND (equivalent to 2.21 million USD).

³ Implementing Resolution No. 202/2025/QH15 dated June 12, 2025 of the National Assembly on the arrangement of provincial-level administrative units, from July 1, 2025 to now, the North Central region has 05 provinces and cities: Thanh Hoa, Nghe An, Ha Tinh, Quang Tri, Hue.

biodiversity in particular. This support contributes to the forest security situation and ensures that forest use is stable and that there are no hotspots for illegal exploitation, trading, and transportation of forest products. Violations of the law on forestry are controlled and resolved promptly, thoroughly and in accordance with the law. Forest fire prevention and fighting solutions are also implemented comprehensively and effectively. ERPA funding has contributed to the maintenance of the quality of natural forest ecosystems, and biodiversity has been preserved.

Table 3. Benefit sharing

Total amount disbursed to the beneficiaries										
Phân loại/ category	Chi tiết/ details	Số tiền được phân bổ/ allocated amount			Số tiền đã chi trả/ disbursed amount			Còn lại/ balance		
		Triệu USD/ mil. USD	Triệu VNĐ/ mil. VND	%	Triệu USD/ mil. USD	Triệu VNĐ/ mil. VND	%	Triệu USD/mil. USD	Triệu VNĐ/ mil. VND	%
I	Kế hoạch tổng thể/ overall plan	51,5000	1.256.517,20	100%	30,9585	755.387,95	60,12%	20,5415	501.129,25	39,88%
Quản lý/ management cost	VNFF	1,7768	43.348,74	3,45%	0,3169	7.731,31	17,84%	1,4599	35.617,42	82,17%
	Quỹ tỉnh/ provinces	3,0782	75.108,79	5,98%	1,0812	26.380,65	35,12%	1,9971	48.728,14	64,88%
	Chủ rừng/ forest owner	46,6418	1.138.059,68	90,57%	29,5605	721.275,99	63,38%	17,0813	416.783,69	36,62%
II	Kế hoạch chi tiết/ detailed plan	47,5307	1.159.749,09		30,9585	755.387,95	65,13%	16,5722	404.361,14	34,87%
1	Tại VNFF/ VNFF	0,908	22.159,68	100%	0,3169	7.731,31	34,89%	0,5913	14.428,37	65,11%
1.1	Năm 2023/ in 2023	0,0106	258,63	1,17%	0,0076	184,45	71,32%	0,0030	74,18	28,68%
1.2	Năm 2024/ in 2024	0,3438	8.388,94	37,86%	0,2538	6.191,86	73,81%	0,0900	2.197,07	26,19%
1.3	Năm 2025/ in 2025	0,5538	13.512,12	60,98%	0,0555	1.355,00	10,03%	0,4982	12.157,12	89,97%
2	Tại Quỹ tỉnh/ in provinces	2,8808	70.290,62	100%	1,0812	26.380,65	37,53%	1,7996	43.909,97	62,47%
2.1	Năm 2023/ in 2023	0,2556	6.235,82	8,87%	0,2261	5.517,70	88,48%	0,0294	718,12	11,52%
2.2	Năm 2024/ in 2024	1,0039	24.495,31	34,85%	0,7041	17.179,80	70,14%	0,2998	7.315,51	29,86%
2.3	Năm 2025/ in 2025	1,6213	39.559,49	56,28%	0,1509	3.683,15	9,31%	1,4703	35.876,34	90,69%
3	Kế hoạch được UBND cấp tỉnh phê duyệt cho chủ rừng (năm 2023+2024+2025)/ plan approved by the PPC (2023+2024+2025)	43,7418	1.067.299	100%	29,5605	721.276	67,58%	14,1813	346.022,81	32,42%
3.1	Chủ rừng là hộ gia đình, cá nhân/ forest owner is hh, individual	6,8262	166.558,64	15,61%	3,9206	95.663,15	57,44%	2,9056	70.895,48	42,56%
3.2	Chủ rừng là cộng đồng dân cư/ forest owner is community	2,7454	66.986,55	6,28%	1,5796	38.541,03	57,54%	1,1658	28.445,52	42,46%

Total amount disbursed to the beneficiaries										
Phân loại/ category	Chi tiết/ details	Số tiền được phân bổ/ allocated amount			Số tiền đã chi trả/ disbursed amount			Còn lại/ balance		
		Triệu USD/ mil. USD	Triệu VNĐ/ mil. VND	%	Triệu USD/ mil. USD	Triệu VNĐ/ mil. VND	%	Triệu USD/mil. USD	Triệu VNĐ/ mil. VND	%
3.3	<i>Chủ rừng là tổ chức/ forest owner is organization</i>	29,4655	718.957,66	67,36%	21,1380	515.766,39	71,74%	8,3275	203.191,27	28,26%
3.4	<i>UBND cấp xã được giao trách nhiệm quản lý rừng/ CPC allocated forest for management</i>	3,9661	96.772,19	9,07%	2,7853	67.961,79	70,23%	1,1808	28.810,40	29,77%
3.5	<i>Tổ chức khác được Nhà nước giao trách nhiệm quản lý rừng/ other organizations allocated forest for management</i>	0,1509	3.680,80	0,34%	0,1370	3.343,62	90,84%	0,0138	337,17	9,16%
3.6	<i>Kinh phí chưa đảm bảo điều kiện chi trả/ Funding does not guarantee payment conditions</i>	0,5878	14.342,96	8,61%	-	-	0,00%	0,5878	14.342,96	100,00%
III	Kinh phí chưa được phê duyệt/ Funding not yet approved	3,9661	96.768,1133	100%						
1	Kinh phí quản lý chưa được duyệt của VNFF/ pending un-approved budget for management cost of VNFF	0,8686	21.189,0566	21,90%						
2	Kinh phí quản lý chưa được duyệt của quỹ tỉnh/ pending un-approved budget for management cost of provincial Funds	0,1975	4.818	4,98%						
3	Kinh phí chi cho chủ rừng chưa được phê duyệt (dự kiến duyệt năm 2025)/ un-approved budget for forest owner (pending for approval in 2025)	2,9000	70.760,89	73,12%						

3.1. Were there any challenges encountered in the process of distributing funds to beneficiaries? If so, please describe them and how they will or have been resolved.

During the implementation process, there were still some difficulties and problems and these included the following: 1) After reviewing the beneficiaries, some provincial funds still encountered difficulties in the disbursement process because the beneficiaries were the forest owners moved to another locality, and or there was a change in the name of the household owner (i.e. for example this could be due to inheritance issues); 2) some forest owners had small forest areas, this results in small amounts of money to be paid to a household which are difficult to process efficiently⁴; 3) some forest owners had not yet identified adjacent communities; 4) some forest owners were not eligible to receive money because the beneficiaries had not been clearly identified. However, in general, the provincial funds have actively worked with forest owners to propagate, mobilize, resolve, and handle all eventualities where reasonably possible so that beneficiaries could soon receive money from ERPA.

The VNFF has issued documents to guide the provinces and sent working groups to promptly review and resolve difficulties encountered in the process of implementing ERPA payments. Some examples of the guiding documents include: (i) VNFF guidance on implementation: Document No. 369/VNFF-BDH dated December 12, 2023 sent to Provincial Funds to guide the contents of non-overlapping expenditures, forest protection contract levels, disbursement deadlines; Document No. 362/VNFF-BDH dated October 20, 2025 to urge Thanh Hoa Provincial Fund to disburse to beneficiaries and guide Thanh Phong Commune People's Committee to develop a plan for using money; (ii) VNFF advice to the Department of Forestry and Forest Protection, Ministry of Agriculture and Environment to guide: Document No. 1057/LN-QBVPTR dated July 17, 2024 on strengthening internal control measures for ERPA funds; Document No. 1206/LN-PCTT dated August 14, 2024 sent to Thanh Trung Environmental Agriculture - Forestry Cooperative on instructions for submitting complaints; Document No. 1205/LN-PCTT dated August 14, 2024 sent to the Department of Agriculture and Environment of Thanh Hoa province on handling complaints; Document No. 1676/LN-QBVPTR dated October 23, 2024 providing guidance on implementing silvicultural measures from ERPA sources; Document No. 7573/BNN-LN, 7574/BNN-LN, 7575/BNN-LN, 7576/BNN-LN, 7577/BNN-LN dated October 8, 2024 sent to the Chairmen of the People's Committees of provinces and cities in the North Central region on implementing ERPA payments in the province; Document No. 2118/LN-QBVPTR dated December 19, 2024 providing guidance on implementing procedures for appraisal, approval, and cost estimates of silvicultural projects from ERPA funds; Document No. 7018/BNNMT-KHTC, 7019/BNNMT-KHTC, 7044/BNNMT-KHTC, 7045/BNNMT-KHTC, 7046/BNNMT-KHTC dated September 23, 2025 sent to the Chairmen of the People's Committees of provinces and cities in the North Central region on strengthening direction and speeding up the disbursement of ERPA money in the provinces and cities.

3.2. Are the governance and cash flow arrangements as described in the BSP and the operating manual (if any) working well? Please provide as an appendix a summary of meetings, consultations with stakeholders and decisions made during the reporting period to implement and monitor the benefit sharing plan.

For the current administrative arrangements, the Ministry of Natural Resources and Environment (MONRE) and the Ministry of Agriculture and Rural Development (MARD) have merged into the Ministry of Agriculture and Environment (MAE), the Vietnam Forest Protection and Development Fund (VNFF) has sent document No. 170/VNFF-BDH dated June 11, 2025 to the WB regarding the continued implementation of the ERPA; accordingly, the Departments of Natural Resources and Environment and

⁴ For example, payment to a bank account may be difficult as the beneficiary may not have one and is unable or unwilling to open one for a small amount or the small amount may not be enough to encourage the beneficiary to make a specific journey to a post office to collect the money. The VNFF has a lot of experience now in dealing with electronic payments through the PFES system, however, very small payments to households in remote areas still remain a problem.

the Departments of Agriculture and Rural Development at the provinces have also merged into the Departments of Agriculture and Environment (DoAE). This is an internal management change and does not affect the implementation of the BSP.

From May to June 2025, the VNFF organized 06 training courses with more than 400 participants on financial planning, guidance on using ERPA revenue management software and financial and accounting work for the Provincial Funds, forest owners organizations, and Commune-level People's Committees to improve capacity in managing and using ERPA funds effectively. The VNFF also issued instructions on preparing monthly reports according to the accounting system. To date, the management and use of ERPA resources have been implemented by the provinces using the accounting system, according to the instructions of Program Operation Manual (POM) and financial management software. Therefore, the use and management of ERPA revenue of the provinces are closely monitored according to the BSP, and ERPA revenue is shared with beneficiaries according to financial regulations. The BSP implementation process for ERPA revenue has not encountered any difficulties during the implementation process, because it is based on the annual financial plan approved by the Provincial People's Committees. According to the provisions of Point b, Clause 3, Article 9 of Decree No. 107/2022/NĐ-CP, based on the approved financial plan, the Provincial Fund is required to notify the payment amount to forest owners who are organizations, commune-level People's Committees and other organizations assigned by the State to manage forests. Accordingly, the above-mentioned subjects shall prepare annual financial plans, submit them to the local competent provincial authorities (i.e., provincial departments of agriculture and environment and the finance departments of the provinces, and subsequently the PPCs) for approval and use ERPA funds according to regulations prescribed in Decree No. 107/2022/NĐ-CP and guiding documents of all levels. Specifically, the process and method for the Provincial Funds to notify the payment amount to beneficiaries and the relevant agencies to coordinate implementation are as follows:

- The Provincial Fund notifies in writing the amount to forest owners who are organizations, the People's Committees of communes assigned by the State to manage forests, the People's Committees of communes whose forest owners are households, individuals, and communities that benefit.
- The People's Committees of communes publicly post the payment amount to beneficiaries (forest owners who are households, individuals, and communities of villages/hamlets) in the commune at the Office of the People's Committees of communes, Cultural Houses of villages/hamlets; announce on the loudspeaker system of communes, villages/hamlets; confirm records, documents, and information to pay to forest owners who are households, individuals, and communities of villages/hamlets.
- The management board of the villages/hamlets with natural forest areas assigned to the community for management, organizes meetings to publicize the amount of money to be received in the year and agree on the plan for using the money in each village/hamlet. The village/hamlet meetings are recorded in minutes.
- The Commune People's Committee coordinates with the Provincial Fund and the Forest Protection Department to inspect and supervise the payment process of the Post Office in the commune (where there is one). Receives feedback from households, individuals and the community and coordinates to resolve problems according to their authority related to forest areas and beneficiaries in the villages/hamlets.

The Provincial Funds have established general financial plans and annual financial plans approved by the Provincial People's Committees according to the following Decisions as shown in Table 4 below:

Table 4. Annual financial plan approved by the Provincial People's Committees

Province	Decision
Thanh Hóa	4925/QĐ-UBND dated 24/12/2023; 4485/QĐ-UBND dated 12/11/2024; 1689/QĐ-UBND dated 02/6/2025.
Nghệ An	1433/QĐ-UBND dated 11/6/2024; 1365/QĐ-UBND dated 14/5/2025

Province	Decision
Hà Tĩnh	1920/QĐ-UBND dated 05/8/2024; 2445/QĐ-UBND 23/10/2024, 2237/QĐ-UBND dated September 8, 2025
Quảng Bình	3607/QĐ-UBND dated 15/12/2024; 1648/QĐ-UBND dated 14/6/2024; 1405/QĐ-UBND dated 05/5/2025
Quảng Trị	2766/QĐ-UBND dated 20/11/2023; 2324/QĐ-UBND dated 27/9/2024
Hue City	393/KH-UBND dated 20/11/2023; 2391/QĐ-UBND dated 12/9/2024; 1570/QĐ-UBND dated 30/5/2025

3.3. Is the FGRM operational and accessible to people in the target areas with channels of reception?

Is there evidence of the number and type of feedback and complaints, and how they are addressed?

Please briefly describe here and if relevant, please include a link.

The process of receiving and resolving complaints and feedback has been guided by VNFOREST in the POM. In 2025, VNFF coordinated with the WB to organize 02 training courses on Ensuring environmental and social safety, receiving and resolving complaints and feedback, Ethnic Minority Development Plans (EMDP), including guidance on the Feedback Grievance Redress Mechanism (FGRM) for the Provincial Fund staff, forest owners and representatives of commune-level People's Committees and ERPA stakeholders of the 06 North Central provinces.

VNFF and the 06 Provincial Funds have disseminated the FGRM through various channels, such as distributing leaflets on FGRM, disseminating in community meetings, as well as propaganda channels through the community loudspeaker system, posting notices in community houses, as well as mass media at the provincial and district levels. Thereby, the communities in the ERPA implementation areas can access information about the FGRM.

VNFF and the 06 Provincial Funds have maintained a logbook system to track complaints and feedback at the local level, and have required forest owners who are organizations and commune-level People's Committees to also open similar logbooks. The focal points have recorded and implemented the complaint resolution process, responded according to the instructions in the POM, and recorded and evaluated the complaints, decided on follow-up actions and ensured that the complaints were fully monitored and reported.

During the ERPA implementation period, the provinces had almost no complaints of concern related to the payment and benefit sharing from ERPA, except for a complaint in Thanh Hoa province, with Thanh Trung Cooperative complaining about ERPA payment allegedly going to the wrong recipients related to forest land allocation in the locality. Upon receiving this complaint, VNFF, and Thanh Hoa Provincial Fund closely coordinated with relevant responsible parties such as the People's Committee of Nhu Xuan district, the Department of Agriculture and Environment of Thanh Hoa province, and conducted consultation, dialogue and reconciliation with members and leaders of Thanh Trung Cooperative to resolve the complaint.

VNFF, Department of Agriculture and Environment, Provincial Fund coordinated to organize working delegations to work with Thanh Phong Commune People's Committee (new commune after the merger between two communes) and representatives of Thanh Trung Cooperative, and some related households to resolve the issue. The commune held a meeting between the different parties and the

meeting⁵, Thanh Trung Cooperative agreed with the proposed plan of the parties. Accordingly, Thanh Phong Commune People's Committee organized working sessions with Thanh Trung Cooperative to agree on related contents; On October 16, 2025, Thanh Phong Commune People's Committee sent Report No. 196/BC-UBND to the Department of Agriculture and Environment and the Provincial Fund that the settlement of Thanh Trung Cooperative's complaint had been agreed upon by the Cooperative and relevant parties. Thanh Phong Commune People's Committee requested the Provincial Fund to establish a payment record for the area of 47 households that had authorized Thanh Trung Cooperative, and at the same time transfer the payment funds managed by the Commune People's Committee in 2023, 2024, 2025 for the Commune People's Committee to prepare a financial plan to submit to the competent authority for approval and make payments according to regulations, including funds corresponding to the area of 380.6 hectares agreed upon to be assigned to Thanh Trung Cooperative.

3.4. In case capacity building initiatives are underway, please confirm whether the Program Unit has completed the necessary capacity building measures to ensure the effectiveness of the system. What other measures are still outstanding?

An independent audit helps verify and reflect the situation of management and use of ERPA resources. Conducting independent audits of financial statements is carried out in accordance with Article 13 of Decree No. 107/2022/NĐ-CP. Up to now, VNFF has sent the audit report to the WB on July 16, 2025. In addition, there are some requests to continue monitoring the implementation of the auditor's recommendations according to the audit report and send it to the WB before October 30, 2025. Regarding this issue, on October 2, 2025, VNFF sent a document⁶ urging the Provincial Funds of the provinces to implement and urge forest owners, commune People's Committees and organizations to implement and overcome the contents of the 2024 audit recommendations with ERPA revenue.

To improve the capacity of the provincial fund in effectively managing ERPA revenue to ensure compliance with regulations and sharing with the right beneficiaries, especially ethnic minorities and communities receiving livelihood support, from May to June 2025, VNFF completed the organization of 08 training courses according to the 2025 plan to improve capacity and understanding of the contents as presented in Table 5 below.

Table 5. Training courses and capacity building workshops organized by the VNFF.

Organizing unit	Course Content
VNFF has organized 08 training courses for provincial funds, forest owners who are organizations, and People's Committees at the commune level.	<p>06 Training courses on finance and accounting for the Provincial Fund and forest owners as organizations (May and June 2025).</p> <p>02 training courses on implementing measures to ensure environmental and social safety; receiving and resolving complaints and feedback; ethnic minority development plan; for the Provincial Fund and forest owners with the support of WB experts (May 2025).</p>

⁵ The meeting held October 8, 2025, was witnessed by representatives from the WB and was attended by Thanh Phong Commune People's Committee and representatives of Thanh Trung Cooperative.

⁶ Document No. 346/VNFF-BĐH; 347/VNFF-BĐH; 348/VNFF-BĐH; 350/VNFF-BĐH; 349/VNFF-BĐH sent to 05 Provincial Funds on overcoming the recommended contents of the 2024 audit regarding ERPA sources.

At the end of the training course, the Provincial Forest Protection and Development Funds, the forest owners, and the People's Committees at the commune level had a better understanding of the requirements and content of financial and accounting work in managing ERPA revenue sources, steps to implement measures to ensure environmental and social safeguards, and receive and resolve complaints and feedback.

The 06 training courses on financial accounting for provincial Funds and forest owners have answered questions on the implementation process and financial accounting work of forest owners, and at the same time, supporting forest owners in using ERPA financial management software, which is a tool to synthesize ERPA revenue data at each level and monitor the ERPA disbursement process.

The financial accounting training course also guides the accounting of ERPA revenue at the unit according to the current accounting regime, guides the preparation of financial reports on ERPA revenue and disbursement of money according to regulations.

In general, to date, forest owners and commune-level People's Committees have known how to account for ERPA money, the content of ERPA money disbursement and prepare financial reports on ERPA money to send to the provincial fund and competent authorities.

In 2025, MAE assigned VNFOREST and VNFF to organize a working group with the 06 provinces in the North Central region to deploy ERPA-related activities and issue several documents to promptly urge localities to implement the payment of revenue from ERPA to beneficiaries according to regulations.

For the 06 Provincial Funds, capacity building training and supervision of the payment of ERPA revenue is carried out through organizing capacity building, training on inspection, supervision and communication as shown in Table 6 below:

Table 6. Training courses, capacity building training, and inspection teams organized by the Provincial Funds.

Organizing Unit	Course Content
Fund of 06 North Central provinces	Organized 26 training courses (with the participation of 1,346 people) for forest owners who are organizations, commune-level People's Committees and communities receiving livelihood support on financial planning, financial and accounting understanding to manage and use revenue from ERPA effectively and transparently; at the same time, provided training and guidance on measures to ensure environmental and social safety; and the involvement of ethnic minorities through ethnic minority development plans.
	Organize 222 inspection and supervision teams from the Department of Agriculture and Environment, the Forestry Department and the Provincial Funds to inspect the management of ERPA revenue expenditure, ensure environmental and social safety, and resolve complaints and feedback following the FGRM processes.
	Organize communication and awareness raising programs (targeted at the community to propagate Decree No. 107/2022/ND-CP and procedures) to raise awareness among the community and beneficiaries in effectively managing and using revenue from ERPA, while effectively implementing forest protection and development work in the provinces.

4. Benefit Distribution Status [Specify payment due date, e.g. first ER payment, etc.]. If there is any delay in the overall disbursement of funds, please explain.

4.1. Indicate the total number of beneficiaries who have received subsidies and please provide this information according to the arrangements described in the BSP. For example, the number of beneficiaries should be divided as follows: subsidy type:

By June 30, 2025, the Provincial Fund has spent 30.64 million USD equivalent to 747.66 billion VND, of which 29.56 million USD equivalent to 721.27 billion VND has been spent on 2.15 million hectares of natural forests in the North Central region with 68,938 beneficiaries, reaching 65.72% of the approved plan, of which: spent on 67,199 forest owners who are households and individuals: 3.92 million USD equivalent to 95.66 billion VND; 1,086 forest owners who are communities: 1.58 million USD equivalent to 38.54 billion VND; 137 forest owners are organizations with 21.14 million USD equivalent to 515.77 billion VND; 502 commune-level People's Committees assigned by the State to manage forests are 2.79 million USD equivalent to 67.96 billion VND; 14 other organizations assigned by the State to manage forests are 0.14 million USD equivalent to 3.34 billion VND.

By September 30, 2025, the Provincial Fund has spent 1,030.73 billion VND equivalent to 42.2 million USD with 79,433 beneficiaries, reaching 92.37% of the approved plan, of which: spending for 77,701 forest owners who are households and individuals: 5.9 million USD equivalent to 143.92 billion VND; 1,078 forest owners who are communities: 2.57 million USD equivalent to 62.77 billion VND; 140 forest owners who are organizations are 30.60 million USD equivalent to 746.58 billion VND; 502 commune-level People's Committees were assigned by the State to manage forests with 3.02 million USD equivalent to 73.78 billion VND; 12 other organizations were assigned by the State to manage forests with 0.15 million USD equivalent to 3.67 billion VND.

Decree 107 and the ERPA introduced a new policy, so the Provincial Funds and relevant agencies are still very cautious on how to implement the policy, and this has resulted in some delays in the approval of financial plans in the initial implementation period and some differences in the application of policies (through the difference of interpretation of the some of the Articles in Decree 107) in the different provinces. However, currently, the disbursement and use of ERPA resources are progressing well. It is estimated that by December 31, 2025, the Provincial Fund will pay beneficiaries over 95% of the plan.

4.2. After the BSP and the operating manual (if any), please provide information on benefit sharing mechanisms. For example, the BSP may include the submission of project proposals or selected investments, community action plans, organizational work plans, etc. for beneficiaries to receive benefits. For each type of benefit distributed, summarize the approval and allocation status.

To support the effective implementation of the financial management aspects of the ERPA, VNFF has developed ERPA revenue management software. In May and June 2025, VNFF organized 06 training courses to guide the Provincial Fund and forest owners as the implementing units.

Cash flow management mechanism

The benefit sharing plan is implemented according to the provisions of Decree No. 107/2022/ND-CP, Decision No. 641/QD-BNN-KHTC and POM instructions.

VNFF is the management unit responsible for the financial management of payment sources from ERPA sources, preparing general financial plans, annual financial plans and reporting to the VNFF Management Board for approval, and submitting plans and reports to MAE for approval. To date, VNFF has had a master financial plan approved by MAE (in Decision No. 5037/QD-BNN-TC dated November 27, 2023 and Decision No. 3326/QD-BNN-TC dated October 2, 2024) and this included approved detailed estimates for activities in the budget allocated to the VNFF (Decisions No.: 5135/QD-BNN-TC dated November 5, 2023, 1614/QD-BNN-TC dated June 10, 2024, 2808/QD-BNN-TC dated August 13, 2024).

By June 30, 2025, MAE issued Decision No. 322/QD-BNN-TC dated January 16, 2025 on approving the 2025 expenditure estimate (phase 1) for the portion of the budget implemented by VNFF from ERPA revenue, as quoted in Appendix I attached to Decision No. 3326/QD-BNN-TC dated October 2, 2024 of

the Minister of Agriculture and Rural Development, Decision No. 1294/QD-BNNMT dated May 7, 2025 on approving the 2025 expenditure estimate (phase 2) for the portion of the budget implemented by VNFF from ERPA revenue.

4.3. Are the eligibility criteria for benefits as described in the latest BSP still relevant? If there are any changes to the criteria during the reporting period, please describe.

The eligibility criteria as described in the BSP have remained unchanged and are still relevant, and have been implemented in accordance with the provisions of Decree No. 107/2022/ND-CP. Beneficiaries of the benefit sharing plan are individuals, households, residential communities, forest owners who are organizations, commune-level People's Committees, and other organizations assigned by the State to manage forests.

4.4. Provide information on the process and timeline for distributing benefits (e.g., whether benefits are distributed once or continuously/periodically).

Information from the provincial funds shows that there are 315 communities assigned to protect natural forests with an estimated amount of VND 101.55 billion (equivalent to USD 4.16 million); 890 communities were supported to develop their livelihoods with an estimated amount of 44.50 billion VND (equivalent to USD 1.82 million). With 930 communities participating in forest management agreements with forest owners organized in the provinces, it is estimated that more than 102,000 households will benefit from forest protection contracts and support for livelihood development.

Most provinces have implemented a range of activities that have focused on supporting ERPA, such as Hue City, Quang Tri, Quang Binh, Nghe An and Thanh Hoa. In Ha Tinh, although no payments have been made to communities with agreements to participate in forest protection management, payments have been made to households, individuals, and communities that are forest owners. It is expected that by December 31, 2025, the Provincial Funds of 06 provinces will pay over 90% to beneficiaries.

The distribution of benefits from ERPA resources is carried out in the form of annual payments for livelihood development support activities of VND 50 million; and each eligible community will receive VND 50 million per year to fund a small livelihood project.

4.5. Provide information on any specific agreements signed with beneficiaries to receive benefits and the main terms of those agreements.

To date, according to a summary from the provinces, there are 930 communities with agreements to participate in forest protection management with forest owners who are organizations. Of which, 315 communities are assigned to protect natural forests with an estimated amount of VND 101.55 billion (equivalent to USD 4.16 million); 890 communities are supported with livelihood development with an estimated amount of VND 44.5 billion (equivalent to USD 1.82 million).

Forest owners as organizations have paid 886 communities with agreements to participate in forest management, of which 272 communities were contracted to protect natural forests with an amount of 72.38 billion VND (equivalent to USD 2.97 million); 872 communities were supported with livelihood activities with an amount of 42.07 billion VND (equivalent to USD 1.72 million).

4.6. Describe the existing mechanisms to verify how benefits are used and whether such payments create incentives to participate in ER program activities.

- Provincial Funds in the 06 provinces have worked closely with the Forest Rangers, forest owners as organizations, and Commune People's Committees to verify beneficiaries. For the 50 million VND livelihood development support, forest owners as organizations have coordinated with Commune People's Committees and communities to reach a consensus on how to use the 50 million VND livelihood support. This process is participatory and follows FPIC guidelines and is monitored by the Provincial Fund and also by the VNFF. The benefits of the participating communities include:

- + Annual forest protection contracts have the effect of encouraging forest protection (the average contract is 500,000 VND/ha/year) and the implementation of these is verified by the Forest Protection Department.
- + Small livelihood activities (50 million VND/community/year) are an incentive for communities to participate in forest protection management; and
- + This amount is paid annually to the community.

- For forest owners who are households, individuals and communities, the entire amount received from ERPA is used to manage and protect forests and improve their lives. The 06 Provincial Funds coordinate with relevant agencies to review the list of beneficiaries and submit it to the Provincial People's Committees for approval.

4.7. Describe the financial management measures and financial control mechanisms applied to record the distribution of benefits, monitor payments and maintain accounting and internal control.

- Internal control process: Through the recommendations of the government internal working groups (from MOE and MOF) and the WB's assessment, the Provincial Funds and forest owners are currently implementing the internal control process. The Provincial Funds have sent monthly account statements to VNFF and the forest owners, who are organizations, and have sent monthly account statements to the Provincial Funds to comply with the internal control work. To continue and manage the implementation, on October 11, 2024, VNFF issued Official Letter No. 311/VNFF-BĐH to update the implementation status of ERPA in the provinces, including additional information on finance, payment areas, safeguards, ethnic minorities, and gender. On July 17, 2024, VNFF issued Document No. 1077/LN-QBV PTR on strengthening internal control measures for ERPA funds sent to the 06 Provincial Funds. Currently, for communities participating in forest protection contracts and livelihood development support, forest owners will still coordinate with the People's Committee at the commune level to inspect and monitor the implementation process, specifically:

- + Communities are supported to develop livelihoods according to the plan and budget approved by the CPC and forest owners. At the end of the year or after completing the support or project, the forest owner will coordinate with the CPC to accept the support activities with the following acceptance contents:
 - (i) For agricultural and forestry extension activities, acceptance according to the plan and support budget;
 - (ii) For support of the selection of plant varieties, animal breeds, agricultural and forestry processing equipment: minutes of acceptance of the products according to plan, cost estimate, invoices or receipts (in case there is no invoice) together with lists of signatures of the participating households, individuals, and cooperatives (if any);
 - (iii) For the support of construction materials for public works of residential communities: acceptance of quantity and volume of materials according to plan and estimated cost. In the case of community co-funded works, the Project Management Board of construction works signs to receive materials; and
 - (iv) For community activities, including technical training activities, building community conventions and commitments to law enforcement, a list of participating households and individuals is drawn up and confirmed by community representatives.
- + Forest owner organizations that coordinate with relevant units to monitor, accept and liquidate contracts.

- For forest owners that are organizations:

- + Forest owners must prepare a financial plan for the revenue to be received from ERPA, and approved by competent authorities, and be responsible for settling the received funding sources. They are also subject to inspection and supervision by the superior financial authority.

+ Forest owners that are organizations report the use of ERPA money to the Provincial Fund, make bank account statements available and are periodically checked and monitored according to the plan. The list of beneficiaries is published at the grassroots level in the following forms: publicly posting at the headquarters of the CPC and the unit's electronic information page. According to the provisions of Point d, Clause 1, Article 14 of Decree No. 107/2022/ND-CP, it is stipulated that: "Agencies, organizations and all people participate in monitoring state agencies, state organizations, households, individuals and communities related to the management and use of revenue from ERPA".

- Report on the implementation status: reporting on the implementation status of ERPA has been stipulated in the specific detail in the POM as follows:

+ For communities receiving support for livelihood development, they must implement the reporting regime at the request of forest owners who are organizations, CPC that have an agreement to participate in forest management activities, auditing units, and competent agencies and units when requested.

+ For forest owners who are organizations, they must implement the reporting contents at the request of the Provincial Fund, DoAE, auditing unit, and competent agencies and units when requested. The Provincial Fund is responsible for synthesizing and reporting on the implementation of ERPA in the province and reporting to VNFF periodically (monthly, 6 months, 1 year) or ad hoc as required by VNFF.

The Provincial Funds prepare financial reports and financial finalization reports according to regulations. The amount of revenue and expenditure from ERPA sources is reviewed and compared between the revenue and expenditure reports and the bank account to ensure that the amount of money spent is in accordance with the plan, content, and regulations of Decree No. 107/2022/ND-CP.

Auditing work is carried out in accordance with regulations according to Official Dispatch No. 94/VNFF - BDH dated April 25, 2025, of VNFF. The audit work has been completed on 06 Provincial Funds and ensures transparency and independence.

4.8. Provide information on how beneficiaries use and report the subsidies received. Can existing systems track the use of fund money? Please describe any challenges encountered.

For beneficiaries, forest owners are households, individuals, and communities that receive payments from the Provincial Funds are required to follow the provisions of Decree No. 107/2022/ND-CP.

Forest owners that are organizations that make payments to residential communities that have an agreement to participate in forest management activities, (according to the approved acceptance results and estimates), and pay the CPC, where residential communities participate in forest management (according to the agreement to participate in forest management activities and according to estimates and actual payment documents and according to the provisions of law). The forest management participation activities include: forest protection contracts and livelihood development support (50 million VND).

Regarding gender: (i) for conferences, seminars, and workshop training sessions, the proportion of female participants is 52.5%; (ii) for consultation meetings, the proportion of female participants is 43% (According to Table 15, Appendix I); (iii) for beneficiaries who are households, individuals, and communities within the framework of this report, there are no detailed statistics, however, according to statistics on the population website (danso.info) in 2023, the proportion of women in Thanh Hoa is about 50.28%, Nghe An is about 50.76%, Ha Tinh is about 51.75%, Quang Binh (before the merger with Quang Tri Province) is about 50.43%, Quang Tri (before the merger with Quang Binh Province) is about 50.69%, Hue city (the new name for Thua Thien Hue province) is about 51.04%.

Details of related information are in the tables below:

Table 7. Total distribution of monetary benefits

STT/No.	Đối tượng hưởng lợi/ beneficiaries	Số lượng đối tượng hưởng lợi/ number of beneficiaries		Diện tích chi trả/ forest area (Ha)		Số tiền được chi trả theo Kế hoạch của UBND tỉnh phê duyệt/ disbursed amount according to the approved plan of PPC				Kết quả giải ngân/ disbursement results				Số tiền chưa chi trả / undisbursed amount			
						Triệu đồng/mil. VND		Triệu USD/mil. USD		Triệu VND/ mil. VND		Triệu USD/ mil. USD		Triệu VND/ mil. VND		Triệu USD/ mil. USD	
		Tổng số/ total	DTTS/ ethnic people	Tổng cộng/ total	DTTS/ ethnic people	Số tiền được duyệt/ approved	DTTS/ ethnic people	Số tiền được duyệt/ approved	DTTS/ ethnic people	Tổng cộng/ total	DTTS/ ethnic people	Tổng cộng/ total	DTTS/ ethnic people	Tổng cộng/ total	DTTS/ ethnic people	Tổng cộng/ total	DTTS/ ethnic people
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
	Tổng cộng/ total	68.938	44.361	2.158.491,09	129.481,26	1.052.955,84	59.955,60	43,15	2,46	721.275,99	3,17	29,56	0,0006	331.679,85	59.952,43	13,59	2,46
1	Chủ rừng là hộ gia đình, cá nhân/ forest owner is hh, individual	67.199	43.364	329.440,98	98.560,54	166.558,64	44.181,04	6,83	1,81	95.663,15	1,94	3,92	0,0001	70.895,48	44.179,09	2,91	1,81
2	Chủ rừng là cộng đồng / forest owner is community	1.086	997	123.592,65	30.920,72	66.986,55	15.774,57	2,75	0,65	38.541,03	1,23	1,58	0,0005	28.445,52	15.773,34	1,17	0,65
3	Chủ rừng là tổ chức / forest owner is organization	137		1.466.597,67		718.957,66		29,47	-	515.766,39	-	21,14	-	203.191,27	-	8,33	-
4	UBND xã được Nhà nước giao trách nhiệm QLR/ CPC allocated forest for management	502		231.248,86		96.772,19		3,97	-	67.961,79	-	2,79	-	28.810,40	-	1,18	-
5	Tổ chức khác được Nhà nước giao trách nhiệm QLR/ other organizations allocated forest for management	14		7.610,93		3.680,80		0,15	-	3.343,62	-	0,14	-	337,17	-	0,01	-
6	Kinh phí chưa đảm bảo điều kiện chi trả					14.342,96		0,59		-		-		14.342,96		0,59	

Table 8. Disbursement table of forest owners who are organizations

STT/No.	Detailed content	Disbursed amount according to the approved plan of PPC		Disbursement results for forest owners are organizations		The amount of money approved in the detailed plan for forest owners who are organizations to use according to the provisions of Decree No. 107/2022/ND-CP		Amount paid		Amount not yet approved	
		mil. VND	mil. USD	mil. VND	mil. USD	mil. VND	mil. USD	mil. VND	mil. USD	mil. VND	mil. USD
	Total	718.957,66	29,47	515.766,39	21,14	228.481,7440	9,36	145.728,50	5,97	490.475,91	20,1015
1	Funding for forest management (10%)	71.895,77	2,95	51.576,64	2,11	26.037,0268	1,07	17.877,27	0,73	45.858,74	1,88
2	Expenses for activities	647.061,89	26,52	464.189,75	19,02	202.444,7172	8,2969	127.851,23	5,24	444.617,17	18,22
2.1	Livelihood development support expenses (50 million/community)					44.499,9800	1,82	42.065,76	1,72		
2.2	Forest protection contract					101.545,4080	4,16	72.379,29	2,97		
2.3	Support for CPC					3.353,3543	0,14	1.580,43	0,06		
2.4	Silvicultural measure					53.045,9749	2,17	11.825,76	0,48		

Table 9. Total disbursement amount for beneficiaries in 2023

category	details							Remaining balance		
		mil. VND	mil. USD	%	mil. VND	mil. USD	%	mil. VND	mil. USD	%
I	budget plan 2023	176.838,6553	7,2475	100%	176.045,7848	7,2150	100%	792,8705	0,0325	0%
Management	VNFF	258,6250	0,0106	0,1%	184,4489	0,0076	71%	74,1761	0,0030	29%
	provinces	6.235,8177	0,2556	3,5%	5.517,7006	0,2261	88%	718,1172	0,0294	12%
	forest owner	170.344,2125	6,9813	96,3%	170.343,6353	6,9813	100%	0,5772	0,0000	0%
II	details by the beneficiaries (budget plan approved by PPC)	170.344,2125	6,9813	100%	170.343,6353	6,9813	100%	0,5772	0,0000	0%
1	forest owner is hh and individual	22.939,6807	0,9402	13%	22.939,6769	0,9402	100%	0,0038	0,0000	0%
2	forest owner is community	11.306,7204	0,4634	7%	11.306,6854	0,4634	100%	0,0350	0,0000	0%
3	forest owner is organization	119.188,4304	4,8848	70%	119.187,8507	4,8847	100%	0,5797	0,0000	0%
4	CPC allocated forest for protection	15.895,8901	0,6515	9%	15.895,9124	0,6515	100%	(0,0223)	(0,0000)	0%
5	other organizations allocated forest for protection	1.013,4909	0,0415	1%	1.013,5099	0,0415	100%	(0,0190)	(0,0000)	0%
6	Funding does not guarantee payment conditions									

Table 10. Total disbursement amount for beneficiaries in 2024

category	details	approved	disbursed	balance
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		mil. VND	Mil. USD	%	mil. VND	Mil. USD	%	Mil. VND	mil. USD	%
I	budget plan 2024	505.252,45	20,71	100,00%	478.201,38	19,60	94,65%	27.051,06	1,11	5,35%
management	VNFF	8.388,94	0,34	1,50%	6.191,55	0,25	73,81%	2.197,38	0,09	26,19%
	provinces	24.495,31	1,00	8,39%	17.179,80	0,70	70,14%	7.315,51	0,30	29,86%
	forest owners	472.368,20	19,36	90,11%	454.830,03	18,64	96,29%	17.538,17	0,72	3,71%
II	details by provinces/beneficiaries (approved budget plan by PPC)	472.368,20	19,36	100,00%	454.830,03	18,64	96,29%	17.538	1	3,71%
1	hhs and individuals	71.435,72	2,93	15,12%	71.336,55	2,92	99,86%	99,16	0,00	0,14%
2	forest owner is community	29.493,04	1,21	6,24%	26.798,49	1,10	90,86%	2.694,54	0,11	9,14%
3	forest owner is organization	331.357,33	13,58	70,15%	318.546,83	13,06	96,13%	12.810,49	0,53	3,87%
4	CPC allocated forest for protection	38.861,85	1,59	8,23%	36.930,38	1,51	95,03%	1.931,47	0,08	4,97%
5	other organizations allocated forest for protection	1.220,26	0,05	0,26%	1.217,77	0,05	99,80%	2,49	0,00	0,20%
6	Funding does not guarantee payment conditions									

Table 11. Total disbursement amount for beneficiaries in 2025

category	details	disbursed to the beneficiaries								
		approved			disbursed			balance		
		mil. VND	Mil. USD	%	mil. VND	Mil. USD	%	Mil. VND	/mil. USD	%
I	Kế hoạch năm 2025/	477.657,99	19,58	100,00%	101.140,47	4,18	21,17%	376.517,52	15,40	78,83%

	budget plan 2025									
Quản lý/ management	VNFF	13.512,12	0,55	2,83%	1.355,00	0,06	10,03%	12.157,12	0,50	89,97%
	Quỹ tỉnh/ provinces	39.559,49	1,62	8,28%	3.683,15	0,15	9,31%	35.876,34	1,47	90,69%
	Chủ rừng/ forest owners	424.586,38	17,40	88,89%	96.102,32	3,97	22,63%	328.484,06	13,43	77,37%
II	details by provinces/ beneficiaries (approved budget plan by PPC)	410.243,43	16,81	100,00%	96.102,32	3,94	23,43%	314.141	12,87	76,57%
1	Chủ rừng là hộ gia đình, cá nhân/ hhs and individuals	72.183,24	2,96	17,60%	1.386,92	0,06	1,92%	70.796,32	2,90	98,08%
2	Chủ rừng là cộng đồng dân cư/ forest owner is community	26.186,80	1,07	6,38%	435,85	0,02	1,66%	25.750,94	1,06	98,34%
3	Chủ rừng là tổ chức/ forest owner is organization	268.411,90	11,00	65,43%	78.031,71	3,20	29,07%	190.380,19	7,80	70,93%
4	UBND cấp xã được giao trách nhiệm quản lý rừng/ CPC allocated forest for protection	42.014,45	1,72	10,24%	15.135,49	0,62	36,02%	26.878,95	1,10	63,98%
5	Tổ chức khác được Nhà nước giao trách nhiệm quản lý rừng/ other organizations allocated forest for protection	1.447,05	0,06	0,35%	1.112,35	0,05	76,87%	334,70	0,01	23,13%

6	Kinh phí chưa đảm bảo điều kiện chi trả / Funding does not guarantee payment conditions	14.342,96	0,59	19,87%	-	-	0,00%	14.342,96	0,59	100,00%
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Table 12. Meta-analysis of non-monetary benefit sharing

STT/ No	Chi tiết/ details	Số tiền được phê duyệt/ approved			Số tiền đã giải ngân/ disbursed			Còn lại/ balance		
		USD	VND	%	USD	VND	%	USD	VND	%
	Tổng cộng (I+II+III)/ Total	1.372.767	33.495.525.860	100%	452.261	11.035.172.833	32,95%	920.506	22.460.353.027	67,05%
Quản lý/ management	VNFF	584.387	14.259.051.000	42,57%	199.759	4.874.129.767	34,18%	384.628	9.384.921.233	65,82%
	Quỹ tinh/ provinces	788.380	19.236.474.860	57,4%	252.502	6.161.043.066	32,03%	535.878	13.075.431.794	67,97%
	Chủ rừng/ forest owners									
I	Năm 2023/ in 2023	149.538	3.648.719.300	100%	99.685	2.432.309.352	66,7%	49.853	1.216.409.948	33,3%
Quản lý/ management	VNFF	5.707	139.250.000	3,8%	3.751	91.522.000	65,7%	1.956	47.728.000	34,3%
	Quỹ tinh/ provinces	143.831	3.509.469.300	96,2%	95.934	2.340.787.352	66,7%	47.897	1.168.681.948	33,3%
	Chủ rừng/ forest owners									
II	Năm 2024/ in 2024	658.538	16.068.319.000	100%	206.710	8.602.863.481	31,39%	451.827	7.465.455.519	68,61%
Quản lý/ management	VNFF	282.206	6.885.820.000	42,85%	50.142	4.782.607.767	17,77%	232.063	2.103.212.233	82,23%
	Quỹ tinh/ provinces	376.332	9.182.499.000	57,15%	156.567,86	3.820.255.714,00	41,60%	219.764	5.362.243.286	58,40%
	Chủ rừng/ forest owners									
III	Năm 2025/ in 2025	564.692	13.778.487.560	100%						
Quản lý/ management	VNFF	296.475	7.233.981.000	52,50%						
	Quỹ tinh/ provinces	268.217	6.544.506.560	47,50%						
	Chủ rừng/ forest owners									

5. Key Issues and Actions

5.1. Based on your experience implementing the BSP during the reporting period, identify and explain any other key issues encountered that are not described above and how and when they were addressed.

The Department of Forestry and Forest Protection issued Document No. 61/LN-QBV PTR dated January 13, 2025 on the implementation of Decree No. 107/2022/ND-CP in 06 provinces in the North Central region, including a request for the Provincial Funds of the provinces and cities in the North Central

region to guide forest owners, organizations and related units to develop a financial plan for 2025 and submit it to competent authorities for approval; and prepare and approve design documents and estimates for implementing silvicultural measures for ERPA revenue sources.

After the end of Decree No. 107/2022/ND-CP (at the end of 2025), the remaining amount that has not been paid by VNFF, Provincial Fund, forest owners who are organizations, Commune-level People's Committees and other organizations assigned by the State to manage forests will be synthesized by VNFF, reviewed by MAE and reported to competent authorities for consideration and a decision. On October 14, 2025, the Department of Forestry and Forest Protection advised the Ministry of Agriculture and Environment to report on the Summary Report, evaluating the results of the pilot implementation of the transfer of emission reduction results and financial management of the agreement on payment for greenhouse gas emission reduction in the North Central region, including a proposal to the Prime Minister to allow the Ministry of Agriculture and Environment, provinces and cities in the North Central region to continue to manage, use, pay, settle and implement ERPA until December 31, 2027 as prescribed in Clause 3, Article 12 of Decree No. 107/2022/ND-CP.

5.2. Are there any other emerging risks that may affect the implementation, sustainability or effectiveness of the BSP? Please describe.

The short duration of the pilot project has created pressure on disbursement, but as discussed in section 5.1, it does not pose a risk to the implementation of the BSP.

5.3. Does the distribution of Benefit Sharing contribute to the core objectives and legitimacy of the ER Programme and does it actually reward/incentivise the adoption or maintenance of emission reduction measures? Please describe if relevant.

The benefit sharing plan complies with the provisions of Decree No. 107/2022/ND-CP, currently being implemented by 06 provinces in the North Central region. Funding from ERPA is a new source of revenue for the government, so there have been some initial difficulties and problems during the implementation process. However, after being guided through capacity building training courses and explanations and directives relating to the implementation of Decree No. 107/2022/ND-CP and POM guidance, the following results have been achieved:

- Provinces have proactively approved financial plans and implemented ERPA payments to forest owners (organizations, households, individuals, communities), commune-level People's Committees and other organizations assigned by the State to manage natural forests according to the approved plan.
- Forest owners who are organizations in provinces in the North Central region have proactively prepared and submitted to competent authorities for approval financial plans using ERPA revenue. To date, forest owners who are organizations have had their financial plans approved and are coordinating with communities that are recognized as beneficiaries to implement forest protection management contracts and small livelihood development models that are designed to incentivize the communities.
- The funds from ERPA are paid to beneficiaries, and so far, the funds have been used to pay more than 68,900 forest owners, of which more than 44,000 forest owners are ethnic minorities who tend to live in the upland forested areas and often are more dependent on forests and forestry for their livelihoods. These are the direct forest owners and do not include beneficiaries receiving payments from forest protection management participation agreements with forest owners who are organizations. It is

estimated that 930 communities have forest management participation agreements with Forest Management Boards (FMBs), and so far, payments have been made to 886 communities with forest management participation agreements.

- Revenue from ERPA has contributed to creating additional income and improving the lives of forest owners, especially communities living near forests. Revenue from ERPA will continue to be paid to beneficiaries in the North Central region. Detailed impact assessments of revenue from ERPA on gender, income of ethnic minorities, improvement of people's lives, number of violations, reduction of negative impacts on forests, and efficiency of revenue from ERPA will be reported in detail in the 2025 summary and completion assessment report.

5.4. Describe any lessons learned and, if relevant, recommendations for improving or amending the BSP.

After nearly 3 years of piloting the transfer of emission reduction results and financial management of this revenue source, the following lessons can be drawn:

- It is clear that this is a policy that has been developed and implemented based on practical requirements of production and life, and has been strongly responded to by authorities at all levels and by the people and households of the forest communities.
- It has had a positive linking effect between the forest management boards (the forest owners who are organizations) and communities who live in and around the forest areas, creating positive effects on supporting forest management and protection, in line with bringing motivation and common benefits to the community.
- It is necessary to do a good job of communication relating to forest protection and management, creating consensus, support, and raising awareness of the whole society; at the same time, it is necessary to strengthen capacity, build a team of cadres at the provincial level with sufficient professional capacity and high levels of responsibility.
- All levels and sectors, based on policy mechanisms, need concrete, realistic, documented plans and guidelines for implementation to ensure correct payments to beneficiaries, ensuring publicity and transparency.
- Regularly inspect, monitor, and improve transparency; promptly remove difficulties and obstacles in the implementation process; at the same time, strongly decentralize to localities and involve communities.
- The monitoring and evaluation system ensures 2 aspects: (i) monitoring and evaluation according to management decentralization from central to local levels; (ii) internal monitoring and evaluation at all levels and units, especially at each Forest Protection and Development Fund, forest monitoring by forest owners to ensure timely payment, proper use, fairness, publicity and transparency.
- It is necessary to apply information technology in payments and make payments through payment services, transfers via bank accounts, electronic transactions, or postal systems to improve efficiency, effectiveness, publicity, and transparency.

6. If relevant, please provide information on any other indicators included in the BSP and operating instructions (if relevant), including explanations for indicators not achieved

Currently, there are no other relevant indicators.

APPENDIX

Appendix 1.

Summary of information on communities participating in forest management agreements in localities

Table 13. Summary of livelihood development support models

Types of livelihood development support models	Quantity					
	Thanh Hoá	Nghệ An	Hà Tĩnh	Quảng Bình	Quảng Trị	Huế
Support for upgrading and building infrastructure and public works	179	444	0	74	51	86
Support awareness raising	0	9	0	6	1	0
Support for seedlings and animals	9	0	0	6	14	11
Total	188	453	0	86	66	97

Table note: Ha Tĩnh Province had a slightly different interpretation of what a forest-dependent community was related to Decree 107 and decided that the communities in the province were situated too far away in terms of physical distance from the main forest areas to be eligible for the small livelihood models.

Table 14. Number of communities participating in forest protection and management activities

Province/ City	Total number of communes with benefiting communities	Total number of communities benefiting from ERPA	Support for livelihood development			Forest protection contract			
			Amount		Number of communities	Forest protection contract area	Amount		Number of communities
			Million VNĐ	Million USD			Million VNĐ	Million USD	
Thanh Hoá	69	200	9.400	0,39	188	1.170	496	0,02	11
Nghệ An	103	460	22.650	0,93	453	84.848	43.022	1,76	113
Hà Tĩnh									
Quảng Bình	22	99	4.300	0,18	86	83.941	45.636	1,87	73
Quảng Trị	24	66	3.300	0,14	66	9.820	3.928	0,16	13

Huế	35	105	4.850	0,20	97	21.646	8.464	0,35	105
Total	253	930	44.500	1,82	890	201.424	101.545	4,16	315

Table note: As noted above in Table 13 Ha Tinh Province decided that there were no forest-dependent communities that would be eligible to be included in the award of forest protection management contracts or small livelihood development projects.

Table 15. Local consultation meetings

Province/ City	Number of consultation meetings	Meeting content	Number of participants	Number of female participants	Female participation rate
Thanh Hoá	178	Village meetings to consult on livelihood activities	16.615	4.774	29%
Nghệ An	455	Village meetings to consult on forest protection contracting activities and livelihood development support	22.370	9.535	43%
Hà Tĩnh	21	Consultation meetings on ERPA issues (challenges and solutions, natural forest areas, projected budget, beneficiaries...)	1250	608	49%
Quảng Bình	237	Village meetings to consult on forest protection contracting activities and livelihood development support	11.347	5.900	52%
Quảng Trị	66	Village meetings to consult on forest protection contracting activities and livelihood development support	4089	2021	49%
Huế City	210	Village meetings to consult on forest protection contracting activities and livelihood development support	14.568	7.330	50%
Total	1167		70.239	30.168	43%

Appendix 2. Additional Details and Comments from the Provincial Funds Related to the Implementation of Decree 107

1. Thanh Hoa Province

1.1. Capacity building communication

The Department of Agriculture and Environment has coordinated with specialized agencies and localities to strengthen the implementation of propaganda and dissemination of laws; organize conferences and training courses to integrate the implementation of regulations and contents of Decree 107/2022/NĐ-CP; decisions and guiding documents of the central and provincial levels to cadres, civil servants, public employees, forest owners, organizations, households, communities and related individuals, including: organizing 03 provincial conferences; 03 conferences, combined with training at the district level; 88 conferences, combined with training at the commune level, 78 village meetings. Organizing 02 training courses on technical and professional training. Coordinate with Vietnam Television, Digital Television (VTC14, VTC16) to produce and broadcast 04 reports; 02 television documentaries; write 06 articles published in Thanh Hoa Newspaper; print 10,000 leaflets and 600 other media products (mobile small billboards).

1.2. Silvicultural measures

By June 30, 2025, according to the plan, 11.4 billion VND (equivalent to 0.51 million USD) was spent on silvicultural measures. Organizational forest owners have disbursed 9.4 billion VND (equivalent to 0.39 million USD), reaching about 82% of the plan. This is a good implementation rate, as organizational forest owners have implemented silvicultural activities from the early stages of the program.

By September 30, 2025, according to the plan, 43.9 billion VND (equivalent to 1.8 million USD) was spent on silvicultural measures. Organizational forest owners have disbursed 9.67 billion VND (equivalent to 0.39 million USD), reaching 22% of the plan.

Implementation content of silvicultural measures:

- Nurturing natural forests;
- Nurturing production forests, which are natural forests, and enriching special-use forests in ecological restoration sub-zones.

1.3. Support for livelihood development and forest protection contracting

In Thanh Hoa province, the livelihood models selected and implemented by the community focus mainly on public infrastructure, such as repairing and upgrading village cultural houses, concreting internal small village roads, installing public lighting systems, clean water supply systems, and supporting plant and animal varieties. This selection reflects the practical needs of the mountainous communes of Thanh Hoa, where people's lives are still difficult and essential infrastructure conditions have not been fully invested in, and local budgets are limited. The community agrees on selecting public works because of transparency, and the whole community benefits together and can mobilize additional resources from the people in the community, such as working days or locally available materials etc.

The positive impacts of the livelihood development models are reflected in many aspects. Public works create spaces for activities and meetings, helping to strengthen solidarity and community cohesion, which is an important factor in community-based forest protection. The improvement of intra-village roads and lighting creates favourable conditions for improved road safety, reduces costs and travel time, and also makes it easier to patrol the forest, thereby improving the effectiveness of forest protection. Communities not only choose to repair and upgrade cultural houses and intra-village roads, but also pay attention to models of supporting livestock and crop varieties to supplement their income sources.

By June 30, 2025, there are 11 communities that have contracted to protect forests, with forest owners being organizations, with an area of 1,170 hectares as planned. According to the data reported by forest owners being organizations, the disbursed forest protection contract budget is 0.49 billion VND (100% of the approved plan). The process of selecting livelihood development models and forest protection contracts is conducted through community consultation meetings, thereby enhancing grassroots democracy and people's consensus.

By September 30, 2025, the planned expenditure for livelihood development support is VND 18.89 billion (equivalent to USD 0.77 million), of which forest owners are organizations that have spent VND 9.77 billion (equivalent to USD 0.4 million), reaching 52% of the plan.

1.4. Community consultation meetings

The community consultation meetings to agree on the plans to use money from ERPA revenue in Thanh Hoa takes place as follows:

- Step 1: List the meeting members, including representatives of the Commune People's Committee, representatives of the village/hamlet and households and individuals of the village/hamlet.
- Step 2: Announce the amount of money to be paid (based on the notification document of the Provincial Fund).
- Step 3: The community discusses and agrees on the representative to receive the money and agrees on the plan to use the money.
- Step 4: At the end of the consultation meeting, the minutes of the meeting are made into copies and kept at the village/hamlet, the Provincial Fund, the Commune People's Committee, and the Forest Protection Department.

2. Nghe An Province

2.1. Capacity building communication

Determining that communication plays a very important role in the pilot implementation of the Agreement on payment for greenhouse gas emissions reduction in the North Central region according to Decree 107/2022/ND-CP of the Government, the People's Committee of Nghe An province has directed the Department of Agriculture and Environment, the Forest Protection and Development Fund and relevant levels, sectors and agencies to focus on implementing propaganda activities, specifically as follows:

- Design, print and distribute communication materials associated with propaganda content on the Agreement on payment for greenhouse gas emissions reduction in the North Central region ERPA (350 sets of raincoats for forest trips, 250 thermos bottles, 1,500 document file clips);
- Nearly 150 training, propaganda and implementation guidance classes have been organized in districts and communes with ERPA payments in the province;
- Organized more than 20 conferences, working sessions, meetings, and discussed issues related to ERPA implementation in the province;
- Nearly 100 articles with propaganda content about ERPA were published in newspapers, electronic newspapers, and the Forest Protection and Development Fund website; and
- Developed and broadcast 03 reports with propaganda content about ERPA

2.2. Silvicultural measures

By June 30, 2025, according to the plan, 3.3 billion VND (equivalent to USD 0.14 million) was spent on silvicultural measures. The forest owner is an organization that has disbursed 51 million VND, reaching about 2% of the plan, showing that the implementation progress is still slow. Silvicultural activities are often associated with the preparation and appraisal of technical designs and estimates, which take a lot of time to prepare. When the ERPA payment mechanism is still relatively new, units were unsure of the regulations relating to the initial implementation. Accordingly, it is found that Nghe An prioritizes supporting livelihood development and contracting forest protection due to the low proportion of expenditure on silvicultural measures.

By September 30, 2025, according to the plan of 30.6 billion VND (equivalent to 1.25 million USD) spent on silvicultural measures, forest owners who are organizations have disbursed 0.29 billion VND (equivalent to 0.04 million USD), accounting for 0.9% of the plan.

Content of implementing silvicultural measures:

- Forest nurturing; and
- Forest enrichment.

2.3. Support for livelihood development and forest protection contracting

In Nghe An province, livelihood development models are mainly divided into two groups: community infrastructure and support for propaganda activities. Communities not only choose to repair and upgrade cultural houses, intra-village roads, lighting systems, and clean water systems, but also pay attention to propaganda to raise capacity and awareness for the community. This combination reflects the characteristics of Nghe An - a province with a large forest area, a large mountainous population, and many ethnic minority groups such as Thai, H'Mong, and Kho Mu living there. Public works such as roads, electricity, water, and cultural houses create better living conditions and infrastructure for the community, increasing cohesion and trust in the benefit-sharing mechanism from ERPA. From there, not only contributing to improving the lives of people living near forests, but also improving the quality of forest protection.

By June 30, 2025, in Nghe An there are 113 communities contracted to protect forests, with forest owners being organizations, with an area of 84,848 hectares according to the plan. According to the data reported by forest owners who are organizations, the disbursed forest protection contract budget

is 38.21/43.02 billion VND (reaching 90% of the approved plan). Communities that receive forest protection contracts have additional funding from ERPA to spend on improving their lives and encouraging forest protection awareness among communities living near the forest.

By September 30, 2025, according to the plan to spend on livelihood development support of 47.35 billion VND (equivalent to 1.94 million USD), forest owners who are organizations have spent 22.86 billion VND (equivalent to 0.94 million USD), reaching 48% of the plan.

2.4. Community consultation meetings

The procedure for organizing community consultation to select livelihood development support activities in Nghe An is as follows:

- Step 1: Introduce the objectives and content of supporting livelihood support activities.
- Step 2: Synthesize community suggestions.
- Step 3: Review the planning and orientation of the socio-economic development of the commune.
- Step 4: Assess the environmental and social impacts of the proposed activities.
- Step 5: Evaluate the effectiveness of the activities.
- Step 6: Expected products/ results to be achieved when completing the support model.
- Step 7: Select support activities, complete the approval documents.

3. Ha Tinh Province

3.1. Capacity building communication

As of June 30, 2025, the Provincial Forest Protection and Development Fund and forest owners have implemented many communication and training activities to improve the capacity to implement the ERPA policy, specifically:

- Organize 03 training courses on the emission reduction payment policy (ERPA) for forest owners who are organizations, commune-level People's Committees and beneficiaries in the following localities: Cam Xuyen, Huong Khe and Ha Tinh city.
- Organize 01 working group to learn from experiences in Quang Tri and Hue provinces.
- Organize 01 training course on the Law on Procurement in 2023.
- Organize the purchase, printing and distribution of communication products, including calendars, raincoats, umbrellas, hats, leaflets, billboards, posters, and communication signs of ERPA-supported forest areas.
- Publish 24 communication articles in print and electronic newspapers reflecting the results of implementing the ERPA policy, raising public awareness.

Forest owners print leaflets, put up billboards and posters to promote the content of the ERPA supply forests, etc.

Through organizing communication and training activities, it has contributed to raising awareness and sense of responsibility of local Party committees, authorities, relevant agencies and units, forest

owners and communities in implementing the policy of payment for forest carbon absorption and storage services and in forest management, protection and development, contributing to socio-economic development, protecting the ecological environment, and responding to the impacts of climate change.

3.2. Silvicultural measures

By June 30, 2025, according to the plan, 24.8 billion VND (equivalent to about 1 million USD) will be spent on silvicultural measures. Forest owners are organizations that have disbursed 0.3 billion VND, reaching about 1.3% of the plan. Forest owners in Ha Tinh have prioritized the use of silvicultural measures, but the implementation results so far are still low.

By September 30, 2025, according to the plan of 61.89 billion VND (equivalent to 2.54 million USD) spent on silvicultural measures, forest owners who are organizations have disbursed 0.36 billion VND, reaching 0.5% of the plan.

Content of implementing silvicultural measures:

- Forest nurturing; and
- Forest enrichment.

4. Quang Binh Province

4.1. Capacity building communication

- The Provincial Fund coordinated with the Economic Security Department - Provincial Police to organize 01 propaganda and training class on forest protection management and introduced some new policies on payment agreements for greenhouse gas emission reduction in the North Central region for forest owners and communities living near forests in Truong Son commune, with 50 participants.

- Coordinate with the People's Committee of Quang Ninh district to organize a conference to implement the ERPA agreement; answer difficulties and problems for forest owners and commune-level People's Committees assigned to manage forests in the area. In addition, the Provincial Fund has coordinated with the Provincial Radio and Television Station, central and local newspapers to publish news articles and reports to propagate the ERPA policy in Quang Binh province.

- To raise awareness and responsibility of People's Committees at all levels, authorities, cadres, forest owners, communities and people in the province about the meaning and importance of the ERPA agreement on payment for greenhouse gas emission reduction in the North Central region for forest management, protection and development in Quang Binh province. In the past, the Provincial Forest Protection and Development Fund has organized the following activities:

- + Coordinate with Quang Binh Newspaper and Agriculture News to edit articles to promote the results of the implementation of the Agreement on payment for greenhouse gas emission reduction in the North Central region and publish them in Quang Binh Newspaper and Agriculture News with a total of 07 articles.
- + Coordinate with Forest Protection Departments and Commune People's Committees to organize 07 propaganda campaigns on the policy of payment for greenhouse gas emission reduction with the participation of 429 people, including 210 women and 62 ethnic minorities.

The main contents of these propaganda campaigns are: The importance of forests to humans; introduction of REDD+; Emission Reduction Program in the North Central region; Decree 107/2022/ND-CP dated December 27, 2022 of the Government on the pilot agreement on payment for emission reduction in the North Central region and the plan to implement the emission reduction program in Quang Binh. Through these campaigns, the difficulties and problems of forest owners who are households and individuals have been resolved by the relevant parties.

+ Organize 3 training courses on financial planning guidance and payment and use guidance after the Financial Plan is approved with revenue from the Agreement on payment for greenhouse gas emission reduction in the North Central region for forest owners who are organizations and People's Committees Commune level is assigned to manage natural forests, the Commune People's Committee participates in forest management agreements with forest owners who are organizations, People's Committees of districts and towns with 180 participants.

4.2. Silvicultural measures

In Quang Binh, forest owners are organizations that focus on contracting out forest protection, supporting community livelihoods and rural infrastructure, but do not allocate funds for silvicultural measures. Because ERPA resources are mainly concentrated on contracting out forest protection, supporting community livelihoods and rural infrastructure, these are urgent needs and can easily gain community consensus; Quang Binh has many areas of special-use forests and protective forests belonging to National Parks and Nature Reserves, which have invested in silvicultural activities from other budget sources.

4.3. Support for livelihood development and forest protection contracting

Quang Binh Provincial Fund oversaw a balanced approach to the small livelihood project, which included both public infrastructure development and economic improvement through support for seedlings and seedlings and capacity building propaganda. This took account of the characteristics of the mountainous areas of the province where many ethnic minorities live, with a total of 86 livelihood models supported by ERPA funds distributed according to the program. This included 74 public infrastructure models (86%), 6 communication models (7%) and 6 models supporting trees and seedlings (7%). Infrastructure is still lacking, and communities still prioritize investment in public works: village roads, cultural houses, and domestic water are the basic conditions to ensure community life. From there, it contributes significantly to connecting community interests with the goal of forest protection, both improving community life and effectively preserving forests.

In the main forested area, there are 73 communities participating in forest protection contracts covering an area of 83,941 hectares with an amount of 45.64 billion VND (equivalent to 1.87 million USD), of which about 50% of the amount has been paid to the community. Having additional ERPA funding has helped forest owners, organizations, to strengthen the forest protection force through contracts with communities living along the forest edge, contributing to improving the quality of natural forests.

4.4. Community consultation meetings

Example of a consultation meetings in Quang Binh:

Le Ky I village, Vinh Ninh commune, Quang Ninh district, Quang Binh province has 183 households and individuals living there. The community representative is Ms. Nguyen Thi Nu (village head). The village community held a consultation meeting and agreed to choose the livelihood support activity: making concrete roads.

The specific implementation steps are as follows:

Step 1: Community consultation meeting: 102 members who are household heads attended the meeting, in which they discussed and agreed to choose the option of making concrete roads (voting by raising hands) - March 2025.

Step 2: Submit the detailed plan and estimate to the People's Committee of Vinh Ninh commune and the forest owner, which is the organization of the Forest Protection Management Board of Quang Ninh district, for approval - April 2025.

Step 3: Construction of the project - April 2025.

Step 4: Project acceptance (The project is completed with a support amount of 50 million VND) - May 2025.

5. Quang Tri Province

5.1. Capacity building communication

The Provincial Fund has organized propaganda and dissemination through television reports and written articles to create consensus and unified awareness of ERPA among all levels, sectors, and beneficiaries; organized 13 seminars, training courses, and capacity building training with over 1,000 participants. The results of communication work are as follows: 02 broadcasts on television, 15 posters, 1,000 leaflets, brochures, and over 500 other communication products distributed.

5.2. Silvicultural measures

By June 30, 2025, according to the plan, 1.8 billion VND (equivalent to about USD 0.07 million) was spent on silvicultural measures. Forest owners are organizations that have disbursed 100% of the plan. Forest Management Boards in Quang Tri have had experience implementing many forestry projects in the past, so they are quite quick in deploying ERPA resources for silvicultural measures. In addition, forest owners still prioritize supporting livelihood development and contracting forest protection.

Silvicultural measures: nurturing natural forests.

5.3. Supporting livelihood development and contracting forest protection

In Quang Tri province, the livelihood models selected and implemented by the community show a more balanced approach than in many other localities. Of the total 66 models, the majority are still small-scale public infrastructure projects such as repairing village cultural houses, concreting inner-village roads, and community lighting, accounting for about 77.3% of the total number of models. However, it is noteworthy that there are up to 14 models supporting crops and livestock breeds (accounting for 21.2%), the highest among the provinces, along with 01 communication model. This reflects the characteristics of Quang Tri province with a large forest area, where the Van Kieu and Pa Co people live mainly on agriculture and forestry, and the need to both improve living infrastructure and create livelihoods associated with the forest. Livelihood development models supporting essential infrastructure projects help significantly improve the quality of life, create conditions for the

community to have a common living space, strengthen solidarity and enhance the attachment of people in the community. Concrete village road and lighting projects also indirectly support forest patrol and protection activities, making travel more convenient and safer. Livelihood development models supporting trees and seedlings bring direct economic benefits to households, helping them have a stable source of income, thereby reducing the pressure of illegal exploitation of forest products.

Regarding forest protection contracts, there are 13 communities participating in forest protection contracts with organized forest owners with an area of 9,820 hectares and an amount of 3.9 billion VND (equivalent to USD 0.16 million) as planned. Of which, 100% has been paid to the communities. The North Central region emission reduction payment policy implemented in the province has contributed to creating an important source of funding to help maintain forest management and protection, support livelihood development, and improve the lives of households, individuals, and communities in the province.

5.4. Community consultation meetings

The sequence of the community consultation meeting in Quang Tri is as follows:

Step 1: Opening the meeting

- Community representative announces the reason and introduces the participants.
- Clearly state the purpose of the meeting: Discuss the plan to use livelihood support from the source of greenhouse gas emission reduction payments according to Decree 107/2022/NĐ-CP for the amount of support received from forest owners who are organizations

Step 2: Implement the content of the decree

The representative of the Forest Management Board disseminates relevant regulations:

- + Support level for each residential community.
- + Funding principles: public, transparent, linked to forest protection management.
- + Process of receiving, using and responsibility for reporting implementation results.

Step 3: Community discussion

- Households participate in giving opinions on needs and actual conditions.
- Proposing suitable livelihood models
- Discussing feasibility, economic efficiency, and the level of connection with forest protection.

Step 4: Synthesizing opinions

Agreeing on choosing a livelihood model

Step 5: Conclusion and commitment

- The community commits to using the support source for the right purpose, effectively, and transparently.
- Community representatives are assigned to make detailed plans, report to competent authorities for approval and supervision.

6. Hue City (Province)

6.1. Capacity building communication

To promote the dissemination of Decree 107/2022/ND-CP in practical forms and contents, with special attention to digital communication, contributing to further improving the awareness and capacity to implement policies of authorities at all levels, mass organizations, and ERPA beneficiaries, specifically:

- Conduct 21 communication classes on payments from ERPA sources and instructions on preparing ERPA payment records with the participation of more than 800 people, of which women account for 17.57%, attending classes with more than 70% of ethnic minorities belonging to the People's Committees of communes/towns and communities, groups of households benefiting from greenhouse gas emission reduction payments according to Decree 107/2022/ND-CP in the districts: A Luoi, Phu Loc, Phong Dien, Phu Vang and Huong Tra town.
- Coordinate with VTV1, VTV8, and local television stations (TRT) to produce 12 broadcast reports on ERPA implementation in the city; broadcast 162 times the content of news articles (including Kinh and ethnic minority languages: Co Tu, Pa Co) on greenhouse gas emission reduction payments (ERPA) in communes/towns in Phu Loc and A Luoi districts.
- Coordinate with reputable newspapers to write and publish 25 articles in magazines and electronic newspapers.
- Implement 2 propaganda campaigns at secondary schools in A Luoi district through a speech contest with the theme "Protecting forests is protecting our lives".
- Install 10 new large billboards and repair 19 billboards with propaganda content about ERPA in central locations and main roads of communes/districts; produce and distribute 300 propaganda boards to be placed at the entrances to the forests to educate people about forest-related livelihood activities.
- Coordinate with the Forest Protection Department, District Forest Protection Department, and Commune People's Committees to organize the activity "Planting trees to propagate payment for greenhouse gas emission reduction", responding to the program of planting 1 billion trees with more than 1,000 native forest trees.
- Integrate activities to distribute hundreds of useful ERPA propaganda products such as raincoats, thermos bottles, notebooks, T-shirts, hats, etc.
- In addition, regularly update activities related to the implementation of ERPA payments of the unit to post on the website <http://huefpdf.org/> of the Hue City Forest Protection and Development Fund.
- Cooperate with organizations and project programs to implement several communication activities on ERPA payments.

6.2. Silvicultural measures

According to the plan, the forest owners organized in Hue allocated more than 11.6 billion VND (about USD 0.48 million) from ERPA sources for silvicultural measures. However, by June 30, 2025, data showed that only 191 million VND had been disbursed, equivalent to about 1.6% of the plan. Forest owners organized a large amount of capital for silvicultural measures, more for livelihood development support and forest protection contracts.

By September 30, 2025, according to the plan, there were 42.9 billion VND (equivalent to about USD 1.76 million) for silvicultural measures, of which the forest owners were organizations that disbursed 191 million VND, reaching 0.4% of the plan.

Silvicultural measures: not yet implemented.

The Implementing silvicultural measures in Hue face difficulties, specifically: silvicultural measures usually have an impact period of 5-6 years, while the allocated ERPA budget only has 02 years left, the additional balance funding source for implementation in the remaining years is difficult to arrange; the work and implementation process for approving sustainable forest management plans takes a long time; the area of "bare land" in ecological restoration subdivisions (of SUFs) is often fragmented, not concentrated, steep, and difficult to access, so implementing zoning and promoting regeneration is difficult.

6.3. Support for livelihood development and forest protection contracts

In addition to the annual payment for forest environmental services from hydropower and clean water, the community is given a new source of finance, increasing the sources of income related to protected forests, creating a sustainable source of livelihood for people living near forests, especially ethnic minorities (accounting for nearly 70%). Many communities have expanded the area of medicinal plants and secondary forest products under the forest canopy, contributing to improving income from the forest.

With the method of "taking the community as the center of activities related to ERPA payments", forest owners who are organizations have coordinated with local authorities to organize meetings with communities living adjacent to the unit's natural forests to obtain opinions on determining the need for protection contracts and planning for livelihood development activities that need investment support. These communities are supported to serve livelihood development activities that are unanimously chosen by the community, such as clean water projects, village lighting, small internal village roads, repairing village community houses, toilets, supporting plant varieties, etc., contributing to improving infrastructure and public works that the State has not yet invested in or promptly repaired.

The livelihood models selected and implemented by the community show a clear priority for public infrastructure, along with models supporting crops and livestock. Livelihood development models supporting infrastructure are often located in mountainous communes bordering forests such as A Luoi and Nam Dong, where the Ta Oi and Pa Co people reside. In these areas, transportation infrastructure and living facilities are still lacking, so even a small amount of investment will create positive changes in daily life and especially support forest patrolling activities. For livelihood models supporting trees and livestock, they also contribute to creating economic benefits for people in the communities.

Forest owners are organizations that have coordinated with local authorities to meet with communities residing in areas adjacent to the unit's natural forests to determine the forest area they want to contract for forest protection. 105 communities are participating in forest protection contracts covering an area of 21,646 hectares with an amount of VND 8.46 billion (equivalent to about USD 0.35 million) as planned. The additional ERPA funding has helped forest owners who are organizations to strengthen the forest protection force through contracts with communities living along the forest, contributing to improving the quality of natural forests.

6.4. Community consultation meetings

The forest owners have coordinated with the People's Committees at the commune level and the residential communities adjacent to the unit's forest to review and synthesize advice for the Provincial People's Committee (now the City People's Committee) to approve the list of communities/villages bordering the unit's forest area. Based on the approved list of communities/villages bordering the unit, representatives of the forest owners have disseminated and directly discussed with the village heads and heads of the community forest management board on the content of implementing the Agreement on participation in forest management activities.

After that, the village heads/community forest management board heads organized a village/community meeting so that the members of the village/community could grasp the information and vote to agree on the implementation of the forest protection contract and the desired livelihood support model. Then, the village meeting minutes (Minutes of the community meeting) and the proposal to participate in the forest protection management agreement are sent to the organizing forest owner.

Based on the request to participate in the forest protection management agreement of the communities/villages, the organizing forest owner will notify and hold a meeting to agree on a 3-party agreement between the representative of the organizing forest owner, the representative of the People's Committee at the commune level, and the representative of the community/village to sign the Agreement.

Agree to participate in forest management activities on the contents of the contract implementation and livelihood support model.

Based on the notification of the forest owner and the consensus of the community on livelihood development support, the community representative develops a plan and budget estimate to support livelihood development for the forest owner to unify and confirm with the Commune People's Committee and the community representative. After that, the forest owner organizes the implementation of the advance payment of the contract implementation costs and financial support and according to the agreement and accepts, liquidates, and makes payment after completion of the work.

In addition, the forest owners organize annual dissemination sessions at the village/community level to inform people about forest protection and management, and the contents of the benefit sharing plan according to Decree 107/2022/ND-CP.

Appendix 3. BENEFIT SHARING UPDATE TO 9/30/2025

Table 16. RESULTS OF RECEIVING ERPA REVENUE AT VNFF FROM WB FOR THE PERIOD 2023-2025

TT	Content	Total actual revenue (Thousand VND)	Funds received from WB		Bank Deposit Interest (Thousand VND)	Total Expenses (Thousand VND)		
			USD	Thousand VND		Total	Local coordination costs	Funds allocated from VNFF (the Ministry has approved the usage plan)
1	2	3 = 5 + 6	4	5	6	7	8	9
	Total	1.387.652.561	56.500.000	1.387.585.000	67.561	1.235.328.148	1.213.168.469	22.159.679
1	Year 2023	997.040.942	41.200.000	997.040.000	942	964.553.662	962.138.182	2.415.480
2	Year 2024	259.626.619	10.300.000	259.560.000	66.619	257.262.367	251.030.287	6.232.080
3	Year 2025	130.985.000	5.000.000	130.985.000	-	13.512.119	-	13.512.119

Table 17. LOCAL ERPA COLLECTION RESULTS FOR THE PERIOD 2023 - 2025

Unit: Thousand VND

TT	Content	Total	Coordinated funding	Bank deposit interest	Percentage (%)
1	2	3 = 4+ 5	4	5	6
	Total	1.215.657.938,03	1.213.168.469,14	2.592.758,14	100%
1	Thanh Hóa	199.336.656,02	198.935.516,02	401.140,00	16%
1.1	Year 2023	162.602.448,18	162.528.520,11	73.928,07	
1.2	Year 2024	36.628.692,12	36.406.995,91	221.696,21	
1.3	Year 2025	105.515,72		105.515,72	
2	Nghệ An	356.435.438,11	355.586.870,11	848.568,00	29%
2.1	Year 2023	283.028.146,69	282.546.519,68	481.627,01	
2.2	Year 2024	73.407.291,41	73.040.350,42	366.940,99	
2.3	Year 2025				
3	Hà Tĩnh	158.798.356,43	158.281.716,24	516.640,19	13%
3.1	Year 2023	123.193.197,66	122.884.461,99	308.735,67	
3.2	Year 2024	35.605.158,78	35.397.254,26	207.904,52	

3.3	Year 2025				
4	Quảng Trị (new)	364.970.178,44	364.389.421,08	580.757,36	30%
4.1	Year 2023	286.887.400,44	286.744.927,35	142.473,09	
4.2	Year 2024	77.945.233,85	77.644.493,73	300.740,12	
4.3	Year 2025	137.544,15	-	137.544,15	
5	Huế	136.222.824,75	135.974.945,69	247.879,06	11%
5.1	Year 2023	107.579.100,85	107.433.752,98	145.347,88	
5.2	Year 2024	28.643.723,90	28.541.192,71	102.531,19	
5.3	Year 2025				

Table 18. RESULTS OF LOCAL ERPA EXPENDITURES IN THE PERIOD 2023 - 2025

Unit Thousands of VND

TT	Location	Budget approved by the Provincial People's Committee			Disbursement results up to September 30, 2025			Estimate payments up to 31/12/2025	Disbursement rate (%)	
		Total	Management costs	Funding for forest owners	Total	Management costs	Funding for forest owners		Compared to plan	Compared with actual revenue

1	2	3 = 4 + 5	4	5	6 = 7 + 8	7	8	9	10 = 6/3*100	11
	Total	1.199.610.309,54	83.794.259,54	1.115.816.050,00	1.064.738.173,16	34.009.748,56	1.030.728.424,60	1.137.524.311,81	94,82%	93,57%
1	Thanh Hóa	198.935.516,03	18.459.256,00	180.476.260,03	169.060.698,35	5.607.839,04	163.452.859,31	180.099.785,40	90,53%	90,40%
1.1	Year 2023	48.990.035,05	2.468.876,56	46.521.158,49	48.990.035,05	2.468.876,56	46.521.158,49			
1.2	Year 2024	58.691.177,12	1.684.280,25	57.006.896,87	58.691.177,12	1.684.280,25	57.006.896,87			
1.3	Year 2025	91.254.303,86	14.306.099,19	76.948.204,67	61.379.486,19	1.454.682,23	59.924.803,95			
2	Nghệ An	356.243.549,15	21.178.905,08	335.064.644,06	306.524.157,57	6.519.066,10	300.005.091,47	328.578.549,36	92,23%	92,18%
2.1	Year 2023	-	-	-	-	-	-			
2.2	Year 2024	177.651.222,55	4.369.977,19	173.281.245,36	177.651.222,55	4.369.977,19	173.281.245,36			
2.3	Year 2025	178.592.326,60	16.808.927,89	161.783.398,70	128.872.935,02	2.149.088,91	126.723.846,11			
3	Hà Tĩnh	144.066.570,00	14.406.656,00	129.659.914,00	130.253.631,55	10.165.010,17	120.088.621,38	135.497.491,75	94,05%	85,33%
3.1	Year 2023	-	-	-	-	-	-			
3.2	Year 2024	90.143.057,00	9.014.305,00	81.128.752,00	81.632.023,55	5.728.452,17	75.903.571,38			
3.3	Year 2025	53.923.513,00	5.392.351,00	48.531.162,00	48621608	4436558	44185050			
4	Quảng Trị (New)	364.389.791,07	24.113.697,46	340.276.093,61	328.731.200,60	8.436.353,35	320.294.847,24	359.023.641,32	98,53%	98,37%
4.1	Year 2023	90.269.295,23	1.887.141,19	88.382.154,04	89.964.166,69	1.582.557,13	88.381.609,56			

4.2	Year 2024	124.018.113,94	5.164.313,48	118.853.800,46	122.991.147,92	4.137.347,46	118.853.800,46			
4.3	Year 2025	150.102.381,91	17.062.242,79	133.040.139,12	115.775.885,99	2.716.448,76	113.059.437,23			
5	Huế	135.974.883,29	5.635.745,00	130.339.138,29	130.168.485,09	3.281.479,89	126.887.005,19	134.324.844,00	98,79%	98,61%
5.1	Year 2023	37.320.667,29	1.879.800,00	35.440.867,29	37.236.496,29	1.795.629,00	35.440.867,29			
5.2	Year 2024	43.779.501,00	1.682.000,00	42.097.501,00	42.978.460,50	1.156.749,00	41.821.711,50			
5.3	Year 2025	54.874.715,00	2.073.945,00	52.800.770,00	49.953.528,29	329.101,89	49.624.426,40			

Table 19. Results of ERPA payments to forest owners and beneficiaries in the period 2023 - 2025

Unit: Thousand VND

STT	Content	Number of beneficiaries	Forest area (ha)	The plan was approved by the Provincial People's Committee for the period 2023 - 2025 (Unit: Thousand VND)	Disbursement results for the period 2023 - 2025 (Unit: Thousand VND)					Estimated remaining amount after December 31, 2025 (Thousand VND)
					Total	Year 2023	Year 2024	2025 (until September 30, 2025)	2025 (Estimated to December 31, 2025)	
1	2	3	4	5	6 = 7+8+10	7	8	9	10	11 = 5-6
	Total	79.433,00	2.154.372,38	1.101.473.096,92	1.075.412.976,45	170.343.635,34	466.851.486,76	393.517.563,69	438.217.854,35	26.060.120,47
1	Forest owners are households and individuals.	77.701,00	356.676,28	167.950.901,95	160.184.703,88	22.939.676,94	71.407.842,60	49.556.169,84	65.837.184,34	7.766.198,07

2	Forest owners are communities	1.078,00	127.275,70	68.253.068,19	64.877.248,33	11.306.685,44	26.883.618,74	24.578.906,40	26.686.944,15	3.375.819,86
3	Forest owner is an organization	140	1.381.753,09	762.851.577,10	756.161.319,53	119.187.850,70	330.398.097,47	296.998.045,17	306.575.371,36	6.690.257,57
4	The CPC is assigned by the State to manage the land.	502	197.087,83	97.938.744,13	90.516.478,46	15.895.912,40	36.944.160,13	20.942.493,72	37.676.405,93	7.422.265,67
5	Other organizations assigned by the State to manage the environment	12	91.579,49	4.478.805,56	3.673.226,26	1.013.509,87	1.217.767,82	1.441.948,57	1.441.948,57	805.579,30